



Tracker Fund of Hong Kong

Stock Code: 2800/82800

Website: www.trahk.com.hk

INTERIM REPORT

2023



恒生投資

HANG SENG INVESTMENT



Contents

Condensed Statement of Net Assets (Unaudited)	1
Condensed Statement of Comprehensive Income (Unaudited)	2
Condensed Statement of Changes in Net Assets Attributable to Unitholders of Redeemable Units (Unaudited)	3
Condensed Statement of Cash Flows (Unaudited)	4
Notes to the Unaudited Condensed Financial Statements	5
Investment Portfolio (Unaudited)	19
Statement of Movements in Investment Portfolio (Unaudited)	23
Performance Record (Unaudited)	25
Administration and Management	26

Note: All figures marked “-” in this Financial Statement, including the Notes to Financial Statements, represent 0 (zero) in value or amount.

CONDENSED STATEMENT OF NET ASSETS (UNAUDITED)

AS AT 30TH JUNE 2023

	Notes	(UNAUDITED) 30.06.2023 HK\$	(AUDITED) 31.12.2022 HK\$
Assets			
Current assets			
Investments	13	127,133,142,556	130,455,463,973
Due from brokers		–	22,330,912
Dividend receivable		740,863,987	7,374,143
Amounts receivable on creation of units		4,879,334	7,932,535
Interest receivable		31,655	1,010
Other receivable		45,000	–
Bank balances	7(f)	1,078,078,938	322,298,636
Total assets		<u>128,957,041,470</u>	<u>130,815,401,209</u>
Liabilities			
Current liabilities			
Management fee payable	7(d)	6,747,058	6,269,847
Trustee fee payable	7(e)	6,747,058	14,881,627
Index license fee payable	7(i)	4,763,020	4,319,146
Registrar fee payable	9(a)	175,823	184,745
Professional fee payable		119,000	119,000
Amounts payable on redemption of units		19,172,087	542,142
Due to brokers		–	10,726,739
Other accounts payable and accruals		7,821,771	7,591,501
Liabilities (excluding net assets attributable to unitholders of redeemable units)		<u>45,545,817</u>	<u>44,634,747</u>
Net assets attributable to unitholders of redeemable units	5	<u>128,911,495,653</u>	<u>130,770,766,462</u>

The notes on pages 5 to 18 form part of these condensed financial statements.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE HALF-YEAR ENDED 30TH JUNE 2023

	Notes	(UNAUDITED)	
		For the	For the
		half-year ended 30.06.2023 HK\$	half-year ended 30.06.2022 HK\$
Income			
Dividends	7(h)	2,181,930,598	2,070,827,817
Bank interest	7(f), 4(c)	6,761,879	384,342
Transaction fee	4(a)	5,505,000	5,835,000
Other income	4(b)	1,514,887	1,552,634
Net loss on investments	3	(5,386,273,575)	(4,778,944,484)
Total investment loss		(3,190,561,211)	(2,700,344,691)
Expenses			
Management fee	7(d)	14,005,478	17,655,887
Trustee fee	7(e)	14,018,759	17,858,562
Index license fee	7(i)	9,516,492	8,001,799
Transaction costs on investments	8	21,620,642	24,782,170
Registrar fee	9(a)	924,926	937,310
Publication and printing expenses		1,467,182	1,192,750
Conversion agent fee	9(b)	4,404,000	4,692,000
Audit fee		215,700	299,000
Bank charges	7(g)	300,778	251,875
Legal and other professional fees		357,000	441,036
Other operating expenses		1,504,318	1,623,864
Total operating expenses		68,335,275	77,736,253
Operating loss		(3,258,896,486)	(2,778,080,944)
Finance costs			
Distributions to unitholders of redeemable units	14	(654,799,250)	(416,559,400)
Loss after distributions and before tax		(3,913,695,736)	(3,194,640,344)
Withholding tax	6	(67,081,473)	(101,435,978)
Decrease in net assets attributable to unitholders of redeemable units from operations		(3,980,777,209)	(3,296,076,322)

The notes on pages 5 to 18 form part of these condensed financial statements.

CONDENSED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS OF REDEEMABLE UNITS (UNAUDITED)

FOR THE HALF-YEAR ENDED 30TH JUNE 2023

		(UNAUDITED)			
		For the half-year ended 30.06.2023	For the half-year ended 30.06.2023	For the half-year ended 30.06.2022	For the half-year ended 30.06.2022
Notes	Units	HK\$	Units	HK\$	HK\$
Net assets attributable to unitholders of redeemable units at 1st January		6,567,992,500	130,770,766,462	4,251,992,500	100,071,496,893
Issue of units					
	– In-kind	5, 10 4,830,000,000	97,394,563,997	4,357,000,000	93,539,576,393
	– Cash component	10 –	434,865,303	–	328,517,707
		4,830,000,000	97,829,429,300	4,357,000,000	93,868,094,100
Redemption of units					
	– In-kind	5, 10 (4,704,000,000)	(95,313,332,027)	(3,481,000,000)	(76,044,498,860)
	– Cash component	10 –	(394,590,873)	–	(356,448,540)
		(4,704,000,000)	(95,707,922,900)	(3,481,000,000)	(76,400,947,400)
Net issue of units		126,000,000	2,121,506,400	876,000,000	17,467,146,700
Decrease in net assets attributable to unitholders of redeemable units from operations		–	(3,980,777,209)	–	(3,296,076,322)
Net assets attributable to unitholders of redeemable units at 30th June		<u>6,693,992,500</u>	<u>128,911,495,653</u>	<u>5,127,992,500</u>	<u>114,242,567,271</u>

The notes on pages 5 to 18 form part of these condensed financial statements.

CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE HALF-YEAR ENDED 30TH JUNE 2023

		(UNAUDITED)	
		For the half-year ended 30.06.2023 HK\$	For the half-year ended 30.06.2022 HK\$
Cash flows from operating activities			
Proceeds from sale of investments	10	7,360,144,601	10,541,137,224
Payments for purchase of investments	10	(7,327,371,266)	(10,483,576,325)
Dividends received		1,377,469,931	1,146,381,268
Bank interest received		6,731,234	384,342
Transaction fee received		5,460,000	5,835,000
Management fee paid		(13,528,267)	(16,921,205)
Trustee fee paid		(22,153,328)	(25,023,710)
Index license fee paid		(9,072,618)	(7,591,250)
Registrar fee paid		(933,848)	(799,417)
Publication and printing expenses paid		(975,578)	(722,125)
Transaction costs on investments paid		(21,620,642)	(24,782,170)
Conversion agent fee paid		(4,764,000)	(5,344,000)
Bank charges paid		(300,778)	(251,875)
Legal and other professional fees paid		(357,000)	(381,536)
Other operating expenses (paid)/refund		(1,620,934)	151,934
		<u>1,347,107,507</u>	<u>1,128,496,155</u>
Net cash generated from operating activities			
		<u>1,347,107,507</u>	<u>1,128,496,155</u>
Cash flows from financing activities			
Cash component received on issue of units	10	437,918,504	321,070,885
Cash component paid on redemption of units	10	(375,960,928)	(329,357,229)
Interim distribution paid	4(b), 14	(653,284,781)	(415,100,608)
		<u>(591,327,205)</u>	<u>(423,386,952)</u>
Net cash used in financing activities			
		<u>(591,327,205)</u>	<u>(423,386,952)</u>
Net increase in cash and cash equivalents			
		755,780,302	705,109,203
Cash and cash equivalents at the beginning of the period		322,298,636	191,701,628
		<u>1,078,078,938</u>	<u>896,810,831</u>
Cash and cash equivalents at the end of the period			
		<u>1,078,078,938</u>	<u>896,810,831</u>
Analysis of balances of cash and cash equivalents:			
Bank balances	7(f)	<u>1,078,078,938</u>	<u>896,810,831</u>

Please refer to note 10 for details of major non-cash transactions.

The notes on pages 5 to 18 form part of these condensed 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, as amended, supplemented or restated from time to time (the "Trust Deed"). The Fund is authorized by the Securities and 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 trustee of the Fund is State Street Bank and Trust Company (the "Trustee").

Up to 18th September 2022, the manager of the Fund was State Street Global Advisors Asia Limited (the "Former Manager"). On 29th March 2022, the Trustee issued a notice to inform the unitholders of the Fund that Hang Seng Investment Management Limited, a wholly-owned subsidiary of Hang Seng Bank Limited and an SFC licensed investment manager, has been selected by the Supervisory Committee as the new manager of the Fund. The transition to the new manager was completed on 19th September 2022, following regulatory approvals and satisfaction of certain conditions in the Trust Deed. With effect from 19th September 2022, Hang Seng Investment Management Limited became the manager of the Fund (the "Manager").

The Fund's objective is to provide investment results that closely correspond to the performance of the Hang Seng Index (the "Index").

These unaudited condensed interim financial statements were approved for issue on 21st August 2023. The financial statements have been reviewed, not audited.

2 Basis of preparation and accounting policies

These unaudited condensed interim financial statements for the half-year ended 30th June 2023 have been prepared in accordance with Hong Kong Accounting Standard 34, "Interim financial reporting". The unaudited condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31st December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies and methods of computation applied are consistent with those of the annual financial statements for the year ended 31st December 2022. Other amendments to HKFRS effective for the financial year ending 31st December 2023 are not expected to have a material impact on the Fund.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

3 Net loss on investments

	(UNAUDITED)	
	For the half-year ended 30.06.2023 HK\$	For the half-year ended 30.06.2022 HK\$
Change in unrealized (loss)/gain on investments	(14,019,915,940)	12,425,039,158
Realized gain/(loss) on sale of investments	8,633,642,365	(17,203,983,642)
	<u>(5,386,273,575)</u>	<u>(4,778,944,484)</u>

4 Income

(a) Transaction fee

Applications to create or redeem units are only made through brokers or dealers (who itself or its agent is a participant in Central Clearing and Settlement System ("CCASS") and to whose or whose agent's account any units are for the time being credited by Hong Kong Securities Clearing Company ("HKSCC")) (the "Participating Dealers") which have executed participation agreements with the Manager, the Trustee, HK Conversion Agency Services Limited (the "Conversion Agent") and HKSCC. The Fund is entitled to receive a transaction fee of HK\$15,000 per total aggregate creation and redemption orders 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\$40 per distribution 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.

(c) Interest earned on Distribution Account

Under the terms of the Trust Deed, interest income that is earned in the Distribution Account is transferred to the Fund on an annual basis. During the half-year ended 30th June 2023, the Fund received interest income of HK\$1,189,512 (for the half-year ended 30th June 2022: HK\$91,601) from the Distribution Account.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

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

The Fund's capital is represented by the net assets attributable to unitholders 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. Creations and redemptions of units during the half-year are shown on the Condensed Statement of Changes in Net Assets Attributable to Unitholders of Redeemable Units. In accordance with the objectives and risk management policies outlined in note 13(a), the Manager endeavors 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 Trust Deed, listed investments 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.

Net assets attributable to unitholders 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 half-year end date if the unitholders exercised the right to redeem the units in the Fund.

	(UNAUDITED)		
	Number of units		
	01.01.2023 to 30.06.2023	01.07.2022 to 31.12.2022	01.01.2022 to 30.06.2022
Units in issue at the beginning of the period	6,567,992,500	5,127,992,500	4,251,992,500
Issue of units	4,830,000,000	6,480,000,000	4,357,000,000
Redemption of units	(4,704,000,000)	(5,040,000,000)	(3,481,000,000)
Units in issue at the end of the period	<u>6,693,992,500</u>	<u>6,567,992,500</u>	<u>5,127,992,500</u>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Net assets attributable to holders of redeemable units	<u>128,911,495,653</u>	<u>130,770,766,462</u>	<u>114,242,567,271</u>
Net assets attributable to holders of redeemable units (per unit)	<u>19.26</u>	<u>19.91</u>	<u>22.28</u>
Net asset value per Creation Unit (1 Creation Unit is equivalent to 1,000,000 units)	<u>19,257,789</u>	<u>19,910,310</u>	<u>22,278,224</u>

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

6 Taxation

No provision for Hong Kong profits tax has been made as the Fund was authorized as a collective investment scheme under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempted from profits tax under Sections 26A(1A) of the Hong Kong Inland Revenue Ordinance.

The Fund has investments in shares of companies in People's Republic of China ("PRC") listed on the Hong Kong Stock Exchange ("H-shares") and stocks that are based in mainland China and controlled, either directly or indirectly, by the central, provincial or municipal governments of the PRC but listed in Hong Kong to allow overseas investment in ("Red Chips"). Under general taxing provisions of the Corporate Income Tax Law ("CIT Law"), a fund could be technically subject to 10% withholding income tax ("WIT") on the PRC sourced capital gains, unless exempt or reduced under relevant double tax treaties. However, there may be practical difficulty for the PRC tax authorities to impose and collect WIT on such capital gains. The 10% WIT has not been strictly enforced by local tax bureau on capital gains derived by non-tax resident enterprises of the PRC from the trading of H-Shares and Red Chips. Where capital gains are derived from trading of H-Shares and Red Chips, Value added tax ("VAT") in general is not imposed as the purchase and disposal are often concluded and completed outside the PRC.

No provision was made for taxation from such gains in the financial statements as the Manager believes that the taxation on capital gains derived from H-Shares and Red Chips is not probable under the current enforcement environment.

WIT of 10% was charged on dividend income received from H-shares and Red Chips (which had applied to be treated as PRC tax resident enterprises) during the half-years ended 30th June 2023 and 2022.

7 Transactions with the related parties, Manager, Trustee and their 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, investment delegate, Trustee/custodian and their Connected Persons. Connected Persons 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 half-year between the Fund and its related parties were entered into in the ordinary course of business and on normal commercial terms. To the best of the Manager's and the Trustee's knowledge, the Fund did not have any other transactions with the Manager, its related parties and Connected Persons, or the Trustee, its related parties and Connected Persons except for those disclosed below.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

7 Transactions with the related parties, Manager, Trustee and their Connected Persons (Continued)

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

The Manager, and its directors and officers, may transact in the units of the Fund as principal. As at 30th June 2023, the Manager, and its directors and officers together held 67,500 units in the Fund (as at 31st December 2022: 67,500 units).

(b) *Group companies of the Manager's holding in the Fund*

The group companies of the Manager, being the Connected Person to the Manager, may transact in the units of the Fund as principal. As at 30th June 2023, the group companies of the Manager together held 10,074,151 units in the Fund (as at 31st December 2022: Nil).

(c) *Trustee's holding in the Fund*

The Trustee, and its directors and officers and Connected Persons may transact in the units of the Fund as principal. As at 30th June 2023, the Trustee, and its related parties and Connected Persons together held 16,320 units in the Fund (as at 31st December 2022: 16,320 units).

(d) *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 the period from 19th September 2022 to 30th June 2023*	For the period from 1st January 2022 to 18th September 2022**
For the first HK\$15 billion of the net asset value	0.045%	0.050%
For the next HK\$15 billion of the net asset value	0.030%	0.045%
For the next HK\$15 billion of the net asset value	0.020%	0.030%
Any amount by which the net asset value exceeds HK\$45 billion	0.015%	0.025%

* Effective from 19th September 2022 for the new annual management fee rates with the Manager

** Till 18th September 2022 for the annual management fee rates with the Former Manager

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

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

7 Transactions with the related parties, Manager, Trustee and their Connected Persons (Continued)

(d) Management fee (Continued)

Management fee paid to the Manager during the half-year amounted to HK\$14,005,478 (Former Manager during the half-year ended 30th June 2022: HK\$17,655,887). Management fee payable to the Manager as at 30th June 2023 was HK\$6,747,058 (as at 31st December 2022: HK\$6,269,847).

(e) 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 the period from 19th September 2022 to 30th June 2023*	For the period from 1st January 2022 to 18th September 2022
For the first HK\$15 billion of the net asset value	0.045%	0.050%
For the next HK\$15 billion of the net asset value	0.030%	0.045%
For the next HK\$15 billion of the net asset value	0.020%	0.030%
Any amount by which the net asset value exceeds HK\$45 billion	0.015%	0.025%

* Effective from 19th September 2022 for the new annual Trustee fee rates

The Trustee fee is paid to State Street Bank and Trust Company for acting as the trustee and the custodian of the Fund and covers all portfolio valuation services, administration of securities trading, acquisition, delivery, holding and disposal of investments, corporate actions, dividend collection and distribution, dividend reinvestment, regulatory filings, tax filings, preparation of semi-annual and annual reports and maintenance of accounting records (but not auditing) and excludes transaction fees, costs and charges and other out-of-pocket expenses.

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

Trustee fee paid to the Trustee during the half-year amounted to HK\$14,018,759 (as at 30th June 2022: HK\$17,858,562). Trustee fee payable to the Trustee as at 30th June 2023 was HK\$6,747,058 (as at 31st December 2022: HK\$14,881,627).

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

7 Transactions with the related parties, Manager, Trustee and their Connected Persons (Continued)

(f) *Bank balances*

Bank balance held with the State Street Bank and Trust Company, the Trustee, amounted to HK\$96,305,501 as at 30th June 2023 (as at 31st December 2022: HK\$22,360,404). Such account is interest bearing. Interest income amounting to HK\$3,175 was accrued and received for the half-year ended 30th June 2023 with respect to the bank balance held with the Trustee (As at 31st December 2022, interest income amounting to HK\$1,324 was accrued and HK\$314 was received).

Bank balance held with the Hongkong and Shanghai Banking Corporation Limited, which is the intermediate holding company of the Manager, amounted to HK\$202,415 as at 30th June 2023 (as at 31st December 2022: HK\$19,475). Such account is non-interest bearing.

(g) *Bank charges*

Bank charges amounting to HK\$300,778 was incurred during the half-year with respect to the bank balance held with the Hongkong and Shanghai Banking Corporation Limited, which is the intermediate holding company of the Manager (For the half-year ended 30th June 2022, such balance was not classified nor disclosed as transactions with the related parties, Former Manager, Trustee and their Connected Persons).

(h) *Dividends*

During the half-year, the fund made investments in the stocks of HSBC Holdings Plc ("HSBC"), the ultimate holding company of the Manager, and Hang Seng Bank Limited, the immediate holding company of the Manager. Details of such investments held as at the year end date are shown in the Investment Portfolio. Dividend income earned from these investments for the half-year ended 30th June 2023 is as follows (For the half-year ended 30th June 2022, such amount was not classified nor disclosed as transactions with the related parties, Former Manager, Trustee and their Connected Persons):

	For the half-year ended 30.06.2023 HK\$	For the half-year ended 30.06.2022 HK\$
Hang Seng Bank Limited	24,622,811	-

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

7 Transactions with the related parties, Manager, Trustee and their Connected Persons (Continued)

(i) Index license fee

The index license fee is calculated at the following annual rates of the net asset value of the Fund, subject to a minimum fee of US\$10,000:

For the first HK\$100 billion of the net asset value	0.015%
For the next HK\$100 billion of the net asset value	0.0135%
Any amount by which the net asset value exceeds HK\$200 billion	0.012%

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

The Fund has been licensed by Hang Seng Indexes Company Limited ("HSIL"), an affiliate of the Manager, to use the Index to create, offer, market and sell the Fund during the half-year. License fee paid to HSIL for the half-year ended 30th June 2023 amounted to HK\$9,516,492 (For the half-year ended 30th June 2022, such balance was not classified nor disclosed as transactions with the related parties, Former Manager, Trustee and their Connected Persons). License fee payable to HSIL at the half-year end was HK\$4,763,020 (as at 31st December 2022: HK\$4,319,146).

(j) Commission fee

The Fund uses the services of the Hongkong and Shanghai Banking Corporation Limited ("HBAP") to process some investment transactions. The following are the details of the fund's transactions processed by HBAP for the half-year ended 30th June 2023 (For the half-year ended 30th June 2022, such balance was not classified nor disclosed as transactions with the related parties, Former Manager, Trustee and their Connected Persons):

Value of transactions executed through HBAP		Share of the total value of transactions of the Fund		Commission paid to HBAP		Average commission rate	
For the half-year ended	For the half-year ended	For the half-year ended	For the half-year ended	For the half-year ended	For the half-year ended	For the half-year ended	For the half-year ended
30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
HK\$	HK\$	HK\$	HK\$	HK\$	HK\$		
4,907,774,436	-	2.33%	-	60,556	-	0.0012%	-

8 Transaction costs on investments

Transaction costs are costs incurred to acquire investments. They include fees and commissions paid to agents, advisers, brokers and dealers, and local tax. Transaction costs, when incurred, are immediately recognised in Condensed Statement of Comprehensive Income as an expense.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

9 Other fees

(a) Registrar fee

The fee payable to Computershare Hong Kong Investor Services Limited (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 the first 2,000 Unitholders	12,000
For every additional 1,000 Unitholders up to 100,000 Unitholders	2,650
For every additional 1,000 Unitholders above 100,000 Unitholders	2,250

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

The Registrar is also reimbursed for all of its out-of-pocket expenses incurred in connection with performing its services.

(b) Conversion agent fee

The Conversion Agent, HK Conversion Agency Services Limited, received a monthly retainer fee of HK\$16,000 plus a transaction fee of HK\$12,000 on total aggregate creation and redemption orders per day per Participating Dealer.

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

10 Major non-cash transactions

In accordance with the Trust Deed, units are issued through an in-kind creation of an Index Basket with the remaining balances in cash. 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 half-year ended 30th June 2023, the Fund issued 4,830,000,000 units (for the half-year ended 30th June 2022: 4,357,000,000 units), totaling HK\$97,829,429,300 (for the half-year ended 30th June 2022: HK\$93,868,094,100) in exchange for Index Baskets consisting of investments valued at HK\$97,394,563,997 (for the half-year ended 30th June 2022: HK\$93,539,576,393) plus the relevant cash component of HK\$434,865,303 (for the half-year ended 30th June 2022: HK\$328,517,707).

In accordance with the Trust Deed, units are redeemed in-kind with the remaining balances in cash. During the half-year ended 30th June 2023, the Fund redeemed 4,704,000,000 units (for the half-year ended 30th June 2022: 3,481,000,000 units), totaling HK\$95,707,922,900 (for the half-year ended 30th June 2022: HK\$76,400,947,400) in exchange for Index Baskets consisting of investments valued at HK\$95,313,332,027 (for the half-year ended 30th June 2022: HK\$76,044,498,860) plus the relevant cash component of HK\$394,590,873 (for the half-year ended 30th June 2022: HK\$356,448,540).

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

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 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 Former Manager and the Manager had not participated in any soft dollar arrangements in respect of any transactions for the account of the Fund.

12 Investment limitations 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).

As at 30th June 2023 and 31st December 2022, there were no securities that individually accounted for more than 10% of the net asset value of the Fund.

During the half-year ended 30th June 2023, the Hang Seng Index decreased by 4.37% (for the half-year ended 30th June 2022: decreased by 6.57%), while the net asset value per unit of the Fund decreased by 3.28% (for the half-year ended 30th June 2022: decreased by 5.34%).

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

13 Financial risk management

(a) Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the half-year end date.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

HKFRS 13 requires the Fund to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Fund can access at the measurement date (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

13 Financial risk management (Continued)

(a) Fair value estimation (Continued)

The determination of what constitutes “observable” requires significant judgment by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Fund’s investments (by class) measured at fair value as at 30th June 2023 and 31st December 2022.

All fair value measurements disclosed are recurring fair value measurements.

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
As at 30.06.2023				
Assets				
Financial assets at fair value through profit or loss:				
- Equity securities	125,935,901,321	-	-	125,935,901,321
- Collective Investment Scheme	1,197,241,235	-	-	1,197,241,235
Total	127,133,142,556	-	-	127,133,142,556

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total HK\$
As at 31.12.2022				
Assets				
Financial assets at fair value through profit or loss:				
- Equity securities	129,169,062,299	-	-	129,169,062,299
- Collective Investment Scheme	1,286,401,674	-	-	1,286,401,674
Total	130,455,463,973	-	-	130,455,463,973

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

13 Financial risk management (Continued)

(a) Fair value estimation (Continued)

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. As at 30th June 2023 and 31st December 2022, the Fund did not hold any investments classified in level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 30th June 2023 and 31st December 2022, the Fund did not hold any investments classified in level 3.

During the half-year ended 30th June 2023 and the year ended 31st December 2022, there were no transfers of financial instruments between levels.

The assets and liabilities included in the Condensed Statement of Net Assets except investments are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

14 Distributions

	(UNAUDITED)	
	2023	2022
	HK\$	HK\$
Interim distribution		
– HK\$0.08 on 5,206,992,500 units paid on 31st May 2022	–	416,559,400
– HK\$0.10 on 6,547,992,500 units paid on 31st May 2023	654,799,250	–
	<u>654,799,250</u>	<u>–</u>

NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

15 Segment information

The Manager makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the reports reviewed by the Manager, which are used to make strategic decisions.

The Manager is responsible for the Fund's entire portfolio and considers the business to have a single operating segment. The objective of the Fund is to track the performance of the Index and invests in substantially all the index constituents with security weight and industry weight that are closely aligned with the characteristics of the tracked index.

The Fund trades in the constituent shares of the Hang Seng Index with the objective to provide investment results that closely correspond to the performance of the Index.

The internal reporting provided to the Manager for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of HKFRS.

There were no changes in the reportable segment during the half-year ended 30th June 2023 and the year ended 31st December 2022.

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

The Fund has no assets classified as non-current assets. The Fund has portfolios that closely correspond to the security weight and industry weight of the relevant tracked index. As at 30th June 2023 and 31st December 2022, there were no securities that individually accounted for more than 10% of the net asset value of the Fund.

The Fund also has a diversified unitholder population. However, as at 30th June 2023 and 31st December 2022, there was one nominee company that held more than 10% of the Fund's net assets. The nominee company's holdings were 95.34% as at 30th June 2023 and 94.93% as at 31st December 2022.

INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30TH JUNE 2023

	Holdings	Fair value HK\$	% of net assets
Hong Kong			
Listed investments (98.62%)			
Equities (97.69%)			
Conglomerates (1.64%)			
CITIC Ltd.	78,375,682	732,812,627	0.57
CK Hutchison Holdings Ltd.	28,893,673	1,382,562,253	1.07
		<u>2,115,374,880</u>	<u>1.64</u>
Consumer Discretionary (9.53%)			
ANTA Sports Products Ltd.	14,622,495	1,170,530,725	0.91
BYD Company Ltd.	10,650,032	2,662,508,000	2.06
Chow Tai Fook Jewellery Group Ltd.	21,553,795	303,477,434	0.24
Galaxy Entertainment Group Ltd.	23,543,145	1,170,094,306	0.91
Geely Automobile Holdings Ltd.	65,029,831	621,685,184	0.48
Haidilao International Holding Ltd.	21,024,656	362,465,069	0.28
Haier Smart Home Co. Ltd.	26,263,068	647,384,626	0.50
Li Ning Co. Ltd.	25,567,888	1,077,686,479	0.84
MTR Corporation Ltd.	20,052,097	721,875,492	0.56
Sands China Ltd.	30,527,264	815,077,949	0.63
Shenzhen International Group Holdings Ltd.	8,910,171	666,035,282	0.52
Techtronic Industries Co. Ltd.	16,807,640	1,431,170,546	1.11
Trip.com Group Ltd.	1,473,200	401,594,320	0.31
Zhongsheng Group Holdings Ltd.	7,765,533	232,577,713	0.18
		<u>12,284,163,125</u>	<u>9.53</u>
Consumer Staples (3.23%)			
Budweiser Brewing Co. APAC Ltd.	21,408,608	432,453,882	0.34
China Mengniu Dairy Co. Ltd.	34,076,509	1,005,257,016	0.78
China Resources Beer Holdings Co. Ltd.	17,482,890	902,117,124	0.70
Hengan International Group Co. Ltd.	7,515,199	248,001,567	0.19
Nongfu Spring Co. Ltd	21,703,370	938,670,753	0.73
Tingyi Cayman Islands Holding Corporation	21,253,323	258,865,474	0.20
WH Group Ltd.	89,875,311	372,982,541	0.29
		<u>4,158,348,357</u>	<u>3.23</u>

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30TH JUNE 2023

	Holdings	Fair value HK\$	% of net assets
Energy (4.04%)			
China Petroleum & Chemical Corporation	267,062,632	1,225,817,481	0.95
China Shenhua Energy Co. Ltd.	36,398,989	871,755,787	0.68
CNOOC Ltd.	168,140,781	1,883,176,747	1.46
PetroChina Co. Ltd.	227,381,505	1,232,407,757	0.95
		<u>5,213,157,772</u>	<u>4.04</u>
Financials (34.15%)			
AIA Group Ltd.	125,764,924	9,948,005,488	7.72
Bank of China Ltd.	901,190,415	2,829,737,903	2.20
BOC Hong Kong (Holdings) Ltd.	39,880,082	955,127,964	0.74
China Construction Bank Corporation	1,165,931,761	5,911,274,028	4.59
China Life Insurance Co. Ltd.	80,193,506	1,047,327,188	0.81
China Merchants Bank Co. Ltd.	42,054,391	1,497,136,320	1.16
Hang Seng Bank Ltd.	8,241,496	918,926,804	0.71
Hong Kong Exchanges and Clearing Ltd.	12,980,236	3,831,765,667	2.97
HSBC Holdings Plc	169,734,117	10,353,781,137	8.03
Industrial and Commercial Bank of China Ltd.	795,066,744	3,323,378,990	2.58
Ping An Insurance (Group) Co. of China Ltd.	68,223,350	3,400,933,997	2.64
		<u>44,017,395,486</u>	<u>34.15</u>
Healthcare (2.82%)			
Alibaba Health Information Tech Ltd.	58,287,710	274,535,114	0.21
CSPC Pharmaceutical Group Ltd.	96,454,149	656,852,755	0.51
Hansoh Pharmaceutical Group Co. Ltd.	12,765,343	160,843,322	0.13
JD Health International Inc.	11,994,440	593,125,058	0.46
Sino Biopharmaceutical Ltd.	121,623,891	414,737,468	0.32
Wuxi Biologics (Cayman) Inc.	41,014,573	1,540,097,216	1.19
		<u>3,640,190,933</u>	<u>2.82</u>

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30TH JUNE 2023

	Holdings	Fair value HK\$	% of net assets
Industrials (1.16%)			
Orient Overseas International Ltd.	1,423,538	149,613,844	0.12
Sunny Optical Tech Co. Ltd.	7,683,453	600,461,852	0.46
Xinyi Glass Holdings Ltd.	22,178,384	270,576,285	0.21
Xinyi Solar Holdings Ltd.	52,763,293	477,507,802	0.37
		1,498,159,783	1.16
Information Technology (28.14%)			
Alibaba Group Holding Ltd.	125,570,604	10,196,333,045	7.91
Baidu Inc.	7,621,569	1,012,144,363	0.78
JD.com Inc.	18,726,247	2,479,355,103	1.92
Lenovo Group Ltd.	78,423,116	640,716,858	0.50
Meituan	60,536,461	7,403,609,180	5.74
NetEase Inc.	7,447,218	1,136,445,467	0.88
Semiconductor Manufacturing International Corporation	44,968,373	917,354,809	0.71
Tencent Holdings Ltd.	31,590,224	10,475,318,278	8.13
Xiaomi Corporation	188,448,954	2,020,172,787	1.57
		36,281,449,890	28.14
Materials (0.68%)			
China Hongqiao Group Ltd.	30,635,274	194,840,343	0.15
Zijin Mining Group Co. Ltd.	58,735,839	675,462,149	0.53
		870,302,492	0.68
Properties & Construction (5.46%)			
China Overseas Land & Investment Ltd.	41,283,266	705,118,183	0.55
China Resources Land Ltd.	34,584,396	1,148,201,947	0.89
China Resources Mixc Lifestyle Services Ltd.	7,379,746	287,072,119	0.22
CK Asset Holdings Ltd.	21,304,711	924,624,457	0.72
Country Garden Holdings Co. Ltd.	134,033,244	213,112,858	0.16
Country Garden Services Holdings Co. Ltd.	23,629,734	239,132,908	0.19
Hang Lung Properties Ltd.	19,395,920	234,690,632	0.18
Henderson Land Development Co. Ltd.	15,653,057	364,716,228	0.28

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30TH JUNE 2023

	Holdings	Fair value HK\$	% of net assets
Properties & Construction (5.46%)			
(Continued)			
Longfor Group Holdings Ltd.	20,503,169	390,380,338	0.30
New World Development Co. Ltd.	14,917,874	287,616,611	0.22
Sun Hung Kai Properties Ltd.	15,614,686	1,541,169,508	1.20
Wharf Real Estate Investment Co. Ltd	17,996,840	704,576,286	0.55
		<u>7,040,412,075</u>	<u>5.46</u>
Telecommunications (3.55%)			
China Mobile Ltd.	66,164,842	4,237,858,130	3.29
China Unicom (Hong Kong) Ltd.	65,950,723	341,624,745	0.26
		<u>4,579,482,875</u>	<u>3.55</u>
Utilities (3.29%)			
China Resources Power Holdings Co. Ltd.	20,736,260	367,031,802	0.28
CK Infrastructure Holdings Ltd.	6,788,702	281,391,698	0.22
CLP Holdings Ltd.	21,782,348	1,326,544,993	1.03
ENN Energy Holdings Ltd.	8,532,824	832,803,622	0.65
Power Assets Holdings Ltd.	14,928,935	612,832,782	0.48
The Hong Kong and China Gas Co. Ltd.	120,658,605	816,858,756	0.63
		<u>4,237,463,653</u>	<u>3.29</u>
Total Listed equities		<u>125,935,901,321</u>	<u>97.69</u>
Real Estate Investment Trust			
(0.93%)			
Link Real Estate Investment Trust	27,522,787	1,197,241,235	0.93
Total investments, at cost		<u>132,517,930,347</u>	

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)

FOR THE HALF-YEAR ENDED 30TH JUNE 2023

	31.12.2022	(UNAUDITED) Holdings		30.06.2023
		Additions	Disposals	
Hong Kong				
Listed investments				
Equities				
Conglomerates				
CITIC Ltd.	77,400,721	59,879,913	(58,904,952)	78,375,682
CK Hutchison Holdings Ltd.	28,566,907	22,053,443	(21,726,677)	28,893,673
Consumer Discretionary				
ANTA Sports Products Ltd.	14,440,380	11,172,810	(10,990,695)	14,622,495
BYD Company Ltd.	9,932,823	8,533,268	(7,816,059)	10,650,032
Chow Tai Fook Jewellery Group Ltd.	21,285,419	16,467,600	(16,199,224)	21,553,795
Galaxy Entertainment Group Ltd.	23,233,710	18,000,719	(17,691,284)	23,543,145
Geely Automobile Holdings Ltd.	64,220,646	49,686,084	(48,876,899)	65,029,831
Haidilao International Holding Ltd.	20,763,372	16,066,977	(15,805,693)	21,024,656
Haier Smart Home Co. Ltd.	25,957,671	20,088,362	(19,782,965)	26,263,068
Li Ning Co. Ltd.	25,082,458	46,024,214	(45,538,784)	25,567,888
MTR Corporation Ltd.	19,793,626	15,445,003	(15,186,532)	20,052,097
Sands China Ltd.	30,147,085	23,323,827	(22,943,648)	30,527,264
Shenzhou International Group Holdings Ltd.	8,799,179	6,808,600	(6,697,608)	8,910,171
Techtronic Industries Co. Ltd.	16,597,070	12,842,376	(12,631,806)	16,807,640
Trip.com Group Ltd.	–	1,706,160	(232,960)	1,473,200
Zhongsheng Group Holdings Ltd.	7,706,412	5,957,635	(5,898,514)	7,765,533
Consumer Staples				
Budweiser Brewing Co. APAC Ltd.	21,141,953	16,356,678	(16,090,023)	21,408,608
China Mengniu Dairy Co. Ltd.	33,674,889	26,052,825	(25,651,205)	34,076,509
China Resources Beer Holdings Co. Ltd.	17,265,921	13,364,131	(13,147,162)	17,482,890
Hengan International Group Co. Ltd.	7,420,793	5,744,137	(5,649,731)	7,515,199
Nongfu Spring Co. Ltd.	21,433,188	16,581,495	(16,311,313)	21,703,370
Tingyi Cayman Islands Holding Corporation	20,983,286	16,246,967	(15,976,930)	21,253,323
WH Group Ltd.	75,102,221	71,508,897	(56,735,807)	89,875,311
Energy				
China Petroleum & Chemical Corporation	271,532,178	208,331,186	(212,800,732)	267,062,632
China Shenhua Energy Co. Ltd.	35,945,981	27,808,971	(27,355,963)	36,398,989
CNOOC Ltd.	189,877,560	131,265,831	(153,002,610)	168,140,781
PetroChina Co. Ltd.	224,550,154	173,727,394	(170,896,043)	227,381,505

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

FOR THE HALF-YEAR ENDED 30TH JUNE 2023

	31.12.2022	(UNAUDITED) Holdings		30.06.2023
		Additions	Disposals	
Financials				
AIA Group Ltd.	126,015,269	92,800,899	(93,051,244)	125,764,924
Bank of China Ltd.	845,471,825	676,906,117	(621,187,527)	901,190,415
BOC Hong Kong (Holdings) Ltd.	39,383,411	30,469,707	(29,973,036)	39,880,082
China Construction Bank Corporation	1,151,413,704	890,770,989	(876,252,932)	1,165,931,761
China Life Insurance Co. Ltd.	79,194,596	61,271,837	(60,272,927)	80,193,506
China Merchants Bank Co. Ltd.	41,531,047	32,130,120	(31,606,776)	42,054,391
Hang Seng Bank Ltd.	8,139,010	6,296,211	(6,193,725)	8,241,496
Hong Kong Exchanges and Clearing Ltd.	12,818,622	9,917,755	(9,756,141)	12,980,236
HSBC Holdings Plc	207,619,013	141,469,444	(179,354,340)	169,734,117
Industrial and Commercial Bank of China Ltd.	785,167,193	607,432,834	(597,533,283)	795,066,744
Ping An Insurance (Group) Co. of China Ltd.	67,373,027	52,124,039	(51,273,716)	68,223,350
Healthcare				
Alibaba Health Information Tech Ltd.	57,557,781	44,540,251	(43,810,322)	58,287,710
CSPC Pharmaceutical Group Ltd.	95,252,590	73,696,786	(72,495,227)	96,454,149
Hansoh Pharmaceutical Group Co. Ltd.	12,607,404	9,759,451	(9,601,512)	12,765,343
JD Health International Inc.	–	13,893,662	(1,899,222)	11,994,440
Sino Biopharmaceutical Ltd.	120,147,124	92,937,719	(91,460,952)	121,623,891
Wuxi Biologics (Cayman) Inc.	38,582,687	30,668,177	(28,236,291)	41,014,573
Industrials				
Orient Overseas International Ltd.	1,405,454	1,089,281	(1,071,197)	1,423,538
Sunny Optical Tech Co. Ltd.	7,587,825	5,870,769	(5,775,141)	7,683,453
Xinyi Glass Holdings Ltd.	21,848,456	16,924,805	(16,594,877)	22,178,384
Xinyi Solar Holdings Ltd.	52,072,998	40,298,193	(39,607,898)	52,763,293
Information Technology				
Alibaba Group Holding Ltd.	115,793,073	95,979,649	(86,202,118)	125,570,604
Baidu Inc.	6,268,719	6,140,122	(4,787,272)	7,621,569
JD.com Inc.	18,846,988	14,067,569	(14,188,310)	18,726,247
Lenovo Group Ltd.	77,447,391	59,918,955	(58,943,230)	78,423,116
Meituan	49,399,133	51,707,640	(40,570,312)	60,536,461
NetEase Inc.	7,165,186	5,817,180	(5,535,148)	7,447,218
Semiconductor Manufacturing International Corporation	44,431,412	34,286,074	(33,749,113)	44,968,373
Tencent Holdings Ltd.	33,598,216	24,211,571	(26,219,563)	31,590,224
Xiaomi Corporation	186,405,693	143,452,011	(141,408,750)	188,448,954

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

FOR THE HALF-YEAR ENDED 30TH JUNE 2023

	31.12.2022	(UNAUDITED) Holdings		30.06.2023
		Additions	Disposals	
Materials				
China Hongqiao Group Ltd.	24,834,972	27,063,894	(21,263,592)	30,635,274
Zijin Mining Group Co. Ltd.	–	68,034,761	(9,298,922)	58,735,839
Properties & Construction				
China Overseas Land & Investment Ltd.	40,769,389	31,541,498	(31,027,621)	41,283,266
China Resources Land Ltd.	34,151,938	26,432,337	(25,999,879)	34,584,396
China Resources Mixc Lifestyle Services Ltd.	7,287,779	5,639,582	(5,547,615)	7,379,746
CK Asset Holdings Ltd.	21,289,380	16,194,057	(16,178,726)	21,304,711
Country Garden Holdings Co. Ltd.	90,870,639	139,695,263	(96,532,658)	134,033,244
Country Garden Services Holdings Co. Ltd.	21,540,455	19,266,689	(17,177,410)	23,629,734
Hang Lung Properties Ltd.	19,153,997	14,822,164	(14,580,241)	19,395,920
Henderson Land Development Co. Ltd.	15,458,206	11,963,625	(11,768,774)	15,653,057
Longfor Group Holdings Ltd.	20,054,873	15,542,189	(15,093,893)	20,503,169
New World Development Co. Ltd.	14,731,199	11,400,847	(11,214,172)	14,917,874
Sun Hung Kai Properties Ltd.	15,420,297	11,930,924	(11,736,535)	15,614,686
Wharf Real Estate Investment Co. Ltd.	17,773,165	13,751,496	(13,527,821)	17,996,840
Telecommunications				
China Mobile Ltd.	65,325,563	50,541,128	(49,701,849)	66,164,842
China Unicom (Hong Kong) Ltd.	65,129,365	50,393,336	(49,571,978)	65,950,723
Utilities				
China Resources Power Holdings Co. Ltd.	–	24,019,373	(3,283,113)	20,736,260
CK Infrastructure Holdings Ltd.	6,703,979	5,187,824	(5,103,101)	6,788,702
CLP Holdings Ltd.	21,510,855	16,643,978	(16,372,485)	21,782,348
ENN Energy Holdings Ltd.	8,422,900	6,519,582	(6,409,658)	8,532,824
Power Assets Holdings Ltd.	14,764,444	11,391,448	(11,226,957)	14,928,935
The Hong Kong and China Gas Co. Ltd.	119,155,351	92,185,885	(90,682,631)	120,658,605
Real Estate Investment Trust				
Link Real Estate Investment Trust	22,450,291	24,502,949	(19,430,453)	27,522,787

PERFORMANCE RECORD (UNAUDITED)

FOR THE HALF-YEAR ENDED 30TH JUNE 2023

Fund Performance

During the half-year ended 30th June 2023, the Hang Seng Index decreased by 4.37% (for the half-year ended 30th June 2022: decreased by 6.57%), while the net asset value per unit of the Fund decreased by 3.28% (for the half-year ended 30th June 2022: decreased by 5.34%).

ADMINISTRATION AND MANAGEMENT

Directors of the Manager

Ms. Ka Wai Kathy Cheung
Ms. Wai Man Vivien Chiu
Ms. Pui Shan Lee
Ms. Wah Lun Rannie Lee
Ms. Say Pin Saw
Mr. Wing Fai Wilfred Sit
Mr. Hing Keung Tsang
(resigned on 1st June 2023)
Mr. Stuart Kingsley White

Members of the Supervisory Committee

Mr. George Hongchoy
Mr. Blair Pickerell
Mr. Stephen Law
Prof. Chan Kalok
Dr. Kam Pok-man
Mr. Dean Chisholm
Mr. Wilfred Yiu

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
17M Floor
Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Manager

Hang Seng Investment Management Limited
83 Des Voeux Road Central
Hong Kong

Promoter

Exchange Fund Investment Limited
87th Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

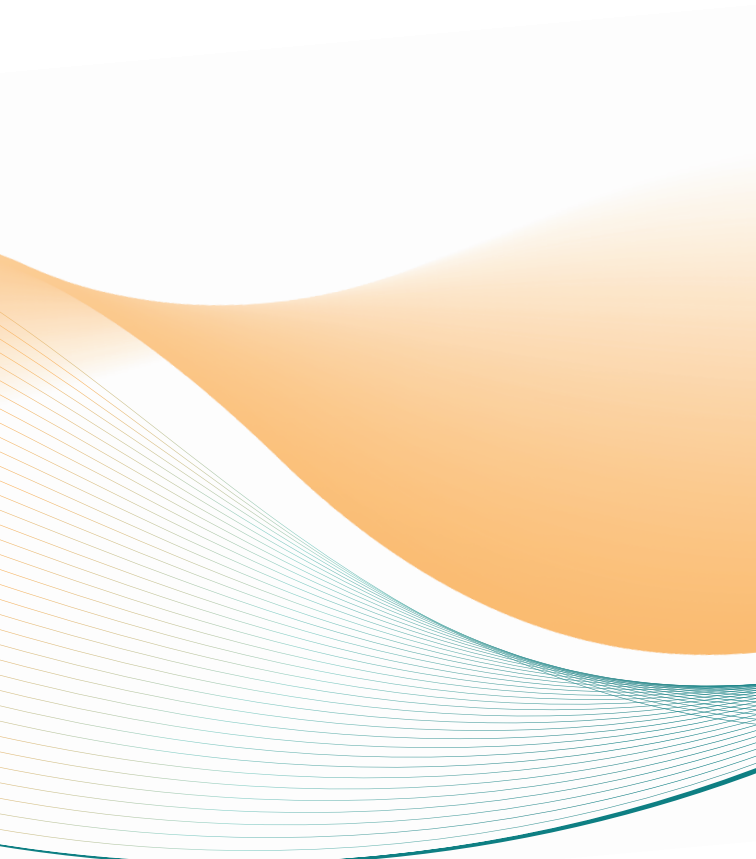
Conversion agent

HK Conversion Agency Services Limited
8/F One & Two Exchange Square
8 Connaught Place
Central
Hong Kong

Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22nd Floor
Prince's Building
Central
Hong Kong

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