

TRACKER FUND OF HONG KONG
FINANCIAL STATEMENTS
FOR THE PERIOD FROM 23RD OCTOBER 1999 (DATE OF TRUST DEED)
TO 31ST DECEMBER 2000

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STATEMENT OF RESPONSIBILITIES OF THE MANAGER AND THE TRUSTEE

Manager's responsibilities

The Manager of Tracker Fund of Hong Kong (the "Fund") is required by the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong and the Trust Deed to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund at the end of that period and of the transactions for the period then ended. In preparing these financial statements the Manager is required to:

- *select suitable accounting policies and then apply them consistently;*
- *make judgements and estimates that are prudent and reasonable; and*
- *prepare the financial statements on the basis that the Fund will continue in operation unless it is inappropriate to presume this.*

The Manager is also required to manage the Fund in accordance with the Trust Deed and takes reasonable steps for the prevention and detection of fraud and other irregularities.

Trustee's responsibilities

The Trustee of the Fund is required to:

- *ensure that the Fund is managed by the Manager in accordance with the Trust Deed and that the investment and borrowing powers are complied with;*
- *satisfy itself that sufficient accounting and other records have been maintained;*
- *safeguard the property of the Fund and rights attaching thereto; and*
- *report to the Unitholders for each annual accounting period on the conduct of the Manager in the management of the Fund.*

REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF TRACKER FUND OF HONG KONG

We hereby confirm that, in our opinion, the Manager of the Fund has, in all material respects, managed the Fund in accordance with the provisions of the Trust Deed dated 23rd October 1999 for the period from 23rd October 1999 to 31st December 2000.

State Street Bank and Trust Company
29th March 2001



REPORT OF THE AUDITORS TO THE TRUSTEE OF TRACKER FUND OF HONG KONG

We have audited the financial statements on pages 3 to 12 which have been prepared in accordance with the relevant provisions of the Trust Deed dated 23rd October 1999, the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong and accounting principles generally accepted in Hong Kong.

Respective responsibilities of the Manager and the Auditors

The Manager of the Fund is responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Manager in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Fund's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the financial statements of the Fund have been properly prepared in accordance with the relevant provisions of the Trust Deed dated 23rd October 1999, and the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong and give a true and fair view of the disposition of the Fund at 31st December 2000 and of its transactions for the period from 23rd October 1999 to 31st December 2000.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 29th March 2001

STATEMENT OF OPERATIONS

FOR THE PERIOD FROM 23RD OCTOBER 1999 (DATE OF TRUST DEED)
TO 31ST DECEMBER 2000

		23.10.1999 to 31.12.2000
	Note	HK\$
Income		
Dividends		780,518,393
Transaction fee	3(a)	26,178,024
Bank interest	7(c)	9,772,058
Other income	3(b)	10,671,960
		<u>827,140,435</u>
Overseas withholding tax	5	(20,849,391)
		<u>806,291,044</u>
Expenses		
Management fee	7(a)	(15,763,814)
Trustee fee	7(b)	(15,763,814)
Conversion agent fee	8(b)	(10,675,987)
Index license fee	8(c)	(4,532,992)
Registrar fee	8(a)	(4,401,972)
Bank charges		(3,265,523)
Publication and printing expenses		(2,599,370)
Legal and other professional fees		(949,425)
Amortisation of set-up costs		(616,612)
Audit fee		(100,000)
Other operating expenses		(1,421,732)
		<u>(60,091,241)</u>
Dividend equivalent amount on units issued		335,702,005
Dividend equivalent amount on units redeemed		(326,544,494)
		<u>(50,933,730)</u>
Net income available for distribution		755,357,314
Amount transferred to the statement of distribution		(755,357,314)
		-
Net investment gain		
Realised gain on sale of investments		8,322,750,191
Unrealised loss on revaluation of investments		(1,101,759,667)
		<u>7,220,990,524</u>
Net income for the period (excluding amount transferred to the statement of distribution)		7,220,990,524
Amount transferred to the capital account		(7,220,990,524)
		<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 income for the period and transferred to the capital account.

The notes on pages 8 to 12 form part of these financial statements.



STATEMENT OF ASSETS AND LIABILITIES

AS AT 31ST DECEMBER 2000

	Note	HK\$
Assets		
Investments		28,481,410,478
Set-up costs		2,095,888
Dividend receivable		2,369,376
Other accounts receivable and prepayments		665,112
Amounts due from brokers		2,567,140
Bank balances	7(c)	88,130,914
Total assets		<u>28,577,238,908</u>
Liabilities		
Trustee fee payable		3,423,802
Management fee payable		3,423,802
Index license fee payable		1,080,728
Registrar fee payable		269,500
Other accounts payable and accruals		293,086
Amounts due to brokers		5,612,296
Transaction fee provision		551,976
Total liabilities		<u>14,655,190</u>
Net assets		<u>28,562,583,718</u>
Financed by:		
Capital account		<u>28,562,583,718</u>
Units in issue	4	<u>1,882,992,500</u>
Net asset value per unit		<u>15.17</u>
Net asset value per Creation Unit (1 Creation Unit is equivalent to 1,000,000 units)		<u>15,168,719</u>

Approved by the Trustee and the Manager on 29th March 2001

State Street Bank and Trust Company

State Street Global Advisors Asia Limited

The notes on pages 8 to 12 form part of these financial statements.

STATEMENT OF MOVEMENTS IN CAPITAL ACCOUNT

FOR THE PERIOD FROM 23RD OCTOBER 1999 (DATE OF TRUST DEED)
TO 31ST DECEMBER 2000

		23.10.1999 to 31.12.2000
	Note	HK\$
Proceeds on issue of units for cash (excluding dividend equivalent amount and further cash amount)	9	83,309,506,981
In-kind payments on redemption of units (excluding dividend equivalent amount and further cash amount)	9	(65,846,881,492)
In-kind proceeds on issue of units (excluding dividend equivalent amount and further cash amount)	9	3,797,644,598
Net further cash amount received on issue and redemption of units		<u>363,168</u>
Amount transferred from the statement of operations (excluding of amount transferred to the statement of distribution)		<u>21,260,633,255</u>
Undistributed income transferred from the statement of distribution		<u>80,959,939</u>
Balance carried forward		<u><u>28,562,583,718</u></u>

The notes on pages 8 to 12 form part of these financial statements.



STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 23RD OCTOBER 1999 (DATE OF TRUST DEED)
TO 31ST DECEMBER 2000

		23.10.1999 to 31.12.2000
	Note	HK\$
Operating activities		
Dividend received		778,149,017
Transaction fee received		26,730,000
Bank interest received		9,723,818
Other income received		10,671,960
Overseas withholding tax paid		(20,849,391)
Management fee paid		(12,340,012)
Trustee fee paid		(12,340,012)
Conversion agent fee paid		(10,882,741)
Index license fee paid		(3,452,264)
Registrar fee paid		(4,132,472)
Bank charges paid		(3,147,187)
Publication and printing expenses paid		(2,409,446)
Legal and other professional fees paid		(927,669)
Other operating expenses paid		(4,681,280)
Dividend equivalent amount received on creation of units		335,702,005
Dividend equivalent amount paid on redemption of units		(326,544,494)
Net cash inflow from operating activities	6	<u>759,269,832</u>
Servicing of finance		
Interim distribution paid		(297,438,800)
Final distribution paid		(376,958,575)
Net cash outflow from servicing of finance		<u>(674,397,375)</u>
Investing activities		
Purchase of investments	9	(90,480,646,779)
Sale of investments	9	7,174,035,087
		<u>(83,306,611,692)</u>
Financing		
Issue of units	9	83,309,506,981
Net further cash amount received on issue and redemption of units		363,168
		<u>83,309,870,149</u>
Bank balances at 31st December 2000		<u>88,130,914</u>

Please refer to note 9 on page 11 for details of major non-cash transactions.
The notes on pages 8 to 12 form part of these financial statements.

STATEMENT OF DISTRIBUTION

FOR THE PERIOD FROM 23RD OCTOBER 1999 (DATE OF TRUST DEED)
TO 31ST DECEMBER 2000

	23.10.1999
	to
	31.12.2000
	HK\$
Amount transferred from the statement of operations	755,357,314
Interim distribution	
-HK\$0.16 on 1,858,992,500 units paid on 22nd May 2000	297,438,800
Final distribution	
-HK\$0.19 on 1,983,992,500 units paid on 22nd November 2000	376,958,575
Undistributed income transferred to the capital account	<u>80,959,939</u>

Please refer to note 10 for details of the Loyalty Bonus Units made to certain Unitholders during the period.

The notes on pages 8 to 12 form part of these 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 principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Basis of preparation

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Society of Accountants. The financial statements are prepared under the historical cost convention as modified by the revaluation of investments.

(b) Investments

Investments with prices quoted, listed or normally dealt in on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") are stated at the Stock Exchange's nominal closing prices. Investments for which prices may not be available at any relevant time on the Stock Exchange or for which the Stock Exchange's nominal closing price is not considered to provide a fair value of the relevant investment by the Manager are stated at the value certified by an Approved Broker, or other professional person as may be appointed for that purpose by the Manager with the approval of the Trustee and the Supervisory Committee.

Purchases and sales of investments are accounted for on a trade date basis.

Realised gains and losses on sale of investments and unrealised gains and losses on revaluation of investments are dealt with in the statement of operations.

(c) Income

Dividend income on equity securities is recorded on the ex-dividend date. Dividend income on equity securities where no ex-dividend date is quoted are accounted when the Fund's right to receive payment is established.

Bank interest and other income are recognised on an accruals basis.

(d) Expenses

All expenses are accounted for on an accruals basis.

(e) Dividend equivalent amount

Dividend equivalent amount represents the amount included in the issue price or redemption proceeds (as the case may be) of the units issued or redeemed, representing the net undistributed dividends and other income received and held or receivable by the Fund.

NOTES TO THE FINANCIAL STATEMENTS

(f) Further cash amount

Further cash amount represents the amount included in the issue price or redemption proceeds (as the case may be) of the units issued or redeemed, representing the difference between the net asset value per Creation Unit as calculated by the Manager as of that date, and the value of the Index Basket (based on the nominal closing prices as of that date) and the dividend equivalent amount per Creation Unit.

(g) Set-up costs

Set-up costs borne by the Fund are amortised over a period of the first five years of the Fund.

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.

4 Units in issue

	Number of units
Issue of units	
- Cash subscription	5,752,992,500
- In-kind	<u>265,000,000</u>
	6,017,992,500
Redemption of units in-kind	<u>(4,135,000,000)</u>
Units in issue as at 31st December 2000	<u><u>1,882,992,500</u></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

	HK\$
Net income available for distribution	755,357,314
Dividend receivable	(2,369,376)
Set-up costs and other accounts receivable and prepayments	(2,761,000)
Trustee fee payable	3,423,802
Management fee payable	3,423,802
Registrar fee payable	269,500
Index license fee payable	1,080,728
Transaction fee provision	551,976
Other accounts payable and accruals	<u>293,086</u>
Net cash inflow from operating activities	<u><u>759,269,832</u></u>



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 entered into in the ordinary course of business and on normal commercial terms.

(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.

(c) Bank balances

Bank balances are maintained with the Trustee. Bank balances held with the Trustee as at 31 December 2000 was HK\$88,130,914. During the period, interest earned on the above bank balances was HK\$9,772,058.

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:

	HK\$ (per month)
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

NOTES TO THE FINANCIAL STATEMENTS

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.

(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 licence fee

The index licence 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 licence 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 5,752,992,500 units issued in cash of HK\$83,309,506,981 (excluding dividend equivalent amount and further cash amount) during the period, the Fund also issued 265,000,000 units in exchange for Index Baskets consisting of investments valued at a total of HK\$3,797,644,598 (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 4,135,000,000 units in exchange for Index Baskets consisting of investments valued at HK\$65,846,881,492 (excluding dividend equivalents amount and further cash amount) by the Manager.

Please refer to note 10 below for details of another major non cash transaction with respect to the issue of Loyalty Bonus Units during the period.

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, 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.

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 weighting of the Hang Seng Index as at 31st December 2000 were as follows:

	% of weighting
HSBC Holdings plc	27.6
China Mobile (Hong Kong) Ltd.	20.4
Hutchison Whampoa Ltd.	<u>10.7</u>

13 Approval of financial statements

The financial statements were approved by the Trustee and the Manager on 29th March 2001.

INVESTMENT PORTFOLIO

AS AT 31ST DECEMBER 2000

Holding	Market value HK\$	% of net assets
Hong Kong		
Listed investments (99.7%)		
Equities (99.7%)		
Properties (15.5%)		
Amoy Properties Ltd.	21,297,289	0.6
Cheung Kong (Holdings) Ltd.	17,061,623	6.0
China Resources Enterprises, Ltd.	14,637,918	0.5
Hang Lung Development Co. Ltd.	9,738,740	0.2
Henderson Investment Ltd.	20,751,838	0.4
Henderson Land Development Co. Ltd.	12,685,904	1.8
Hysan Development Co. Ltd.	7,595,431	0.3
New World Development Co., Ltd.	15,572,935	0.5
Sino Land Co. Ltd.	27,013,358	0.4
Sun Hung Kai Properties Ltd.	17,687,528	4.8
	<u>4,436,354,230</u>	<u>15.5</u>
Finance (34.3%)		
Bank of East Asia, Ltd., The	10,423,818	0.7
Dao Heng Bank Group Ltd.	5,134,531	0.8
Hang Seng Bank Ltd.	14,085,184	5.2
HSBC Holdings plc	68,274,712	27.6
	<u>9,802,173,212</u>	<u>34.3</u>
Utilities (5.2%)		
CLP Holdings Ltd.	15,330,041	2.1
Hong Kong Electric Holdings Ltd.	15,720,341	1.6
Hong Kong & China Gas Co. Ltd., The	37,850,620	1.5
	<u>1,482,474,015</u>	<u>5.2</u>
Commerce and industry (44.7%)		
Cathay Pacific Airways Ltd.	24,707,694	1.2
Cheung Kong Infrastructure Holdings Ltd.	16,604,139	0.8
China Mobile (Hong Kong) Ltd.	137,057,862	20.4
CITIC Pacific Ltd.	16,177,034	1.6
First Pacific Co. Ltd.	23,130,990	0.2
Hutchison Whampoa Ltd.	31,403,847	10.7
Johnson Electric Holdings Ltd.	27,065,110	1.1
Legend Holdings Ltd.	55,058,773	1.0
Li & Fung Ltd.	20,265,658	1.0
Pacific Century CyberWorks Ltd.	161,183,576	2.8
Shanghai Industrial Holdings Ltd.	6,615,338	0.3
Smartone Telecommunications Holdings Ltd.	4,427,205	0.2
Swire Pacific Ltd. (A shares)	6,924,523	1.4
Television Broadcasts Ltd.	3,226,151	0.5
Wharf (Holdings) Ltd., The	18,019,083	1.2
Wheelock & Co. Ltd.	14,961,823	0.3
	<u>12,760,409,021</u>	<u>44.7</u>
Total listed investments	<u>28,481,410,478</u>	<u>99.7</u>
Other net assets	81,173,240	0.3
Net assets at 31st December 2000	<u>28,562,583,718</u>	<u>100.0</u>
Total investments, at cost	<u>29,583,170,145</u>	



STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO

FOR THE PERIOD FROM 23RD OCTOBER 1999 (DATE OF TRUST DEED)
TO 31ST DECEMBER 2000

	Holdings		Total as at
	Additions	Disposals	31st December
			2000
Hong Kong			
Listed investments			
Equities			
Properties			
Amoy Properties Ltd.	80,135,898	58,838,609	21,297,289
Cheung Kong (Holdings) Ltd.	63,743,421	46,681,798	17,061,623
China Resources Enterprises, Ltd.	55,017,405	40,379,487	14,637,918
Hang Lung Development Co. Ltd.	36,797,504	27,058,764	9,738,740
Henderson Investment Ltd.	77,959,296	57,207,458	20,751,838
Henderson Land Development Co. Ltd.	47,715,147	35,029,243	12,685,904
Hopewell Holdings Ltd.	12,630,572	12,630,572	-
Hysan Development Co. Ltd.	28,701,999	21,106,568	7,595,431
New World Development Co., Ltd.	58,982,252	43,409,317	15,572,935
Sino Land Co. Ltd.	99,840,654	72,827,296	27,013,358
Sun Hung Kai Properties Ltd.	66,426,539	48,739,011	17,687,528
Finance			
Bank of East Asia, Ltd., The	38,808,276	28,384,458	10,423,818
Dao Heng Bank Group Ltd.	16,602,544	11,468,013	5,134,531
Hang Seng Bank Ltd.	52,929,377	38,844,193	14,085,184
HSBC Holdings plc	241,333,861	173,059,149	68,274,712
Utilities			
CLP Holdings Ltd.	57,556,557	42,226,516	15,330,041
Hong Kong Electric Holdings Ltd.	58,450,759	42,730,418	15,720,341
Hong Kong & China Gas Co. Ltd.,The	138,223,706	100,373,086	37,850,620
Commerce and industry			
Cathay Pacific Airways Ltd.	93,504,654	68,796,960	24,707,694
Cheung Kong Infrastructure Holdings Ltd.	62,326,372	45,722,233	16,604,139
China Mobile (Hong Kong) Ltd.	398,334,584	261,276,722	137,057,862
CITIC Pacific Ltd.	60,539,345	44,362,311	16,177,034
First Pacific Co. Ltd.	82,229,679	59,098,689	23,130,990
Guangdong Investment Ltd.	36,940,648	36,940,648	-
Hong Kong & Shanghai Hotels, Ltd., The	16,682,178	16,682,178	-
Hutchison Whampoa Ltd.	113,184,259	81,780,412	31,403,847
Great Eagle Holdings Ltd.	13,363,222	13,363,222	-
Shangri-la Asia Ltd.	53,502,039	53,502,039	-
Johnson Electric Holdings Ltd.	56,433,567	29,368,457	27,065,110
Legend Holdings Ltd.	80,485,276	25,426,503	55,058,773
Li & Fung Ltd.	59,021,784	38,756,126	20,265,658
Pacific Century CyberWorks Ltd.	519,249,576	358,066,000	161,183,576
Shanghai Industrial Holdings Ltd.	24,677,714	18,062,376	6,615,338
Smartone Telecommunications Holdings Ltd.	14,377,741	9,950,536	4,427,205
Swire Pacific Ltd. (A shares)	26,036,648	19,112,125	6,924,523
Television Broadcasts Ltd.	12,135,279	8,909,128	3,226,151
Wharf (Holdings) Ltd., The	66,990,592	48,971,509	18,019,083
Wheelock & Co. Ltd.	56,201,234	41,239,411	14,961,823

ADMINISTRATION AND MANAGEMENT

Directors of the Manager

Mr. Vincent Duhamel
Mr. John Serhant

Members of the Supervisory Committee

Mr. Alec Tsui (appointed on 23rd October 1999 and resigned on 18th August 2000)
Mr. Marvin Cheung (appointed on 23rd October 1999)
Mr. Fong Hup (appointed on 23rd October 1999)
Mrs. Marian Li (appointed on 23rd October 1999)
Ms. Karen Kemp (appointed on 23rd October 1999)
Mr. Lawrence Fok (appointed on 18th August 2000)

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



PERFORMANCE RECORD

	Net asset value per unit HK\$	NET ASSET VALUES Net asset value of the Fund HK\$
At end of financial period dated 31st December 2000	15.17	28,562,583,718
Highest and lowest net asset value per unit		
	Highest net asset value per unit HK\$	Lowest net asset value per unit HK\$
Financial period ended 31st December 2000 (since inception)	18.39	13.75