

Exchange Fund Results ⁽¹⁾

(HK\$ bn)	2017 (unaudited)			2016 (unaudited)	2016 (audited)
	1H	Q2	Q1	1H	Full Year
Hong Kong equities ⁽²⁾	27.8	13.5	14.3	(3.5)	5.3
Other equities	40.1	15.6	24.5	(4.8)	28.6
Bonds	16.5	10.1	6.4	44.3	33.1
Foreign exchange ⁽³⁾	34.3	22.4	11.9	2.7	(15.8)
Other investments ⁽⁴⁾	<u>7.8</u>	<u>-</u>	<u>7.8</u>	<u>5.6</u>	<u>16.9</u>
Investment income	126.5	61.6	64.9	44.3	68.1
Other income	0.1	0.1	0.0	0.1	0.2
Interest and other expenses	<u>(5.0)</u>	<u>(2.8)</u>	<u>(2.2)</u>	<u>(2.9)</u>	<u>(6.4)</u>
Net income	121.6	58.9	62.7	41.5	61.9
Fee payment to Fiscal Reserves ⁽⁵⁾ & ⁽⁶⁾	(11.4)	(5.8)	(5.6)	(11.7)	(33.1)
Fee payment to HKSAR government funds and statutory bodies ⁽⁵⁾	(4.3)	(2.2)	(2.1)	(4.7)	(9.6)

Note 1: Except for other investments, the above figures represent the Exchange Fund's own income and expenditure. The income and expenditure of the Exchange Fund's subsidiaries, associates and joint ventures have not been consolidated.

Note 2: Excluding valuation changes of the Strategic Portfolio.

Note 3: This is primarily the effect of translating foreign currency assets into Hong Kong dollar after deducting the portion for currency hedging.

Note 4: Including valuation changes of private equity and real estate investments held under the Long-Term Growth Portfolio (LTGP).

(This figure represents valuation changes up to the end of March 2017. Valuations of these investments from April to June are not yet available.)

Note 5: The rate of fee payment is 2.8% for 2017 and 3.3% for 2016.

Note 6: This does not include the 2017 fee payment to the Future Fund because such amount will only be calculated when the composite rate for 2017 is available.

(For 2016, the composite rate was 4.5% and fee payable to the Future Fund was HK\$10.1 billion.)