

Exchange Fund Results for the First Half (1H) of 2012

	1H 2012	1H 2011	Full year 2011
	(HK\$ bn)	(HK\$ bn)	(HK\$ bn)
Bonds #	19.8	14.5	71.9
Hong Kong equities ^@	9.6	(1.0)	(24.2)
Other equities ^	17.9	9.5	(12.2)
Foreign exchange	(10.4)	22.2	(9.1)
Other investments &	<u>1.2</u>	<u>1.2</u>	<u>0.7</u>
Investment income @&	38.1	46.4	27.1
Other income	0.1	0.1	0.2
Interest and other expenses	<u>(2.3)</u>	<u>(2.8)</u>	<u>(4.7)</u>
Net Investment income	35.9	43.7	22.6
Payment to Fiscal Reserves *	(19.3)	(18.3)	(37.0)
Payment to HKSAR government funds and statutory bodies *	(3.7)	(2.4)	(5.6)
Valuation change of Strategic Portfolio less valuation change of investment held by EF's investment holding subsidiaries ^	<u>(2.0)</u>	<u>(1.8)</u>	<u>(3.6)</u>
Increase/(Decrease) in EF Accumulated Surplus	10.9	21.2	(23.6)

Including interest

^ Including dividends

& Including valuation changes of investment held by EF's investment holding subsidiaries

@ Excluding valuation changes in Strategic Portfolio

* The fixed rate of fee payment for 2012 and 2011 are 5.6% and 6.0% respectively