

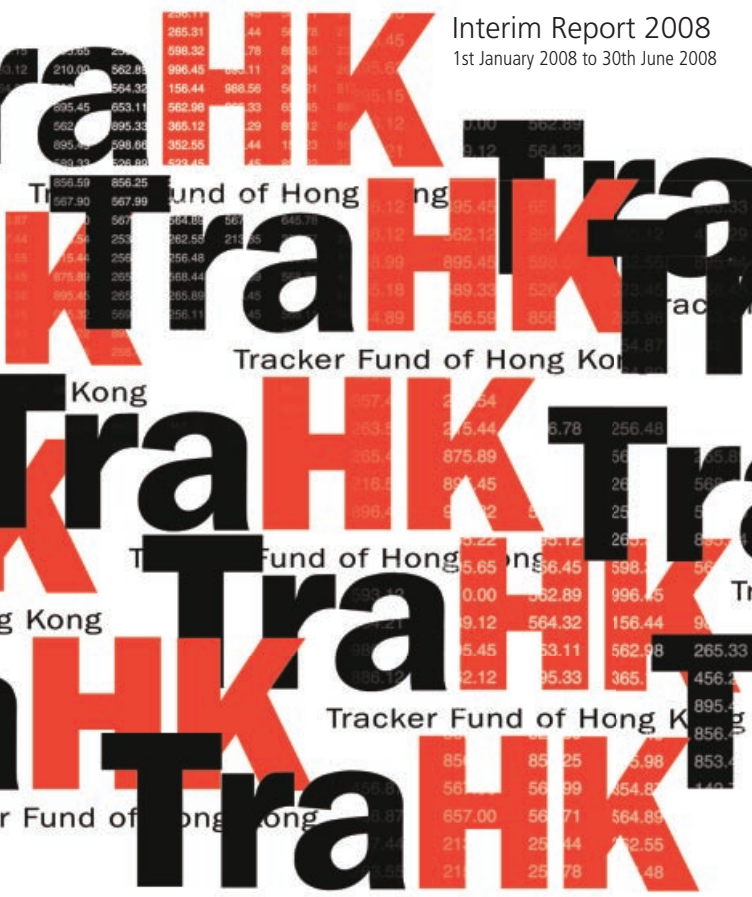
Tr**ra**HK

Tracker Fund of Hong Kong

Stock Code : 2800

Interim Report 2008

1st January 2008 to 30th June 2008



Tracker Fund of Hong Kong

STATE STREET
GLOBAL ADVISORS

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Condensed Statement of Net Assets

As at 30th June 2008

		(UNAUDITED) 30.06.2008	(AUDITED) 31.12.2007
	Note	HK\$	HK\$
Assets			
Investments		31,258,548,651	32,384,540,488
Dividends receivable		123,229,372	42,890,169
Due from a broker		4,336,159	-
Other accounts receivable and prepayments		307,723	81,470
Bank balances	7(d)	311,007,277	72,829,175
Total assets		<u>31,697,429,182</u>	<u>32,500,341,302</u>
Liabilities			
Trustee fee payable		2,977,513	3,430,757
Management fee payable		2,977,513	3,430,757
Index license fee payable		1,087,852	1,280,011
Registrar fee payable		295,718	393,115
Other accounts payable and accruals		2,052,799	3,104,619
Liabilities (excluding net assets attributable to holders of redeemable units)		<u>9,391,395</u>	<u>11,639,259</u>
Net assets attributable to holders of redeemable units (at bid market prices)		31,688,037,787	32,488,702,043
Adjustments from bid market prices to last traded market prices	5	<u>35,544,487</u>	<u>28,780,005</u>
Net assets attributable to holders of redeemable units (at last traded market prices)	5	<u><u>31,723,582,274</u></u>	<u><u>32,517,482,048</u></u>

The notes on pages 5 to 12 form part of these financial statements.

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Condensed Statement of Operations

For the period ended 30th June 2008

		(UNAUDITED)	
		01.01.2008	01.01.2007
		to	to
		30.06.2008	30.06.2007
	Note	HK\$	HK\$
Income			
Dividends		632,544,865	445,280,570
Bank interest	7(d)	715,260	2,990,400
Transaction fee	4(a)	447,542	89,260
Other income	4(b)	2,282,393	2,585,859
Net (loss)/gain on investments	3	<u>(6,682,206,833)</u>	<u>2,273,400,089</u>
Total investment (loss)/gain		<u>(6,046,216,773)</u>	<u>2,724,346,178</u>
Expenses			
Management fee	7(b)	7,115,054	6,166,066
Trustee fee	7(c)	7,115,054	6,166,066
Index license fee	8(c)	2,252,199	1,931,383
Transaction costs on investments		4,922,160	7,834,409
Registrar fee	8(a)	872,804	914,421
Publication and printing expenses		775,145	855,296
Conversion agent fee	8(b)	167,082	166,618
Audit fee		74,092	60,498
Legal and professional fee		313,803	-
Bank charges		265,560	31,016
Other operating expenses		<u>100,306</u>	<u>406,358</u>
Total operating expenses		<u>23,973,259</u>	<u>24,532,131</u>
Net operating (loss)/profit		<u>(6,070,190,032)</u>	<u>2,699,814,047</u>
Finance costs			
Distributions to holders of redeemable units	12	<u>(330,968,275)</u>	<u>(263,338,425)</u>
(Loss)/profit for the period		<u>(6,401,158,307)</u>	<u>2,436,475,622</u>
Adjustments from bid market prices to last traded market prices	5	<u>6,764,482</u>	<u>2,914,196</u>
(Decrease)/increase in net assets attributable to holders of redeemable units		<u><u>(6,394,393,825)</u></u>	<u><u>2,439,389,818</u></u>

The notes on pages 5 to 12 form part of these financial statements.

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Condensed Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the period ended 30th June 2008

		(UNAUDITED)	
		01.01.2008	01.01.2007
		to	to
		30.06.2008	30.06.2007
Note	HK\$	HK\$	HK\$
Net assets attributable to holders of redeemable units at the beginning of the period		32,517,482,048	26,602,946,195
Issue of units	9	7,772,988,715	-
Redemption of units	9	(2,172,487,562)	(1,948,178,713)
Net further cash amount (paid)/received on redemption and issue of units		(7,102)	176
Net issue/(redemption) of units		5,600,494,051	(1,948,178,537)
		38,117,976,099	24,654,767,658
(Decrease)/increase in net assets attributable to holders of redeemable units		(6,394,393,825)	2,439,389,818
Net assets attributable to holders of redeemable units at the end of the period (at last traded market prices)		31,723,582,274	27,094,157,476

The notes on pages 5 to 12 form part of these financial statements.

Tracker Fund of Hong Kong
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Condensed Statement of Cash Flows

For the period ended 30th June 2008

		(UNAUDITED)	
		01.01.2008	01.01.2007
		to	to
		30.06.2008	30.06.2007
Note	HK\$	HK\$	HK\$
Cash flows from operating activities			
Proceeds from sale of investments	2,018,485,509	3,340,555,556	
Payments for purchase of investments	(1,880,159,729)	(3,326,719,242)	
Dividends received	428,860,468	433,115,053	
Other income received	2,282,393	2,585,859	
Bank interest received	710,560	2,970,199	
Transaction fee received	600,000	75,000	
Management fee paid	(7,568,298)	(6,200,887)	
Trustee fee paid	(7,568,298)	(6,200,887)	
Index license fee paid	(2,444,358)	(1,930,830)	
Legal and other professional fees paid	(313,803)	-	
Registrar fee paid	(970,201)	(884,457)	
Publication and printing expenses paid	(617,177)	(363,147)	
Transaction costs on investments paid	(4,922,160)	(7,834,409)	
Conversion agent fee paid	(808,000)	(156,000)	
Bank charges paid	(384,828)	(60,337)	
Other operating expenses paid	(998,010)	(320,980)	
		<u>544,184,068</u>	<u>428,630,491</u>
Cash flows from financing activities			
Issue of units	9	36,218,690	-
Redemption of units	9	(11,250,649)	(9,476,770)
Net further cash amount received on issue of units		1,957	-
Net further cash amount (paid)/received on redemption of units		(7,689)	176
Interim distribution paid	12	(330,968,275)	(263,338,425)
		<u>(306,005,966)</u>	<u>(272,815,019)</u>
Net cash used in financing activities			
		<u>238,178,102</u>	<u>155,815,472</u>
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		<u>72,829,175</u>	<u>76,646,478</u>
Cash and cash equivalents at the end of the period			
		<u><u>311,007,277</u></u>	<u><u>232,461,950</u></u>
Analysis of balances of cash and cash equivalents			
Bank balances	7(d)	<u><u>311,007,277</u></u>	<u><u>232,461,950</u></u>

Please refer to note 9 on page 11 for details of major non-cash transactions.
The notes on pages 5 to 12 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 governed by its Trust Deed dated 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

These unaudited condensed Interim Financial Statements ("Interim Financial Statements") for the half-year ended 30th June 2008 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 Interim Financial Statements are prepared under the historical cost convention as modified by the revaluation of investments and should be read in conjunction with the Annual Financial Statements for the year ended 31st December 2007.

The accounting policies and methods of computation used in the preparation of these Interim Financial Statements are consistent with those used in the Annual Financial Statements for the year ended 31st December 2007.

3 Net (loss)/gain on investments

	(UNAUDITED)	
	01.01.2008	01.01.2007
	to	to
	30.06.2008	30.06.2007
	HK\$	HK\$
Change in unrealized gain/loss in value of investments	(8,391,502,926)	(262,708,534)
Realized gain on sale of investments	1,709,296,093	2,536,108,623
	<u>(6,682,206,833)</u>	<u>2,273,400,089</u>

Notes to the Unaudited Condensed Financial Statements (Continued)

4 Income

(a) Transaction fee

The Fund is entitled to receive a transaction fee of HK\$15,000 per total aggregate creation and redemption application per day per Participating Dealer.

(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.

5 Number of units in issue and net assets attributable to holders of redeemable units

The Fund's capital is represented by the net assets attributable to holders of redeemable units. Units are issued through an in-kind creation of an Index Basket with the remaining balances in cash, and are redeemed in-kind with the remaining balances in cash. Subscriptions and redemptions of units during the period are shown on the Condensed Statement of Changes in Net Assets Attributable to Holders of Redeemable Units.

In accordance with the provisions of the Fund's Trust Deed, listed investments and investments with prices quoted in over the counter markets or by market makers are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for creations and redemptions and for various fee calculations. However, the accounting policy of the Fund for the purpose of compliance with HKAS 39 and for reporting purpose is to value its investments at the relevant bid market prices on the Statement of Net Assets date. The difference between the valuation of these investments as stated in the condensed financial statements and the valuation methodology indicated in the Fund's Trust Deed, results in a decrease in value of investments by HK\$35,544,487 as at 30th June 2008 (as at 31st December 2007: HK\$28,780,005). The amount of the adjustment recognized in the Condensed Statement of Operations is HK\$6,764,482 (for the period ended 30th June 2007: HK\$2,914,196).

Net assets attributable to holders of redeemable units at last traded market prices represent a liability in the Condensed Statement of Net Assets, carried at the redemption amount that would be payable at the period end date if the unitholders exercised the right to redeem the units in the Fund.

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**Notes to the Unaudited Condensed Financial Statements
(Continued)**

5 Number of units in issue and net assets attributable to holders of redeemable units (Continued)

	(UNAUDITED)		
	Number of units		
	01.01.2008 to 30.06.2008	01.07.2007 to 31.12.2007	01.01.2007 to 30.06.2007
Units in issue at the beginning of the period	1,161,992,500	1,226,992,500	1,321,992,500
Creation of units	335,000,000	163,000,000	–
Redemption of units	(85,000,000)	(228,000,000)	(95,000,000)
Units in issue at the end of the period	<u>1,411,992,500</u>	<u>1,161,992,500</u>	<u>1,226,992,500</u>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Net assets attributable to holders of redeemable units	<u>31,723,582,274</u>	<u>32,517,482,048</u>	<u>27,094,157,476</u>
Net assets attributable to holders of redeemable units (per unit)	<u>22.47</u>	<u>27.98</u>	<u>22.08</u>
Net asset value per Creation Unit (1 Creation Unit is equivalent to 1,000,000 units)	<u>22,467,246</u>	<u>27,984,244</u>	<u>22,081,763</u>

6 Taxation

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

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Notes to the Unaudited Condensed Financial Statements (Continued)

7 Transactions with the related parties/Manager and its Connected Persons

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties of the Fund are also the Manager of the Fund 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 and 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 those disclosed below.

(a) *Manager's holding in the Fund*

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 2008, the directors and officers of the Manager together held 8,960 units in the Fund (as at 31st December 2007: 8,960 units).

(b) *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)

7 Transactions with the related parties/Manager and its Connected Persons (Continued)

(c) 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.

(d) Bank balances and interest income

Bank balances are maintained with the Trustee. Bank balances held with the Trustee as at 30th June 2008 was HK\$311,007,277 (as at 31st December 2007: HK\$72,829,175). During the period, interest earned on the above bank balances was HK\$715,260 (for the period ended 30th June 2007: HK\$ 2,990,400).

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.

Prior to 1st May 2008, the registrar fee scale was applied as follows:

	HK\$ (per month)
For first 2,000 Unitholders	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
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 Unaudited Condensed Financial Statements (Continued)

8 Other fees (Continued)

(a) Registrar fee (Continued)

With effect from 1st May 2008, the registrar fee scale is applied as follows:

	HK\$ (per month)
For first 2,000 Unitholders	10,000
For every additional 1,000 Unitholders up to 100,000 Unitholders	2,200
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.

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

(b) Conversion agent fee

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

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)

9 Major non-cash transactions

In accordance with the Fund's Trust Deed and since the termination of the Tap agreement, units are issued through an in-kind creation of an Index Basket with the remaining balances in cash and are not through a cash subscription only. 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 issued 335,000,000 units (for the period ended 30th June 2007: nil) in exchange for Index Baskets consisting of investments valued at HK\$7,732,433,866 (for the period ended 30th June 2007: nil) by the Manager with remaining balances in cash, totaling HK\$7,772,988,715 (for the period ended 30th June 2007: nil).

In accordance with the Fund's Trust Deed, units are redeemed in-kind with the remaining balances in cash and are not redeemable for cash only. During the period, the Fund redeemed 85,000,000 units (for the period ended 30th June 2007: 95,000,000 units) in exchange for Index Baskets consisting of investments valued at HK\$2,161,236,913 (for the period ended 30th June 2007: HK\$1,938,701,943) by the Manager with remaining balances in cash, totaling HK\$2,172,487,562 (for the period ended 30th June 2007: HK\$1,948,178,713).

10 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 specialized 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.

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**Notes to the Unaudited Condensed Financial Statements
(Continued)**

11 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 securities that account for more than 10% of the net asset value of the Fund as at 30th June 2008 were as follows:

	Respective weighting in the Index (%)		% of net asset value	
	30.6.2008	31.12.2007	30.06.2008	31.12.2007
HSBC Holdings plc	15.3	14.9	15.0	14.9
China Mobile Ltd.	12.3	13.2	12.1	13.2

12 Distribution

	(UNAUDITED)	
	01.01.2008 to 30.06.2008 HK\$	01.01.2007 to 30.06.2007 HK\$
Interim distribution		
- HK\$0.21 on 1,253,992,500 units paid on 22nd May 2007	-	263,338,425
- HK\$0.23 on 1,438,992,500 units paid on 22nd May 2008	330,968,275	-

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Investment Portfolio

As at 30th June 2008

(UNAUDITED)

	Holdings	Fair value HK\$	% of net assets
Hong Kong			
Listed investments (98.53%)			
Equities (98.53%)			
Properties (9.55%)			
Cheung Kong (Holdings) Ltd.	8,464,957	889,666,981	2.80
China Overseas Land & Investment Ltd.	23,599,261	290,270,910	0.92
Hang Lung Properties Ltd.	12,628,853	315,089,882	0.99
Henderson Land Development Co. Ltd.	6,541,160	317,246,260	1.00
Sino Land Co. Ltd.	14,788,751	228,338,315	0.72
Sun Hung Kai Properties Ltd.	9,365,088	989,889,802	3.12
		3,030,502,150	9.55
Finance (42.59%)			
Bank of China Ltd.	185,206,060	640,812,968	2.02
BOC Hong Kong (Holdings) Ltd.	22,537,415	464,270,749	1.46
Bank of Communications Co. Ltd.	84,279,645	768,630,362	2.42
Bank of East Asia Ltd., The	10,168,987	428,622,802	1.35
China Construction Bank Corporation	273,603,826	1,715,495,989	5.41
China Life Insurance Co. Ltd	45,310,308	1,234,705,893	3.89
Hang Seng Bank Ltd.	4,659,133	765,961,465	2.41
Hong Kong Exchanges and Clearing Ltd.	6,538,599	744,746,426	2.35
HSBC Holdings plc	39,467,514	4,767,675,691	15.03
Industrial and Commercial Bank of China Ltd.	278,135,334	1,482,461,330	4.67
Ping An Insurance (Group) Co. of China Ltd.	8,569,756	496,617,360	1.57
		13,510,001,035	42.59
Utilities (4.98%)			
China Light & Power Holdings Ltd.	10,997,899	734,109,758	2.31
Hong Kong and China Gas Co. Ltd., The	24,362,271	451,676,504	1.42
Hongkong Electric Holdings Ltd.	8,446,864	394,046,206	1.24
		1,579,832,468	4.98

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Investment Portfolio (Continued)

As at 30th June 2008

		(UNAUDITED)	
	Holdings	Fair value HK\$	% of net assets
Commerce and Industry (41.41%)			
Aluminum Corporation of China Ltd.	22,893,469	205,583,352	0.65
Cathay Pacific Airways Ltd.	7,202,921	107,035,406	0.34
China Merchants Holdings (International) Co. Ltd.	6,594,048	198,810,547	0.63
China Mobile Ltd.	36,611,818	3,833,257,345	12.08
China Netcom Group Corporation (HK) Ltd.	12,237,052	260,037,355	0.82
China Petroleum & Chemical Corporation	102,170,452	744,822,595	2.35
China Resources Enterprise, Ltd.	7,274,015	161,846,834	0.51
China Shenhua Energy Co. Ltd.	20,702,565	631,428,233	1.99
China Unicom Ltd.	24,961,519	358,946,643	1.13
CITIC Pacific Ltd.	7,358,355	211,552,706	0.67
CNOOC Ltd.	108,813,263	1,460,273,989	4.60
COSCO Pacific Ltd.	6,856,180	86,524,992	0.27
Esprit Holdings Ltd.	6,437,215	521,092,554	1.64
Foxconn International Holdings Ltd.	12,917,606	97,657,101	0.31
Hutchison Whampoa Ltd.	12,986,133	1,019,411,441	3.21
Li & Fung Ltd.	13,672,672	321,307,792	1.01
MTR Corporation Ltd.	8,543,161	209,734,603	0.66
New World Development Co. Ltd.	14,787,098	234,523,374	0.74
PetroChina Co. Ltd.	128,484,456	1,295,123,317	4.08
Swire Pacific Ltd. 'A'	5,577,936	444,840,396	1.40
Tencent Holdings Ltd.	5,937,521	358,032,516	1.13
Wharf (Holdings) Ltd., The	9,224,305	301,173,558	0.95
Yue Yuen Industrial (Holdings) Ltd.	4,060,278	75,196,349	0.24
		<u>13,138,212,998</u>	<u>41.41</u>
Total listed investments		<u>31,258,548,651</u>	<u>98.53</u>
Total investments, at cost		<u>28,460,519,718</u>	

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Statement of Movements in Investment Portfolio

For the period ended 30th June 2008

	(UNAUDITED)			
	Holdings			
	31.12.2007	Additions	Disposals	30.06.2008
Hong Kong				
Listed investments				
Equities				
Properties				
Cheung Kong (Holdings) Ltd.	7,775,828	2,172,243	(1,483,114)	8,464,957
China Overseas Land & Investment Ltd.	20,030,657	5,697,483	(2,128,879)	23,599,261
Hang Lung Properties Ltd.	10,704,576	3,048,977	(1,124,700)	12,628,853
Henderson Land Development Co. Ltd.	4,505,371	2,499,045	(463,256)	6,541,160
Sino Land Co. Ltd.	12,430,233	3,660,917	(1,302,399)	14,788,751
Sun Hung Kai Properties Ltd.	7,284,534	2,852,391	(771,837)	9,365,088
Finance				
Bank of China Ltd.	157,099,456	45,463,094	(17,356,490)	185,206,060
BOC Hong Kong (Holdings) Ltd.	19,115,787	5,443,985	(2,022,357)	22,537,415
Bank of Communications Co. Ltd.	77,448,988	21,634,694	(14,804,037)	84,279,645
Bank of East Asia Ltd., The	8,131,994	2,688,139	(651,146)	10,168,987
China Construction Bank Corporation	174,129,967	120,020,355	(20,546,496)	273,603,826
China Life Insurance Co. Ltd	38,444,481	11,141,889	(4,276,062)	45,310,308
Hang Seng Bank Ltd.	3,947,132	1,144,732	(432,731)	4,659,133
Hong Kong Exchanges and Clearing Ltd.	5,528,259	1,603,796	(593,456)	6,538,599
HSBC Holdings plc	36,892,076	11,996,122	(9,420,684)	39,467,514
Industrial and Commercial Bank of China Ltd.	193,093,483	107,038,135	(21,996,284)	278,135,334
Ping An Insurance (Group) Co. of China Ltd.	7,269,217	2,106,443	(805,904)	8,569,756
Utilities				
China Light & Power Holdings Ltd.	9,330,471	2,699,892	(1,032,464)	10,997,899
Hong Kong and China Gas Co. Ltd., The	18,784,735	7,809,948	(2,232,412)	24,362,271
Hongkong Electric Holdings Ltd.	7,149,867	2,040,523	(743,526)	8,446,864
Commerce and Industry				
Aluminum Corporation of China Ltd.	-	23,182,622	(289,153)	22,893,469
Cathay Pacific Airways Ltd.	6,092,949	1,738,413	(628,441)	7,202,921
Cheung Kong Infrastructure Holdings Ltd.	2,319,613	549,924	(2,869,537)	-
China Merchants Holdings (International) Co. Ltd.	5,578,067	1,592,552	(576,571)	6,594,048
China Mobile Ltd.	31,030,762	8,989,207	(3,408,151)	36,611,818
China Netcom Group Corporation (HK) Ltd.	10,304,717	2,948,783	(1,016,448)	12,237,052
China Petroleum & Chemical Corporation	86,692,525	25,126,070	(9,648,143)	102,170,452
China Resources Enterprise, Ltd.	6,144,873	1,754,751	(625,609)	7,274,015
China Shenhua Energy Co. Ltd.	17,560,235	5,089,480	(1,947,150)	20,702,565
China Unicom Ltd.	17,562,115	9,498,839	(2,099,435)	24,961,519
CITIC Pacific Ltd.	6,278,826	1,783,323	(703,794)	7,358,355
CNOOC Ltd.	80,082,005	37,282,447	(8,551,189)	108,813,263
COSCO Pacific Ltd.	5,784,229	1,651,278	(579,327)	6,856,180
Esprit Holdings Ltd.	5,434,855	1,554,158	(551,798)	6,437,215
Foxconn International Holdings Ltd.	10,897,814	3,112,846	(1,093,054)	12,917,606
Hutchison Whampoa Ltd.	11,009,890	3,191,737	(1,215,494)	12,986,133
Li & Fung Ltd.	11,582,113	3,300,941	(1,210,382)	13,672,672
MTR Corporation Ltd.	7,227,278	2,063,274	(747,391)	8,543,161
New World Development Co. Ltd.	12,472,053	3,564,036	(1,248,991)	14,787,098
Pacific Century Cyberworks Ltd.	26,207,898	6,207,580	(32,415,578)	-
PetroChina Co. Ltd.	109,031,958	31,592,055	(12,139,557)	128,484,456
Swire Pacific Ltd. 'A'	4,732,230	1,369,516	(523,810)	5,577,936
Tencent Holdings Ltd.	-	6,009,958	(72,437)	5,937,521
Wharf (Holdings) Ltd., The	6,938,278	3,095,381	(809,354)	9,224,305
Yue Yuen Industrial (Holdings) Ltd.	3,427,988	979,086	(346,796)	4,060,278
Right issues of Wharf (Holdings) Ltd. The	867,284	-	(867,284)	-

Tracker Fund of Hong Kong

Interim Report 2008

Performance Record (unaudited)

For the period ended 30th June 2008

Fund performance

During the period, the Hang Seng Index decreased by 20.53% and the net asset value per unit of the Fund decreased by 19.69%.

Tracker Fund of Hong Kong

Interim Report 2008

Administration and Management

Directors of the Manager

Mr. Bernard Reilly
Mr. Eric Kam Piu Choi
Ms. Katrina Lee Sly
Mr. Lochiel Crafter
(Resigned on 24th April 2008)

Members of the Supervisory Committee

Mr. Marvin Cheung
Mr. Fong Hup
Ms. Karen Kemp
(Resigned on 3rd April 2008)
Mr. Lawrence Fok
Prof. Tsang Shu-ki
Mr. Stephen Law
(Appointed on 3rd April 2008)

Trustee and custodian

State Street Bank and Trust Company
68th Floor Two International Finance
Centre
8 Finance Street
Central
Hong Kong

Registrar

Computershare Hong Kong
Investor Services Limited
Rooms 1806-1807
18th Floor Hopewell Centre
183 Queen's Road East
Hong Kong

Manager

State Street Global Advisors Asia Limited
68th Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

Promoter

Exchange Fund Investment Limited
87th Floor
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

Auditor

PricewaterhouseCoopers
22nd Floor
Prince's Building
Central
Hong Kong