

STATE STREET
GLOBAL ADVISORS

SSGA

INTERIM REPORT 2005

1st January 2005 to 30th June 2005

TraHK

Tracker Fund of Hong Kong



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Condensed Statement of Operations

For the period ended 30th June 2005

		(UNAUDITED)	
		01.01.2005	01.01.2004
		to	to
		30.06.2005	30.06.2004
Note		HK\$	HK\$
Revenue			
	Dividends	598,958,605	563,259,038
	Bank interest	8(c) 1,371,553	–
	Transaction fee	5(a) 178,521	254,891
	Other income	5(b) 3,758,213	4,119,984
	Net loss on investments	4 (152,358,673)	(652,860,835)
	Total investment income	<u>451,908,219</u>	<u>(85,226,922)</u>
Expenses			
	Management fee	8(a) 6,562,354	6,565,166
	Trustee fee	8(b) 6,562,354	6,565,166
	Index license fee	9(c) 2,088,747	2,134,043
	Transaction costs	1,366,363	202,207
	Registrar fee	9(a) 1,231,923	1,386,099
	Publication and printing expenses	869,956	1,110,277
	Conversion agent fee	9(b) 214,224	212,000
	Audit fee	51,572	49,797
	Legal and professional fees	24,795	–
	Bank charges	18,426	15,224
	Amortisation set-up costs	–	269,786
	Other operating expenses	575,850	585,396
	Total operating expenses	<u>19,566,564</u>	<u>19,095,161</u>
	Net operating profit/(loss)	432,341,655	(104,322,083)
Finance costs			
	Distributions to unitholders	(584,700,328)	(551,456,651)
	Dividend equivalent amount on units issued	–	2,715,692
		<u>(584,700,328)</u>	<u>(548,740,959)</u>
	Decrease in net assets attributable to unitholders	<u>(152,358,673)</u>	<u>(653,063,042)</u>

The notes on pages 6 to 14 form part of these financial statements.

Condensed Statement of Assets and Liabilities

As at 30th June 2005

		(UNAUDITED) 30.06.2005 HK\$	(AUDITED) 31.12.2004 HK\$
	Note		
Assets			
Bank balances	8(c)	282,821,731	61,533,682
Dividends receivable		80,830,142	96,838,223
Investments		27,448,006,211	30,573,715,525
Other accounts receivables and prepayments		461,133	169,396
		<u>27,812,119,217</u>	<u>30,732,256,826</u>
Total assets			
Liabilities			
Trustee fee payable		3,287,577	3,592,032
Management fee payable		3,287,577	3,592,032
Index license fee payable		1,033,530	1,138,631
Registrar fee payable		391,333	211,500
Other accounts payable and accruals		1,116,804	938,313
		<u>9,116,821</u>	<u>9,472,508</u>
Liabilities (excluding net assets attributable to unitholders)			
		<u>9,116,821</u>	<u>9,472,508</u>
Net assets attributable to unitholders			
		<u>27,803,002,396</u>	<u>30,722,784,318</u>

The notes on pages 6 to 14 form part of these financial statements.

Condensed Statement of Changes in Net Assets Attributable to Unitholders

For the period ended 30th June 2005

	Note	(UNAUDITED)	
		01.01.2005 to 30.06.2005 HK\$	01.01.2004 to 30.06.2004 HK\$
Balance at the beginning of the period		30,722,784,318	27,854,424,604
Effect of change in accounting policy	3(a)	<u>(101,263,081)</u>	<u>–</u>
		<u>30,621,521,237</u>	<u>27,854,424,604</u>
In-kind proceeds on issue of units	10	–	727,707,495
In-kind payments on redemption of units	10	(2,891,225,350)	–
Net further cash amount received on redemption and issue of units		<u>3,504</u>	<u>2,467</u>
Net (redemption)/issue of units		<u>(2,891,221,846)</u>	<u>727,709,962</u>
		27,730,299,391	28,582,134,566
Decrease in net assets attributable to unitholders		(152,358,673)	(653,063,042)
Amount transferred from the statement of distributions		<u>225,061,678</u>	<u>174,227,926</u>
Balance at the end of the period		<u><u>27,803,002,396</u></u>	<u><u>28,103,299,450</u></u>

The notes on pages 6 to 14 form part of these financial statements.

Condensed Statement of Cash Flows

For the period ended 30th June 2005

		(UNAUDITED)	
		01.01.2005	01.01.2004
		to	to
		30.06.2005	30.06.2004
Note		HK\$	HK\$
Operating activities			
	Sale of investments	10 511,427,673	59,069,728
	Purchase of investments	10 (509,095,444)	(57,916,969)
	Dividends received	614,966,686	572,033,549
	Other income received	3,758,213	4,119,984
	Bank interest received	1,346,525	–
	Transaction fee received	150,000	120,000
	Management fee paid	(6,866,809)	(6,732,914)
	Trustee fee paid	(6,866,809)	(6,732,914)
	Index license fee paid	(2,193,848)	(2,189,105)
	Registrar fee paid	(1,052,090)	(1,629,834)
	Publication and printing expenses paid	(824,439)	(1,373,574)
	Conversion agent fee paid	(220,000)	(216,000)
	Bank charges paid	(18,426)	(18,299)
	Other operating (expenses)/income	(23,588,037)	308,160
		<u>580,923,195</u>	<u>558,841,812</u>
	Net cash inflow from operating activities	-----	-----
Financing			
	Net further cash amount received on issue and redemption of units	3,504	2,554
	Interim distribution paid	(359,638,650)	(377,228,725)
		<u>(359,635,146)</u>	<u>(377,226,171)</u>
	Net cash outflow from financing	-----	-----
	Increase in cash and cash equivalents	221,288,049	181,615,641
	Cash and cash equivalents at the beginning of the period	61,533,682	56,339,632
		<u>61,533,682</u>	<u>56,339,632</u>
	Cash and cash equivalents at the end of the period	<u>282,821,731</u>	<u>237,955,273</u>

Please refer to note 10 on page 12 for details of major non-cash transactions.
The notes on pages 6 to 14 form part of these financial statements.

Condensed Statement of Distributions

For the period ended 30th June 2005

	(UNAUDITED)	
	01.01.2005	01.01.2004
	to	to
	30.06.2005	30.06.2004
	HK\$	HK\$
Amount transferred from the condensed statement of operations	584,700,328	551,456,651
Interim distribution		
– HK\$0.17 on 2,218,992,500 units paid on 24th May 2004	–	(377,228,725)
– HK\$0.18 on 1,997,992,500 units paid on 24th May 2005	(359,638,650)	–
	<u>225,061,678</u>	<u>174,227,926</u>
Amount transferred to the condensed statement of changes in net assets attributable to unitholders		
	<u>225,061,678</u>	<u>174,227,926</u>

The notes on pages 6 to 14 form part of these financial statements.

Notes to the Unaudited Condensed Financial Statements

1 General information

Tracker Fund of Hong Kong (the "Fund") is a unit trust which is governed by its Trust Deed dated on 23rd October 1999 (the "Trust Deed"). The Fund is authorized by the Securities & Futures Commission of Hong Kong under Section 104(1) of the Hong Kong Securities and Futures 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 (the "Index").

2 Basis of preparation and accounting policies

This unaudited condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and methods of computation used in the preparation of this condensed financial statements are consistent with those used in the annual financial statements for the year ended 31st December 2004 except that the Fund has changed certain of its accounting policies following its adoption of new/revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRS") which are effective for accounting periods commencing on or after 1st January 2005.

This interim financial statements have been prepared in accordance with those HKFRS standards and interpretations issued and effective as at the time of preparing this information (July 2005).

The changes to the Fund's accounting policies and the effect of adopting these new policies are set out in note 3 below.

3 Effect of adoption of new/revised accounting standards

(a) The adoption of new/revised accounting standards applicable to the Fund on total net assets attributable to unitholders are as follows:

(i) *Impact on the net assets attributable to unitholders brought forward*

	Note	30.6.2005 HK\$
Balance at 1st January 2005 previously reported		30,722,784,318
Changes in valuation of investments	(a)	(101,263,081)
Adjusted balance at the beginning of the year under new/revised accounting standards		<u><u>30,621,521,237</u></u>

(a) In accordance with Hong Kong Accounting Standard ("HKAS") 39 – Financial Instruments: Recognition and Measurement the valuation of investments has been changed to take into account the valuation at bid price rather than at the closing price.

Notes to the Unaudited Condensed Financial Statements (Continued)

3 Effect of adoption of new/revised accounting standards (Continued)

(ii) *Comparative figures*

Due to the adoption of the new/revised accounting standards during the year, the preparation of certain items and balances in the accounts have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been reclassified to conform to the current year's presentation.

(b) *New accounting policies*

The accounting policies used for the condensed financial statements for the six months ended 30th June 2005 are the same as those set out in note 2 to the 2004 annual financial statements except for the following:

(i) *Foreign currency translation*

(a) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The condensed financial statements are presented in Hong Kong dollars, which is the Fund's functional and presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

4 Net loss on investments

	(UNAUDITED)	
	01.01.2005	01.01.2004
	to	to
	30.06.2005	30.06.2004
	HK\$	HK\$
Unrealised gain on investments		
At the beginning of the period	8,789,618,151	5,558,924,440
At the end of the period	<u>7,799,951,022</u>	<u>4,904,334,664</u>
Change in unrealised gain/loss in value of investments	(989,667,129)	(654,589,776)
Realised gain on sale of investments	<u>837,308,456</u>	<u>1,728,941</u>
	<u>(152,358,673)</u>	<u>(652,860,835)</u>

Notes to the Unaudited Condensed Financial Statements (Continued)

5 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 their own names 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.

6 Number of units in issue and net assets attributable to unitholders per unit

	Number of units		
	01.01.2005 to 30.06.2005	01.07.2004 to 31.12.2004	01.01.2004 to 30.06.2004
Units in issue at the beginning of the period	2,140,992,500	2,253,992,500	2,195,992,500
Issue of units in-kind	–	–	58,000,000
Redemption of units in-kind	(209,000,000)	(113,000,000)	–
Units in issue at the end of the period	<u>1,931,992,500</u>	<u>2,140,992,500</u>	<u>2,253,992,500</u>
	HK\$	HK\$	HK\$
Net assets attributable to unitholders	<u>27,803,002,396</u>	<u>30,722,784,318</u>	<u>28,103,299,450</u>
Net assets attributable to unitholders per unit	<u>14.39</u>	<u>14.35</u>	<u>12.47</u>
Net asset value per Creation Unit (1 Creation Unit is equivalent to 1,000,000 units)	<u>14,390,844</u>	<u>14,349,786</u>	<u>12,468,231</u>

Notes to the Unaudited Condensed Financial Statements (Continued)

7 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.

8 Transactions with 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 (the "SFC Code"). All transactions entered into during the period between the Fund and the Manager and its Connected Persons 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 2005, the directors and officers of the Manager together held 95,300 units in the Fund (for the period ended 30th June 2004: 95,300 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.

Notes to the Unaudited Condensed Financial Statements (Continued)

8 Transactions with the Manager and its Connected Persons (Continued)

(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.

(c) *Bank balances*

Bank balances are maintained with the Trustee. Bank balances held with the Trustee as at 30th June 2005 was HK\$282,821,731 (as at 31st December 2004: HK\$61,533,682). During the period, interest earned on the above bank balances was HK\$1,371,553 (for the period ended 30th June 2004: Nil).

Notes to the Unaudited Condensed Financial Statements (Continued)

9 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. With effect from 1st May 2005, the registrar fee has been revised at the following rates:

	With effect from 1st May 2005 HK\$ (per month)	Prior to 1st May 2005 HK\$ (per month)
For first 2,000 Unitholders	9,500	9,500
For every additional 1,000 Unitholders up to 70,000 Unitholders	2,000	–
For every additional 1,000 Unitholders up to 100,000 Unitholders	1,700	2,000
For every additional 1,000 Unitholders up to 200,000 Unitholders	1,800	1,800
For every additional 1,000 Unitholders up to 300,000 Unitholders	1,500	1,500
For every additional 1,000 Unitholders above 300,000 Unitholders	1,200	1,200

In addition, the Registrar is reimbursed for all of its out-of-pocket expenses incurred in connection with performing its services.

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

(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.

Notes to the Unaudited Condensed Financial Statements (Continued)

10 Major non-cash transactions

In accordance with the Fund's Trust Deed and since the termination of the Tap agreement, units can only be issued through an in-kind creation of an Index Basket and not through a cash subscription. 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. During the period, the Fund did not issue any units (for the period ended 30th June 2004: 58,000,000 units which were valued at a total of HK\$727,707,495 at the time of issue) in exchange for Index Baskets by the Manager.

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 209,000,000 units (for the period ended 30th June 2004: Nil) in exchange for Index Baskets consisting of investments valued at a total of HK\$2,891,225,350 by the Manager at the time of redemption.

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.

Since the inception of the Fund, the Manager had not participated in any soft dollar arrangements in respect of any transactions for the account of the Fund.

Notes to the Unaudited Condensed Financial Statements (Continued)

12 Investment limitation and prohibitions under the SFC Code

The SFC Code allows the Fund to invest in constituent securities issued by a single issuer for more than 10% of the Fund's net asset value provided that the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the Index and the Fund's holding of any such constituent securities may not exceed their respective weightings in the Index (except as a result of changes in the composition of the Index and the excess is transitional and temporary in nature).

Constituent stocks that account for more than 10% of the net asset value of the Fund as at 30th June 2005 were as follows:

	Respective weighting in the Index (%)		% of net asset value	
	30.6.2005	31.12.2004	30.06.2005	31.12.2004
HSBC Holdings plc	31.5	33.5	31.1	33.4
China Mobile (Hong Kong) Ltd.	<u>12.8</u>	<u>11.7</u>	<u>12.7</u>	<u>11.6</u>

13 Financial risk management

The objective of the Fund is to provide investment results that closely correspond to the performance of the index. The risk exposures inherent in the Fund as at 30th June 2005 are summarized below.

(a) *Market price risk*

The Fund's investments are subject to the securities price risk inherent in all securities i.e. the value of holdings may fall as well as rise. The Fund's market risk is managed through diversification of investment portfolio.

(b) *Credit risk*

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to pay amounts in full when due.

The Fund's financial assets which are potentially subject to concentrations of credit risk consist principally of securities and bank balances.

Notes to the Unaudited Condensed Financial Statements (Continued)

13 Financial risk management (Continued)

(b) *Credit risk (Continued)*

The Fund limits its exposure to credit risk by transacting the majority of its securities and contractual commitment activity with well established broker-dealers, banks and regulated exchanges with high credit ratings.

All transactions in securities are settled/paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal since delivery of securities sold is only made once the broker has received payment. On a purchase, payment is made once the securities have been received by the broker. If either party fails to meet their obligation, the trade will fail.

Accordingly, the Fund has no significant concentration of credit risk.

(c) *Interest rate risk*

The Fund is exposed to a minimal interest rate risk as the Fund invests mainly in equity securities and only the bank balances are exposed to interest rate risk which is considered to be minimal.

(d) *Currency risk*

Currency risk is the risk that the value of financial instruments will fluctuate due to the changes in foreign exchange rates.

The Fund has no significant currency risk because substantially all assets and liabilities are denominated in Hong Kong Dollars, the Fund's reporting currency.

(e) *Liquidity risk*

The Fund is exposed to redemptions of units in the Fund. The Fund invests the majority of its assets in investments that are traded in an active market and can be readily disposed of.

Investment Portfolio

As at 30th June 2005

		(UNAUDITED) Market value HK\$	% of net assets
	<i>Holdings</i>		
Hong Kong			
Listed investments (98.72%)			
Equities (98.72%)			
<u>Properties (11.20%)</u>			
Cheung Kong (Holdings) Ltd.	14,316,568	1,080,900,884	3.89
Hang Lung Group Ltd.	22,748,807	259,336,400	0.93
Henderson Land Development Co. Ltd.	11,211,720	417,075,984	1.50
Sino Land Co Ltd.	26,912,000	222,024,000	0.80
Sun Hung Kai Properties Ltd.	14,841,739	1,135,393,033	4.08
		<u>3,114,730,301</u>	<u>11.20</u>
		-----	-----
<u>Finance (39.75%)</u>			
Bank of East Asia, Ltd.	9,290,953	212,762,824	0.77
BOC Hong Kong (Holdings) Limited	65,358,000	957,494,700	3.44
Hang Seng Bank Ltd.	11,819,232	1,246,928,976	4.48
HSBC Holdings plc	69,351,355	8,634,243,698	31.06
		<u>11,051,430,198</u>	<u>39.75</u>
		-----	-----
<u>Utilities (6.00%)</u>			
China Light & Power Holdings Ltd.	14,885,477	662,403,726	2.38
Hong Kong & China Gas Co. Ltd.	34,487,666	543,180,740	1.95
Hong Kong Electric Holdings Ltd.	13,181,387	465,302,961	1.67
		<u>1,670,887,427</u>	<u>6.00</u>
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Investment Portfolio (Continued)

As at 30th June 2005

	Holdings	(UNAUDITED) Market value HK\$	% of net assets
Commerce and Industry (41.77%)			
Cathay Pacific Airways Ltd.	20,887,588	294,514,991	1.06
Cheung Kong Infrastructure Holdings Ltd.	13,923,423	322,327,242	1.16
China Merchants Holdings	13,260,190	199,565,860	0.72
China Mobile (Hong Kong) Ltd.	121,920,002	3,529,584,058	12.70
China Resources Enterprises, Ltd.	13,587,258	163,047,096	0.59
China Unicom Ltd.	77,696,539	505,027,503	1.82
CITIC Pacific Ltd.	13,548,167	308,220,799	1.11
CNOOC Limited	253,786,236	1,180,105,997	4.24
COSCO Pacific Limited	13,549,811	203,924,656	0.73
Denway Motors Ltd.	46,405,888	127,616,192	0.46
Esprit Holdings Ltd.	7,411,814	415,061,584	1.49
Hutchison Whamoa Ltd.	26,352,646	1,844,685,220	6.63
Johnson Electric Holdings Ltd.	22,711,121	161,248,959	0.58
Lenovo Group Ltd. (previously known as Legend Group Ltd.)	51,993,204	118,284,539	0.43
Li & Fung Ltd.	18,080,759	291,100,220	1.05
MTR Corporations Ltd.	33,322,143	498,166,038	1.79
New World Development	21,439,000	203,670,500	0.73
PCCW Limited	41,495,997	201,255,585	0.72
Swire Pacific Ltd. (A shares)	5,744,545	393,501,333	1.42
Wharf (Holdings) Ltd.	15,114,963	411,882,742	1.48
Yue Yuen Industrial (Holdings) Limited	10,007,024	238,167,171	0.86
		<u>11,610,958,285</u>	<u>41.77</u>
Total listed investments		27,448,006,211	98.72
Other net assets		<u>354,996,185</u>	<u>1.28</u>
Net assets at 30th June 2005		<u><u>27,803,002,396</u></u>	<u><u>100.00</u></u>
Total investments, at cost		<u><u>19,648,055,189</u></u>	

Statement of Movements in Investment Portfolio

For the period ended 30th June 2005

	(UNAUDITED) Holdings			
	31.12.2004	Additions	Disposals	30.06.2005
Hong Kong				
Listed investments				
Equities				
Properties				
Cheung Kong (Holdings) Ltd.	16,023,212	14,000	1,720,644	14,316,568
Hang Lung Properties Ltd.	22,830,808	2,560,000	2,642,001	22,748,807
Henderson Investment Ltd.	19,488,116	-	19,488,116	-
Henderson Land Development Co. Ltd.	12,557,411	-	1,345,691	11,211,720
Sino Land Co. Ltd.	-	26,912,000	-	26,912,000
Sun Hung Kai Properties Ltd.	16,610,620	24,000	1,792,881	14,841,739
Wheelock & Co. Ltd.	14,058,028	-	14,058,028	-
Finance				
Bank of East Asia Ltd.	10,242,884	53,600	1,005,531	9,290,953
BOC Hong Kong (Holdings) Limited	73,143,136	50,500	7,835,636	65,358,000
Hang Seng Bank Ltd.	13,227,114	20,100	1,427,982	11,819,232
HSBC Holdings plc	77,055,958	9,600	7,714,203	69,351,355
Utilities				
China Light & Power Holdings Ltd.	16,658,585	11,500	1,784,608	14,885,477
Hong Kong & China Gas Co. Ltd.	38,596,957	29,000	4,138,291	34,487,666
Hong Kong Electric Holdings Ltd.	14,763,189	-	1,581,802	13,181,387
Commerce and industry				
Cathay Pacific Airways Ltd.	23,306,172	40,000	2,458,584	20,887,588
Cheung Kong Infrastructure Holdings Ltd.	15,594,453	-	1,671,030	13,923,423
China Merchants Holdings	14,809,600	30,000	1,579,410	13,260,190
China Mobile (Hong Kong) Ltd.	135,686,905	161,000	13,927,903	121,920,002
China Resources Enterprises, Ltd.	14,562,706	456,000	1,431,448	13,587,258
China Unicom Ltd.	86,905,779	60,000	9,269,240	77,696,539
CITIC Pacific Ltd.	15,151,486	-	1,603,319	13,548,167
CNOOC Limited	283,995,396	431,000	30,640,160	253,786,236
COSCO Pacific Limited	14,911,043	108,000	1,469,232	13,549,811
Denway Motors Ltd.	49,645,600	1,930,000	5,169,712	46,405,888
Esprit Holdings Ltd.	8,253,342	9,000	850,528	7,411,814
Hutchison Whampoa Ltd.	29,381,840	45,000	3,074,194	26,352,646
Johnson Electric Holdings Ltd.	25,417,661	69,500	2,776,040	22,711,121
Lenovo Group Ltd. (previously known as Legend Group Ltd.)	51,700,906	5,494,000	5,201,702	51,993,204
Li & Fung Ltd.	20,165,561	30,000	2,114,802	18,080,759
MTR Corporation Ltd.	37,055,556	-	3,733,413	33,322,143
New World Development	-	21,439,000	-	21,439,000
PCCW Limited	37,156,923	8,424,000	4,084,926	41,495,997
Swire Pacific Ltd. (A shares)	6,433,560	-	689,015	5,744,545
Wharf (Holdings) Ltd.	16,928,776	-	1,813,813	15,114,963
Yue Yuen Industrial (Holdings) Limited	11,206,558	-	1,199,534	10,007,024

Administration and Management

Directors of the Manager

Mr. Vincent Duhamel
Ms. Yan-Yan Li

Members of the Supervisory Committee

Mr. Marvin Cheung
Mr. Fong Hup
Ms. Karen Kemp
Mr. Lawrence Fok
Prof. Tsang Shu-ki

Trustee and custodian

State Street Bank and Trust Company
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Two Exchange Square
8 Connaught Place
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Hong Kong

Registrar

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Investor Services Limited
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Manager

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8 Connaught Place
Central
Hong Kong

Promoter

Exchange Fund Investment Limited
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Two International Finance Centre
8 Finance Street
Central
Hong Kong

Conversion agent

HK Conversion Agency Services Limited
2nd Floor, Vicwood Plaza
199 Des Voeux Road Central
Hong Kong

Auditors

PricewaterhouseCoopers
22nd Floor
Prince's Building
Central
Hong Kong

Performance Record

Fund Performance

In accordance with section 8.6 (l) of the SFC Code, the Trustee is required to provide a comparison of the fund performance and the actual index performance over the relevant period. During the period, the Hang Seng Index decreased by 0.2% and the net asset value per unit of the Fund increased by 0.56%.