

TraHK

Tracker Fund of Hong Kong
Stock Code : 2800

Interim Report 2009

1st January 2009 to 30th June 2009

STATE STREET
GLOBAL ADVISORS

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CONDENSED STATEMENT OF NET ASSETS

As at 30th June 2009

	(UNAUDITED) 30.06.2009	(AUDITED) 31.12.2008
Note	HK\$	HK\$
Assets		
Investments	34,234,303,988	32,895,270,414
Dividends receivable	198,116,965	87,189,518
Other accounts receivable and prepayments	446,463	308,283
Bank balances	7(d) 311,779,989	177,260,694
	34,744,647,405	33,160,028,909
Liabilities		
Management fee payable	3,750,038	3,690,291
Trustee fee payable	3,750,038	3,690,291
Index license fee payable	1,289,940	1,195,955
Registrar fee payable	369,815	322,753
Other accounts payable and accruals	3,401,347	2,311,552
	12,561,178	11,210,842
Liabilities (excluding net assets attributable to holders of redeemable units)		
	12,561,178	11,210,842
Net assets attributable to holders of redeemable units (at bid market prices)		
	34,732,086,227	33,148,818,067
Adjustments from bid market prices to last traded market prices	5 33,272,419	33,114,298
	34,765,358,646	33,181,932,365
Net assets attributable to holders of redeemable units (at last traded market prices)		
	34,765,358,646	33,181,932,365

The notes on pages 5 to 13 form part of these financial statements.

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30th June 2009

		(UNAUDITED)	
		01.01.2009	01.01.2008
		to	to
		30.06.2009	30.06.2008
	Note	HK\$	HK\$
Income			
Dividends		696,403,155	632,544,865
Bank interest	7(d)	–	715,260
Transaction fee	4(a)	743,836	447,542
Other income	4(b)	2,255,413	2,282,393
Net gain/(loss) on investments	3	8,162,317,965	(6,682,206,833)
		<u>8,861,720,369</u>	<u>(6,046,216,773)</u>
Total net income/(loss)			
Expenses			
Management fee	7(b)	7,389,365	7,115,054
Trustee fee	7(c)	7,389,365	7,115,054
Index license fee	8(c)	2,407,549	2,252,199
Transaction costs on investments		11,062,495	4,922,160
Registrar fee	8(a)	890,024	872,804
Publication and printing expenses		796,235	775,145
Conversion agent fee	8(b)	690,280	167,082
Audit fee		187,447	74,092
Legal and professional fees		247,945	313,803
Bank charges		268,462	265,560
Other operating expenses		505,751	100,306
		<u>31,834,918</u>	<u>23,973,259</u>
Total operating expenses			
		<u>8,829,885,451</u>	<u>(6,070,190,032)</u>
Operating profit/(loss)			
Finance costs			
Distributions to holders of redeemable units	12	(332,318,800)	(330,968,275)
		<u>8,497,566,651</u>	<u>(6,401,158,307)</u>
Profit/(loss) after distributions and before tax			
Withholding tax	6	(37,168,631)	–
		<u>8,460,398,020</u>	<u>(6,401,158,307)</u>
Profit/(loss) after distributions and tax			
Adjustments from bid market prices to last traded market prices	5	158,121	6,764,482
		<u>8,460,556,141</u>	<u>(6,394,393,825)</u>
Increase/(decrease) in net assets attributable to holders of redeemable units from operations			

The notes on pages 5 to 13 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 2009

		(UNAUDITED)	
		01.01.2009	01.01.2008
		to	to
		30.06.2009	30.06.2008
Note		HK\$	HK\$
	Net assets attributable to holders of redeemable units at 1st January	33,181,932,365	32,517,482,048
		<u>-----</u>	<u>-----</u>
	Issue of units	9 2,410,209,374	7,772,988,715
	Redemption of units	9 (9,287,338,188)	(2,172,487,562)
	Net further cash amount paid on redemption and issue of units	<u> (1,046)</u>	<u> (7,102)</u>
	Net (redemption)/issue of units	<u>(6,877,129,860)</u>	<u>5,600,494,051</u>
		26,304,802,505	38,117,976,099
	Increase/(decrease) in net assets attributable to holders of redeemable units from operations	<u>8,460,556,141</u>	<u>(6,394,393,825)</u>
	Net assets attributable to holders of redeemable units at 30th June (at last traded market prices)	<u><u>34,765,358,646</u></u>	<u><u>31,723,582,274</u></u>

The notes on pages 5 to 13 form part of these financial statements.

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CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30th June 2009

		(UNAUDITED)	
		01.01.2009	01.01.2008
		to	to
		30.06.2009	30.06.2008
Note		HK\$	HK\$
Cash flows from operating activities			
		5,221,688,364	2,018,485,509
		(5,206,035,352)	(1,880,159,729)
		548,307,077	428,860,468
		2,255,413	2,282,393
		–	710,560
		825,000	600,000
		(7,329,618)	(7,568,297)
		(7,329,618)	(7,568,297)
		(2,313,564)	(2,444,358)
		(842,962)	(970,202)
		(424,619)	(617,177)
		(11,062,495)	(4,922,160)
		(720,000)	(808,000)
		(55,447)	(384,828)
		(67,998)	(313,803)
		(557,605)	(998,011)
		<u>536,336,576</u>	<u>544,184,068</u>
Net cash generated from operating activities			
		-----	-----
Cash flows from financing activities			
	9	18,885,024	36,218,690
	9	(88,382,459)	(11,250,649)
		27,099	1,957
		(28,145)	(7,689)
	12	(332,318,800)	(330,968,275)
		<u>(401,817,281)</u>	<u>(306,005,966)</u>
Net cash used in financing activities			
		-----	-----
Net increase in cash and cash equivalents			
		134,519,295	238,178,102
		177,260,694	72,829,175
Cash and cash equivalents at the end of the period			
		<u>311,779,989</u>	<u>311,007,277</u>
Analysis of balances of cash and cash equivalents			
	7(d)	<u>311,779,989</u>	<u>311,007,277</u>

Please refer to note 9 on page 11 for details of major non-cash transactions.
The notes on pages 5 to 13 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 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") 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 2008.

Except as described below, 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 2008.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1st January 2009

HKAS 1 (Revised), "Presentation of Financial Statements". The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the Statement of Changes in Equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the Statement of Comprehensive Income) or two statements (the Income Statement and Statement of Comprehensive Income). The Fund has elected to present solely a Statement of Comprehensive Income. The interim financial statements have been prepared under the revised disclosure requirements.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

2 Basis of preparation and accounting policies (Continued)

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1st January 2009 (Continued)

HKAS 32 (Amendment), "Financial Instruments: Presentation", and HKAS 1 (Amendment), "Presentation of Financial Instruments – Puttable Financial Instruments and Obligations Arising on Liquidation". The amended standards require entities to classify puttable financial instruments and instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions, including that all financial instruments in the class of instruments that is subordinate to all other instruments have identical features. As the Fund has a contractual obligation to pay distributions on a half-yearly basis to holders of redeemable units, the adoption of these amendments has not resulted in any change in the classification of the Fund's redeemable units.

HKFRS 8, "Operating segments". HKFRS 8 replaces HKAS 14, "Segment reporting". It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The Trustee and the Manager have considered that the Fund has only one operating segment (see note 13).

3 Net gain/(loss) on investments

	(UNAUDITED)	
	01.01.2009	01.01.2008
	to	to
	30.06.2009	30.06.2008
	HK\$	HK\$
Change in unrealized gain/loss in value of investments	14,283,981,848	(8,391,502,926)
Realized (loss)/gain on sale of investments	(6,121,663,883)	1,709,296,093
	<u>8,162,317,965</u>	<u>(6,682,206,833)</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 the lower of HK\$80 per year per unitholder and the unitholder's actual distribution entitlement. 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 objectives and risk management policies, the Fund endeavours to invest in appropriate investments while maintaining sufficient liquidity to meet redemption, such liquidity being augmented by disposal of listed securities where necessary.

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\$33,272,419 as at 30th June 2009 (as at 31st December 2008: HK\$33,114,298). The amount of the adjustment recognized in the Condensed Statement of Comprehensive Income is HK\$158,121 (for the period ended 30th June 2008: HK\$6,764,482).

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		
	01.01.2009 to 30.06.2009	01.07.2008 to 31.12.2008	01.01.2008 to 30.06.2008
Units in issue at the beginning of the period	2,280,992,500	1,411,992,500	1,161,992,500
Creation of units	181,000,000	942,000,000	335,000,000
Redemption of units	(604,000,000)	(73,000,000)	(85,000,000)
Units in issue at the end of the period	<u>1,857,992,500</u>	<u>2,280,992,500</u>	<u>1,411,992,500</u>
	HK\$	HK\$	HK\$
Net assets attributable to holders of redeemable units	<u>34,765,358,646</u>	<u>33,181,932,365</u>	<u>31,723,582,274</u>
Net assets attributable to holders of redeemable units (per unit)	<u>18.71</u>	<u>14.55</u>	<u>22.47</u>
Net asset value per Creation Unit (1 Creation Unit is equivalent to 1,000,000 units)	<u>18,711,248</u>	<u>14,547,147</u>	<u>22,467,246</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.

In accordance with the Corporate Income Tax Law of the People's Republic of China ("PRC") and the relevant implementing rules, PRC companies are required to withhold corporate income tax at the rate of 10% before distributing dividend to non-resident enterprise shareholders as appearing on their H share registers. Dividend income received by the Fund in respect of its holdings in H shares of PRC companies will be subject to the withholding of corporate income tax.

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 also include 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 its related parties, including 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 2009, the directors and officers of the Manager together held 28,960 units in the Fund (as at 31st December 2008: 33,460 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.

(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.

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NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

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

(d) *Bank balances and interest income*

Bank balances are maintained with the Trustee. Bank balances held with the Trustee as at 30th June 2009 was HK\$311,779,989 (as at 31st December 2008: HK\$177,260,694). During the period, no interest was earned on the above bank balances (for the period ended 30th June 2008: HK\$715,260).

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	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 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 181,000,000 units (for the period ended 30th June 2008: 335,000,000) in exchange for Index Baskets consisting of investments valued at HK\$2,391,324,350 (for the period ended 30th June 2008: HK\$7,732,433,866) by the Manager with remaining balances in cash, totaling HK\$2,410,209,374 (for the period ended 30th June 2008: 7,772,988,715).

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 604,000,000 units (for the period ended 30th June 2008: 85,000,000 units) in exchange for Index Baskets consisting of investments valued at HK\$9,198,955,729 (for the period ended 30th June 2008: HK\$2,161,236,913) by the Manager with remaining balances in cash, totaling HK\$9,287,338,188 (for the period ended 30th June 2008: HK\$2,172,487,562).

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 2009 were as follows:

	Respective weighting in the Index (%)		% of net asset value	
	30.6.2009	31.12.2008	30.06.2009	31.12.2008
HSBC Holdings plc	14.4	13.1	14.3	13.0
China Mobile Ltd.	9.9	14.2	9.8	14.1

12 Distribution

	(UNAUDITED)	
	01.01.2009 to 30.06.2009 HK\$	01.01.2008 to 30.06.2008 HK\$
Interim distribution		
– HK\$0.23 on 1,438,992,500 units paid on 22nd May 2008	–	330,968,275
– HK\$0.16 on 2,076,992,500 units paid on 22nd May 2009	332,318,800	–

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

13 Segment information

The Trustee and the Manager make the strategic resource allocation on behalf of the Fund and have determined the operating segments based on the reports reviewed which are used to make strategic decisions.

The Trustee and the Manager consider that the Fund has a single operating segment which is investing in the constituent stocks of the Hang Seng Index of Hong Kong with the objective to provide investment results that closely correspond to the performance of the Index. There were no changes in the operating segment during the period.

The segment information provided to the Trustee and the Manager is the same as that disclosed in the Condensed Statement of Comprehensive Income and Condensed Statement of Net Assets.

The Fund is domiciled in Hong Kong. All of the Fund's income from investments is from entities listed in Hong Kong.

The Fund has no assets classified as non-current assets. The Fund has a highly diversified portfolio of investments. Please refer to note 11 for investment holdings account for more than 10% of the Fund's net assets.

The Fund also has a highly diversified unitholder population and no individual investor owns more than 10% of the net assets of the Fund.

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INVESTMENT PORTFOLIO

As at 30th June 2009

	(UNAUDITED)		% of net assets
	Holdings	Fair value HK\$	
Hong Kong			
Listed investments (98.47%)			
Equities (98.47%)			
Properties (9.96%)			
Cheung Kong (Holdings) Ltd.	10,092,339	899,227,405	2.59
China Overseas Land & Investment Ltd.	29,637,519	529,326,089	1.52
Hang Lung Properties Ltd.	15,050,366	378,516,705	1.08
Henderson Land Development Co. Ltd.	7,790,526	346,288,881	1.00
Sino Land Co. Ltd.	17,592,277	225,181,146	0.65
Sun Hung Kai Properties Ltd.	11,173,498	1,084,946,656	3.12
		<hr/>	
		3,463,486,882	9.96
		<hr/>	
Finance (48.01%)			
Bank of China Ltd.	496,733,868	1,827,980,634	5.26
BOC Hong Kong (Holdings) Ltd.	26,863,345	364,266,958	1.05
Bank of Communications Co. Ltd.	100,477,060	873,145,651	2.51
Bank of East Asia Ltd., The	13,373,076	314,935,940	0.91
China Construction Bank Corporation	489,373,305	2,936,239,830	8.45
China Life Insurance Co. Ltd	54,020,392	1,547,684,231	4.45
Hang Seng Bank Ltd.	5,554,161	603,181,885	1.74
Hong Kong Exchanges and Clearing Ltd.	7,811,880	943,675,104	2.71
HSBC Holdings plc	75,412,801	4,950,850,386	14.24
Industrial and Commercial Bank of China Ltd.	331,636,382	1,790,836,463	5.15
Ping An Insurance (Group) Co. of China Ltd.	10,215,396	535,286,750	1.54
		<hr/>	
		16,688,083,832	48.01
		<hr/>	
Utilities (5.08%)			
China Resources Power Holdings Co. Ltd.	10,637,352	183,175,201	0.53
CLP Holdings Ltd.	13,103,925	673,541,745	1.94
Hong Kong and China Gas Co. Ltd., The	28,696,738	467,756,829	1.35
Hong Kong Electric Holdings Ltd.	10,070,257	434,531,590	1.25
Right Issues of China Resources Power Holdings Co. Ltd.	1,112,208	3,670,286	0.01
		<hr/>	
		1,762,675,651	5.08
		<hr/>	

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INVESTMENT PORTFOLIO (Continued)

As at 30th June 2009

	(UNAUDITED)		% of net
Holdings	Fair value	HK\$	assets
Commerce and Industry (35.42%)			
Aluminum Corporation of China Ltd.	28,635,616	210,185,421	0.60
Cathay Pacific Airways Ltd.	8,567,615	90,988,071	0.26
China Merchants Holdings (International) Co. Ltd.	7,920,466	175,834,345	0.51
China Mobile Ltd.	43,683,485	3,389,838,436	9.75
China Petroleum & Chemical Corporation	121,829,371	717,574,995	2.06
China Resources Enterprise, Ltd.	8,677,012	133,973,065	0.39
China Shenhua Energy Co. Ltd.	24,677,996	699,621,187	2.01
China Unicom (Hong Kong) Ltd.	51,767,441	533,204,642	1.53
CITIC Pacific Ltd.	7,943,214	126,297,103	0.36
CNOOC Ltd.	129,717,642	1,246,586,540	3.59
COSCO Pacific Ltd.	8,153,349	70,934,136	0.20
Esprit Holdings Ltd.	8,595,907	372,632,568	1.07
Foxconn International Holdings Ltd.	15,377,428	77,809,786	0.22
Hutchison Whampoa Ltd.	15,479,330	780,932,199	2.25
Li & Fung Ltd.	19,063,508	394,614,616	1.14
MTR Corporation Ltd.	10,273,648	240,403,363	0.69
New World Development Co. Ltd.	18,179,763	253,789,491	0.73
PetroChina Co. Ltd.	153,173,953	1,317,295,996	3.79
Swire Pacific Ltd. 'A'	6,578,000	508,808,300	1.46
Tencent Holdings Ltd.	7,193,799	650,319,430	1.87
Wharf (Holdings) Ltd., The	9,997,380	328,413,933	0.94
		12,320,057,623	35.42
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Total listed investments		34,234,303,988	98.47
Total investments, at cost		31,127,042,556	

Tracker Fund of Hong Kong

Interim Report 2009

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO

For the period ended 30th June 2009

	(UNAUDITED)			30.06.2009
	31.12.2008	Additions	Disposals	
Holdings				
Hong Kong				
Listed investments				
Equities				
Properties				
CHEUNG KONG (HOLDINGS) LTD.	13,872,345	1,562,238	(5,342,244)	10,092,339
CHINA OVERSEAS LAND & INVESTMENT LTD.	39,148,930	6,151,794	(15,663,205)	29,637,519
HANG LUNG PROPERTIES LTD.	20,693,446	2,327,231	(7,970,311)	15,050,366
HENDERSON LAND DEVELOPMENT CO. LTD.	10,721,822	1,205,368	(4,136,664)	7,790,526
SINO LAND CO. LTD.	24,110,956	2,832,494	(9,351,173)	17,592,277
SUN HUNG KAI PROPERTIES LTD.	15,349,988	1,728,426	(5,904,916)	11,173,498
RIGHT ISSUES OF CHINA OVERSEAS LAND & INVESTMENT LTD.	1,565,957	-	(1,565,957)	-
Finance				
BANK OF CHINA LTD.	340,893,872	305,588,391	(149,748,395)	496,733,868
BOC HONG KONG (HOLDINGS) LTD.	36,959,123	4,156,639	(14,252,417)	26,863,345
BANK OF COMMUNICATIONS CO. LTD.	138,114,232	15,549,115	(53,186,287)	100,477,060
BANK OF EAST ASIA LTD., THE	16,683,516	3,333,054	(6,643,494)	13,373,076
CHINA CONSTRUCTION BANK CORPORATION	448,061,655	202,477,661	(161,166,011)	489,373,305
CHINA LIFE INSURANCE CO. LTD.	74,192,176	8,434,340	(28,606,124)	54,020,392
HANG SENG BANK LTD.	7,636,977	859,606	(2,942,422)	5,554,161
HONG KONG EXCHANGES AND CLEARING LTD.	10,731,019	1,214,618	(4,133,757)	7,811,880
HSBC HOLDINGS PLC	58,435,624	70,475,268	(53,498,091)	75,412,801
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD.	455,460,245	51,804,450	(175,628,313)	331,636,382
PING AN INSURANCE (GROUP) CO. OF CHINA LTD.	14,047,230	1,580,623	(5,412,457)	10,215,396
RIGHT ISSUES OF HSBC HOLDINGS PLC	-	34,168,660	(34,168,660)	-
Utilities				
CHINA RESOURCES POWER HOLDINGS CO. LTD.	-	11,354,000	(716,648)	10,637,352
CHINA LIGHT & POWER HOLDINGS LTD.	18,024,462	2,050,615	(6,971,152)	13,103,925
HONG KONG & CHINA GAS CO. LTD., THE	39,921,378	4,125,791	(15,350,431)	28,696,738
HONG KONG ELECTRIC HOLDINGS LTD.	13,842,872	1,558,451	(5,331,066)	10,070,257
RIGHT ISSUES OF CHINA RESOURCES POWER HOLDINGS CO. LTD.	-	1,112,208	-	1,112,208

Tracker Fund of Hong Kong

Interim Report 2009

PERFORMANCE RECORD

For the period ended 30th June 2009

Fund performance

During the period, the Hang Seng Index increased by 27.74% and the net asset value per unit of the Fund increased by 28.62%.

ADMINISTRATION AND MANAGEMENT

Directors of the Manager

Mr. Bernard Patrick Reilly
Mr. Eric Kam Piu Choi
Ms. Katrina Lee Sly
Ms. Kelly Quinn Driscoll

Members of the Supervisory Committee

Mr. Fong Hup
Mr. Lawrence Fok
Mr. Marvin Cheung
Mr. Stephen Law
Prof. Tsang Shu-ki

Trustee and custodian

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Manager

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68th Floor
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Hong Kong

Promoter

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Conversion agent

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Auditor

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22nd Floor
Prince's Building
Central
Hong Kong