

2001

TRACKER FUND OF
HONG KONG

INTERIM REPORT

SSGA.

STATE STREET GLOBAL ADVISORS

TraHK
Tracker Fund of Hong Kong

*For the period from
1st January 2001
to 30th June 2001*

TraHK

Tracker Fund of Hong Kong

TRAHIK



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CONDENSED STATEMENT OF OPERATIONS
FOR THE PERIOD ENDED 30TH JUNE 2001

		(UNAUDITED)	
		01.01.2001	23.10.1999
		to	to
		30.06.2001	30.06.2000
	Note	HK\$	HK\$
Income			
Dividends		466,873,272	533,557,650
Transaction fee	3(a)	13,016,261	13,231,954
Bank interest	7(c)	3,400,398	3,995,543
Other income	3(b)	5,202,140	5,388,400
		<u>488,492,071</u>	<u>556,173,547</u>
Overseas withholding tax	5	<u>(18,872,638)</u>	<u>(12,470,704)</u>
		----- 469,619,433	----- 543,702,843
Expenses			
Management fee	7(a)	(6,878,772)	(9,124,888)
Trustee fee	7(b)	(6,878,772)	(9,124,888)
Conversion agent fee	8(b)	(5,322,400)	(5,384,294)
Index license fee	8(c)	(2,295,700)	(2,335,903)
Registrar fee	8(a)	(2,039,617)	(2,718,085)
Bank charges		(1,119,131)	(993,350)
Publication and printing expenses		(1,985,271)	(995,720)
Legal and other professional fees		(786,892)	(435,000)
Amortisation of set-up costs		(269,020)	(343,880)
Audit fee		(68,243)	(57,143)
Other operating expenses		<u>(2,342,252)</u>	<u>(926,455)</u>
		(29,986,070)	(32,439,606)
Dividend equivalent amount on units issued		194,411,435	117,384,929
Dividend equivalent amount on units redeemed		<u>(129,779,749)</u>	<u>(161,701,319)</u>
		----- 34,645,616	----- (76,755,996)
Net income available for distribution		504,265,049	466,946,847
Amount transferred to the statement of distribution		<u>(504,265,049)</u>	<u>(466,946,847)</u>
		----- -----	----- -----

The notes on pages 9 to 15 form part of these condensed financial statements.



CONDENSED STATEMENT OF OPERATIONS (Continued)
FOR THE PERIOD ENDED 30TH JUNE 2001

	(UNAUDITED)	
	01.01.2001	23.10.1999
	to	to
	30.06.2001	30.06.2000
Note	HK\$	HK\$
Net investment (loss) / gain		
Realised (loss) / gain on sale of investments	(2,919,248,820)	7,969,364,886
Net change in unrealised (loss) / gain on revaluation of investments	<u>(916,392,375)</u>	<u>512,449,024</u>
	<u>(3,835,641,195)</u>	<u>8,481,813,910</u>
Net (loss) / income for the period (excluding amount transferred to the statement of distribution)	(3,835,641,195)	8,481,813,910
Amount transferred from / (to) the capital account	<u>3,835,641,195</u>	<u>(8,481,813,910)</u>
	<u><u>-</u></u>	<u><u>-</u></u>

A statement of recognised gains and losses is not presented as the Fund has no other gains and losses apart from the net income available for distribution and transferred to the statement of distribution and the net loss / income for the period and transferred from / to the capital account.

The notes on pages 9 to 15 form part of these condensed financial statements.

CONDENSED STATEMENT OF ASSETS AND LIABILITIES
AS AT 30TH JUNE 2001

		(UNAUDITED)	
		30.06.2001	31.12.2000
	Note	HK\$	HK\$
Assets			
Investments		28,261,507,990	28,481,410,478
Set-up costs		1,826,868	2,095,888
Dividend receivable		2,388,426	2,369,376
Other accounts receivable and prepayments		160,230	665,112
Amounts due from brokers		3,479,643	2,567,140
Bank balances	7(c)	178,610,748	88,130,914
Total assets		<u>28,447,973,905</u>	<u>28,577,238,908</u>
Liabilities			
Trustee fee payable		3,596,384	3,423,802
Management fee payable		3,596,384	3,423,802
Index license fee payable		1,156,132	1,080,728
Registrar fee payable		246,166	269,500
Other accounts payable and accruals		1,060,823	845,062
Amounts due to brokers		3,518,248	5,612,296
Total liabilities		<u>13,174,137</u>	<u>14,655,190</u>
Net assets		<u>28,434,799,768</u>	<u>28,562,583,718</u>
Financed by:			
Capital account		<u>28,434,799,768</u>	<u>28,562,583,718</u>
Units in issue	4	<u>2,160,992,500</u>	<u>1,882,992,500</u>
Net asset value per unit		<u>13.16</u>	<u>15.17</u>
Net asset value per Creation Unit (1 Creation Unit is equivalent to 1,000,000 units)			
		<u>13,158,213</u>	<u>15,168,719</u>

The notes on pages 9 to 15 form part of these condensed financial statements.

CONDENSED STATEMENT OF MOVEMENTS IN CAPITAL ACCOUNT
FOR THE PERIOD ENDED 30TH JUNE 2001

	(UNAUDITED)	
	01.01.2001	23.10.1999
	to	to
	30.06.2001	30.06.2000
Note	HK\$	HK\$
Balance at the beginning of the period	28,562,583,718	-
Proceeds on issue of units for cash (excluding dividend equivalent amount and further cash amount)	9 23,102,964,764	60,274,176,087
In-kind payments on redemption of units (excluding dividend equivalent amount and further cash amount)	9 (22,052,631,540)	(43,922,775,525)
In-kind proceeds on issue of units (excluding dividend equivalent amount and further cash amount)	9 2,565,446,791	3,064,332,902
Net further cash amount (paid) / received on issue and redemption of units	(189,019)	419,300
	32,178,174,714	19,416,152,764
Amount transferred (to) / from the statement of operations (excluding of amount transferred to the statement of distribution)	(3,835,641,195)	8,481,813,910
Undistributed income transferred from the statement of distribution	92,266,249	169,508,047
Balance at the end of the period	28,434,799,768	28,067,474,721

The notes on pages 9 to 15 form part of these condensed financial statements.

CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30TH JUNE 2001

		(UNAUDITED)	
		01.01.2001	23.10.1999
		to	to
		30.06.2001	30.06.2000
	Note	HK\$	HK\$
Operating activities			
Dividend received		466,854,222	521,303,539
Transaction fee received		10,620,000	16,980,000
Bank interest received		3,410,832	3,978,059
Other income received		5,202,140	5,388,400
Cancellation fee received		102,000	-
Overseas withholding tax paid		(18,872,638)	(12,470,704)
Management fee paid		(6,706,190)	(5,785,435)
Trustee fee paid		(6,706,190)	(5,785,435)
Conversion agent fee paid		(4,316,000)	(6,814,133)
Index license fee paid		(2,220,296)	(1,272,748)
Registrar fee paid		(2,062,951)	(2,612,602)
Bank charges paid		(1,294,135)	(1,707,056)
Publication and printing expenses paid		(1,741,345)	(693,553)
Legal and other professional fees paid		(401,633)	(347,167)
Other operating expenses paid		(866,606)	(3,352,716)
Dividend equivalent amount received on creation of units		194,411,435	117,384,929
Dividend equivalent amount paid on redemption of units		(129,779,749)	(161,701,319)
		<u>505,632,896</u>	<u>462,492,059</u>
Net cash inflow from operating activities	6	505,632,896	462,492,059
Servicing of finance			
Interim distribution paid		(411,998,800)	(297,438,800)
		<u>(411,998,800)</u>	<u>(297,438,800)</u>
Net cash outflow from servicing of finance		(411,998,800)	(297,438,800)

The notes on pages 9 to 15 form part of these condensed financial statements.



CONDENSED STATEMENT OF CASH FLOWS (Continued)
FOR THE PERIOD ENDED 30TH JUNE 2001

		(UNAUDITED)	
		01.01.2001	23.10.1999
		to	to
		30.06.2001	30.06.2000
Note		HK\$	HK\$
Investing activities			
	Purchase of investments	9 (25,022,677,742)	(62,266,540,625)
	Sale of investments	9 1,916,747,735	1,992,234,750
		<u>(23,105,930,007)</u>	<u>(60,274,305,875)</u>
Financing			
	Issue of units	9 23,102,964,764	60,274,176,087
	Net further cash amount (paid) / received on issue and redemption of units	<u>(189,019)</u>	<u>419,300</u>
		<u>23,102,775,745</u>	<u>60,274,595,387</u>
	Increase in cash and cash equivalent	90,479,834	165,342,771
	Bank balances at the beginning of the period	<u>88,130,914</u>	<u>-</u>
	Bank balances at the end of the period	<u><u>178,610,748</u></u>	<u><u>165,342,771</u></u>

Please refer to note 9 on page 13 for details of major non-cash transactions.

The notes on pages 9 to 15 form part of these condensed financial statements.

CONDENSED STATEMENT OF DISTRIBUTION
FOR THE PERIOD ENDED 30TH JUNE 2001

	(UNAUDITED)	
	01.01.2001	23.10.1999
	to	to
	30.06.2001	30.06.2000
	HK\$	HK\$
Amount transferred from the statement of operations	504,265,049	466,946,847
Interim distribution		
– HK\$0.16 on 1,858,992,500 units paid on 22nd May 2000		– (297,438,800)
– HK\$0.16 on 2,574,992,500 units paid on 22nd May 2001	(411,998,800)	–
Undistributed income transferred to the capital account	<u>92,266,249</u>	<u>169,508,047</u>

The notes on pages 9 to 15 form part of these condensed financial statements.



NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS

1 The Fund

Tracker Fund of Hong Kong (the “Fund”) is a unit trust which is governed by its trust deed dated 23rd October 1999. The Fund is authorised by the Securities & Futures Commission of Hong Kong under Section 15 of the Securities Ordinance. The Fund is also listed on the Stock Exchange of Hong Kong Limited (a subsidiary of The Hong Kong Exchanges and Clearing Limited).

The Fund’s objective is to provide investment results that closely correspond to the performance of the Hang Seng Index.

2 Principal accounting policies

The unaudited condensed financial statements are prepared in accordance with Hong Kong Statement of Standard Accounting Practice No. 25, “Interim Financial Reporting”, issued by the Hong Kong Society of Accountants in so far as it is applicable to unit trusts.

The accounting policies and methods of computation used in the preparation of the condensed financial statements are consistent with those used in the annual financial statements for the period ended 31st December 2000.

3 Income

(a) Transaction fee

For each application for the creation of units or for the redemption of units, the Fund is entitled to receive a transaction fee of HK\$30,000 per application.

(b) Other income

Other income represents registrar charges levied on Unitholders (other than HKSCC Nominees) who hold units registered in his name as at each Record Date for the relevant distribution. Currently, these charges amount to HK\$80 per year per Unitholder. Such charges are deducted on a half-yearly basis from the half-yearly distributions payable to the relevant Unitholders.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
(Continued)

4 Units in issue

	Number of units		
	01.01.2001	01.07.2000	23.10.1999
	to	to	to
	30.06.2001	31.12.2000	30.06.2000
Units in issue at the beginning of the period	1,882,992,500	1,730,992,500	-
Issue of units			
– Cash subscription	1,640,000,000	1,456,000,000	4,296,992,500
– In-kind	188,000,000	49,000,000	216,000,000
Redemption of units in-kind	(1,550,000,000)	(1,353,000,000)	(2,782,000,000)
Units in issue at the end of the period	<u>2,160,992,500</u>	<u>1,882,992,500</u>	<u>1,730,992,500</u>

5 Taxation

No provision for Hong Kong profits tax has been made as the interest, dividend income and realised gains on disposal of investments of the Fund are excluded from the charge to profits tax under either Section 14, Section 26 or Section 26A of the Hong Kong Inland Revenue Ordinance.

Overseas withholding tax was charged on certain dividend income received during the period.

6 Reconciliation of net income available for distribution to net cash inflow from operating activities

	01.01.2001	23.10.1999
	to	to
	30.06.2001	30.06.2000
	HK\$	HK\$
Net income available for distribution	504,265,049	466,946,847
Increase in dividend receivable	(19,050)	(12,254,111)
Decrease / (increase) in set-up costs and other accounts receivable and prepayments	773,902	(4,709,261)
Increase in trustee fee payable	172,582	3,339,453
Increase in management fee payable	172,582	3,339,453
(Decrease) / increase in registrar fee payable	(23,334)	105,483
Increase in index license fee payable	75,404	1,063,155
Increase in other accounts payable and accruals	215,761	4,661,040
Net cash inflow from operating activities	<u>505,632,896</u>	<u>462,492,059</u>

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
(Continued)**7 Transactions with the Manager and its Connected Persons**

The following is a summary of transactions entered into during the period between the Fund and the Manager and its Connected Persons. Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong. All such transactions were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Fund does not have any other transactions with Connected Persons except for what is disclosed below.

The directors and officers of the Manager may transact in the units of the Fund as principal provided that prior written notice is obtained from the Trustee. As of 30th June 2001, the directors and officers of the Manager together hold 25,700 units in the Fund (2000: 21,450 units).

(a) Management fee

The fee payable to the Manager is calculated at the following annual rates of the net asset value of the Fund on the last dealing day in the relevant quarter:

For first HK\$15 billion of the net asset value	0.050%
For next HK\$15 billion of the net asset value	0.045%
For next HK\$15 billion of the net asset value	0.030%
Any amount by which the net asset value exceeds HK\$45 billion	0.025%

The management fee is accrued daily and is payable quarterly in arrears.

(b) Trustee fee

The fee payable to the Trustee is calculated at the following annual rates of the net asset value of the Fund of the last dealing day in the relevant quarter:

For first HK\$15 billion of the net asset value	0.050%
For next HK\$15 billion of the net asset value	0.045%
For next HK\$15 billion of the net asset value	0.030%
Any amount by which the net asset value exceeds HK\$45 billion	0.025%

The trustee fee is accrued daily and payable quarterly in arrears.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
(Continued)

(c) Bank balances

Bank balances are maintained with the Trustee. Bank balances held with the Trustee as at 30th June 2001 was HK\$178,610,748 (as at 31st December 2000: HK\$88,130,914). During the period, interest earned on the above bank balances was HK\$3,400,398 (for the period ended 30th June 2000: HK\$3,995,543).

8 Other fees

(a) Registrar fee

The fee payable to the Registrar is calculated based on the number of Unitholders on the register on the first business day of the relevant month at the following fee scale, subject to a monthly maximum aggregate registrar fee of HK\$1,000,000:

	<i>HK\$ (per month)</i>
For first 2,000 Unitholders	9,500
For every additional 1,000 Unitholders up to 100,000 Unitholders	2,000
For every additional 1,000 Unitholders up to 200,000 Unitholders	1,800
For every additional 1,000 Unitholders up to 300,000 Unitholders	1,500
For every additional 1,000 Unitholders above 300,000 Unitholders	1,200

In addition, the Registrar is reimbursed for all of its out-of-pocket expenses incurred in connection with performing its services, except for the registrar's fees and out-of-pocket expenses in relation to the Loyalty Bonus Scheme. Refer to note 10 for the further details of the Loyalty Bonus Scheme.

The registrar fee is accrued daily and is payable monthly in advance.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
*(Continued)***(b) Conversion agent fee**

The Conversion Agent receives the higher of a monthly retainer fee of HK\$16,000 plus a transaction fee of HK\$12,000 for each creation and redemption application, and a minimum monthly fee of HK\$36,000.

The conversion agent fee is accrued daily and payable monthly in arrears.

(c) Index license fee

The index license fee is calculated at the rate of 0.015% per annum on the daily average net asset value of the Fund, subject to a minimum of US\$10,000 per annum.

The index license fee is accrued daily and is payable quarterly in arrears.

9 Major non cash transactions

In accordance with the Fund's Trust Deed, units can be issued through either a cash subscription or a creation of an Index Basket. In the latter case, for each Creation Unit (of 1,000,000 units), the Fund receives an Index Basket consisting of constituent shares as determined by the Manager on a daily basis. In addition to 1,640,000,000 units (2000: 4,296,992,500 units) issued in cash of HK\$23,102,964,764 (2000: HK\$60,274,176,087) (excluding dividend equivalent amount and further cash amount) during the period, the Fund also issued 188,000,000 units (2000: 216,000,000 units) in exchange for Index Baskets consisting of investments valued at a total of HK\$2,565,446,791 (2000: HK\$3,064,332,902) (excluding dividend equivalent amount and further cash amount) by the Manager at the time of issue.

In accordance with the Fund's Trust Deed, units can only be redeemed in kind and are not redeemable for cash. During the period, the Fund redeemed 1,550,000,000 units (2000: 2,782,000,000 units) in exchange for Index Baskets consisting of investments valued at HK\$22,052,631,540 (2000: HK\$43,922,775,525) (excluding dividend equivalents amount and further cash amount) by the Manager.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
(Continued)

10 Loyalty Bonus Scheme

In accordance with the Fund's Prospectus dated 25th October 1999, certain Unitholders are eligible to receive Loyalty Bonus Units from the Exchange Fund of the Hong Kong Special Administrative Region Government pursuant to the Loyalty Bonus Scheme as described in the Prospectus. Loyalty Bonus Units are allocated in two tranches. Under the first tranche, one Loyalty Bonus Unit is allocated for every 20 units held continuously from 12th November 1999 to 13th November 2000. Under the second tranche, one Loyalty Bonus Unit will be allocated for every 15 units held continuously from 12th November 1999 (in the case of units issued under the Retail Offer) and from 13th November 2000 (in the case of bonus units issued under the first tranche) to 12th November 2001.

In accordance with the Loyalty Bonus Scheme, on 13th November 2000, approximately 58 million units of the Fund were transferred from the Exchange Fund of the Hong Kong Special Administrative Region Government to the eligible Unitholders under the first tranche of the Loyalty Bonus Scheme.

11 Soft dollar practices

The Manager may effect transactions, provided that any such transaction is consistent with standards of "best execution", by or through the agency of another person for the account of the Fund with whom the Manager or any of its Connected Persons have an arrangement under which that party will from time to time provide to or procure for the Manager or any of its Connected Persons goods, services or other benefits (such as research and advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Fund as a whole and may contribute to an improvement in the performance of the Fund. For the avoidance of doubt, such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
(Continued)**12 Investment limitation and prohibitions under the SFC Code**

The Trustee and the Manager have been granted a waiver from the prohibition under the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong (the "SFC Code") on the Fund holding investments in any single issuer exceeding 10% of the Fund's Net Asset Value. This waiver is limited to any security that accounts for more than 10% of the weighting of the Hang Seng Index and the Fund's exposure to any particular security may not exceed the weighting given to that security in the Hang Seng Index.

Constituent stocks that account for more than 10% of the net asset value of the Fund as at 30th June 2001 were as follows:

	% of net asset value	
	30.06.2001	31.12.2000
HSBC Holdings plc	24.0	27.6
China Mobile (Hong Kong) Ltd.	21.4	20.4

13 Comparatives

Where necessary, certain comparative figures have been adjusted to conform with changes in presentation in the current year. In particular, comparatives have been adjusted for the following items:

- (a) Transaction fee provision is now classified under other accounts payable and accruals. In prior year this provision was disclosed separately.
- (b) Dividends and overseas withholding tax represent the gross amounts and are disclosed separately. In prior year dividends were stated net of overseas withholding tax.
- (c) Amortization of set-up costs during the period is separately disclosed in the condensed statement of operations. In prior year these costs were included under other operating expenses.

The above changes are only presentation changes and do not affect the results for the period nor the net asset value as at the period end.

INVESTMENT PORTFOLIO
AS AT 30TH JUNE 2001

		(UNAUDITED)	
	Market value	% of net	
Holding	HK\$	assets	
Hong Kong			
Listed investments (99.4%)			
Equities (99.4%)			
<i>Properties (14.3%)</i>			
Amoy Properties Ltd.	22,909,275	205,038,011	0.7
Cheung Kong (Holdings) Ltd.	18,353,136	1,560,016,560	5.5
Hang Lung Development Co. Ltd.	10,476,215	79,095,423	0.3
Henderson Investment Ltd.	22,322,677	127,239,259	0.4
Henderson Land Development Co. Ltd.	13,646,045	472,153,157	1.7
Hysan Development Co. Ltd.	8,193,786	81,528,171	0.3
Sino Land Co. Ltd.	30,596,850	99,439,763	0.3
Sun Hung Kai Properties Ltd.	19,026,826	1,336,634,526	4.7
Wheelock & Co. Ltd.	16,094,336	100,589,600	0.4
		<u>4,061,734,470</u>	<u>14.3</u>
<i>Finance (30.2%)</i>			
Bank of East Asia, Ltd., The	11,331,923	205,107,806	0.7
Dao Heng Bank Group Ltd.	5,539,188	347,584,047	1.2
Hang Seng Bank Ltd.	15,151,467	1,212,117,360	4.3
HSBC Holdings plc	73,958,554	6,822,676,607	24.0
		<u>8,587,485,820</u>	<u>30.2</u>
<i>Utilities (5.6%)</i>			
CLP Holdings Ltd.	19,787,131	647,039,184	2.3
Hong Kong Electric Holdings Ltd.	16,910,628	507,318,840	1.8
Hong Kong & China Gas Co. Ltd., The	44,780,808	438,851,918	1.5
		<u>1,593,209,942</u>	<u>5.6</u>

INVESTMENT PORTFOLIO (Continued)
AS AT 30TH JUNE 2001

Holding	(UNAUDITED)		
	Market value HK\$	% of net assets	
<i>Commerce and industry (49.3%)</i>			
Cathay Pacific Airways Ltd.	26,387,932	278,392,682	1.0
Cheung Kong Infrastructure Holdings Ltd.	17,861,301	241,127,563	0.8
China Mobile (Hong Kong) Ltd.	147,433,933	6,074,278,040	21.4
China Resources Enterprises, Ltd.	15,958,840	209,858,746	0.7
China Unicom Ltd.	99,475,337	1,352,864,583	4.7
CITIC Pacific Ltd.	17,401,537	420,247,119	1.5
Hutchison Whampoa Ltd.	33,781,529	2,660,295,409	9.4
Johnson Electric Holdings Ltd.	29,114,539	311,525,567	1.1
Legend Holdings Ltd.	60,004,089	262,517,889	0.9
Li & Fung Ltd.	22,743,808	291,120,742	1.0
MTR Corporation Ltd.	39,764,754	530,859,466	1.9
New World Development Co. Ltd.	16,911,047	160,654,946	0.6
Pacific Century CyberWorks Ltd.	178,109,332	396,293,264	1.4
Shanghai Industrial Holdings Ltd.	7,123,722	98,307,364	0.3
Swire Pacific Ltd. (A shares)	7,449,118	300,944,367	1.1
Television Broadcasts Ltd.	3,470,702	113,839,026	0.4
Wharf (Holdings) Ltd., The	19,383,496	315,950,985	1.1
		<u>14,019,077,758</u>	<u>49.3</u>
Total listed investments		28,261,507,990	99.4
Other net assets		<u>173,291,778</u>	<u>0.6</u>
Net assets at 30th June 2001		<u><u>28,434,799,768</u></u>	<u><u>100.00</u></u>
Total investments, at cost		<u><u>30,279,660,032</u></u>	

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO
FOR THE PERIOD ENDED 30TH JUNE 2001

	(UNAUDITED)			
	Holdings			Total as at 30.06.2001
	Total as at 31.12.2000	Additions	Disposals	
Hong Kong				
Listed investments				
Equities				
<i>Properties</i>				
Amoy Properties Ltd.	21,297,289	20,665,871	19,053,885	22,909,275
Cheung Kong (Holdings) Ltd.	17,061,623	16,555,657	15,264,144	18,353,136
Hang Lung Development Co. Ltd.	9,738,740	9,453,252	8,715,777	10,476,215
Henderson Investment Ltd.	20,751,838	20,137,532	18,566,693	22,322,677
Henderson Land Development Co. Ltd.	12,685,904	12,310,226	11,350,085	13,646,045
Hysan Development Co. Ltd.	7,595,431	7,396,226	6,797,871	8,193,786
Sino Land Co. Ltd.	27,013,358	28,687,560	25,104,068	30,596,850
Sun Hung Kai Properties Ltd.	17,687,528	17,162,712	15,823,414	19,026,826
Wheelock & Co. Ltd.	14,961,823	14,518,490	13,385,977	16,094,336
<i>Finance</i>				
Bank of East Asia, Ltd., The	10,423,818	10,273,810	9,365,705	11,331,923
Dao Heng Bank Group Ltd.	5,134,531	4,989,898	4,585,241	5,539,188
Hang Seng Bank Ltd.	14,085,184	13,667,636	12,601,353	15,151,467
HSBC Holdings plc	68,274,712	66,521,612	60,837,770	73,958,554
<i>Utilities</i>				
CLP Holdings Ltd.	15,330,041	19,853,813	15,396,723	19,787,131
Hong Kong Electric Holdings Ltd.	15,720,341	15,255,674	14,065,387	16,910,628
Hong Kong & China Gas Co. Ltd., The	37,850,620	42,573,260	35,643,072	44,780,808

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (Continued)
FOR THE PERIOD ENDED 30TH JUNE 2001

(UNAUDITED)

Holdings

	Total as at 31.12.2000	Additions	Disposals	Total as at 30.06.2001
<i>Commerce and industry</i>				
Cathay Pacific Airways Ltd.	24,707,694	23,867,815	22,187,577	26,387,932
Cheung Kong Infrastructure Holdings Ltd.	16,604,139	16,113,506	14,856,344	17,861,301
China Mobile (Hong Kong) Ltd.	137,057,862	133,606,189	123,230,118	147,433,933
China Resources Enterprises, Ltd.	14,637,918	14,467,496	13,146,574	15,958,840
China Unicom Ltd.		– 100,662,000	1,186,663	99,475,337
CITIC Pacific Ltd.	16,177,034	15,698,550	14,474,047	17,401,537
Digital China		– 7,143,072	7,143,072	–
First Pacific Co. Ltd.	23,130,990	22,442,402	45,573,392	–
Hutchison Whampoa Ltd.	31,403,847	30,474,788	28,097,106	33,781,529
Johnson Electric Holdings Ltd.	27,065,110	26,263,864	24,214,435	29,114,539
Legend Holdings Ltd.	55,058,773	125,811,232	120,865,916	60,004,089
Li & Fung Ltd.	20,265,658	21,043,703	18,565,553	22,743,808
MTR Corporation Ltd.		– 40,233,000	468,246	39,764,754
New World Development Co., Ltd.	15,572,935	15,227,040	13,888,928	16,911,047
Pacific Century CyberWorks Ltd.	161,183,576	160,135,002	143,209,246	178,109,332
Shanghai Industrial Holdings Ltd.	6,615,338	6,449,548	5,941,164	7,123,722
Smartone Telecommunications Holdings Ltd.	4,427,205	4,290,760	8,717,965	–
Swire Pacific Ltd. (A shares)	6,924,523	6,720,432	6,195,837	7,449,118
Television Broadcasts Ltd.	3,226,151	3,132,028	2,887,477	3,470,702
Wharf (Holdings) Ltd., The	18,019,083	17,485,440	16,121,027	19,383,496

ADMINISTRATION AND MANAGEMENT

Directors of the Manager

Mr. Vincent Duhamel
Mr. John Serhant

**Members of the Supervisory
Committee**

Mr. Marvin Cheung
Mr. Fong Hup
Mrs. Marian Li
Ms. Karen Kemp
Mr. Lawrence Fok

Trustee and custodian

State Street Bank and
Trust Company
32nd Floor, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Registrar

Central Registration Hong Kong
Limited
Shops 1712 – 1716
17/F Hopewell Centre
183 Queen's Road East
Hong Kong

Legal adviser to the Manager

Freshfields Bruckhaus Deringer
11/F, Two Exchange Square
Central
Hong Kong

Legal adviser to the Trustee

Allen & Overy
9/F, Three Exchange Square
Central
Hong Kong

Manager

State Street Global Advisors Asia
Limited
48th Floor, Bank of China Tower
1 Garden Road
Central
Hong Kong

Promoter

Exchange Fund Investment Limited
8th Floor, Gloucester Tower
11 Pedder Street
Central
Hong Kong

Conversion agent

Hong Kong Registrars Limited
2/F Vicwood Plaza
199 Des Voeux Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
22nd Floor
Prince's Building
Central
Hong Kong