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- Investment involves risk, including risks of concentration of investments in a single market and the constituent stocks of the Index, performance of the Index, economic, political and social developments, and risks relating to investment in Hong Kong-listed stocks. Investors may lose part or all of their investments.
- The trading price of TraHK may differ from the underlying net asset value ("NAV") per unit.
- TraHK may not be suitable for all investors. Investors should not invest based on this advertisement only. Investors should read TraHK's prospectus including all risk factors, consider the product features, their own investment objectives, risk tolerance level and other factors, and seek independent financial and professional advice as appropriate prior to making any investment.
- The performance of TraHK, the NAV per unit and the performance by the manager and the trustee of their respective obligations are not guaranteed by the HKSAR Government. The HKSAR Government has given no guarantee or assurance that the investment objective of TraHK will be met.

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Tracker Fund of Hong Kong Celebrates 15 Years as Asia ex-Japan's First Physical Exchange Traded Fund (ETF)

State Street Global Advisors expects global Exchange Traded Product (ETP) industry could reach US\$3.54 trillion by 2018

HONG KONG, 4 November 2014 – State Street Global Advisors (SSgA), the asset management business of State Street Corporation (NYSE:STT), today celebrated the fifteenth anniversary of the Tracker Fund of Hong Kong ("TraHK" ticker: 2800 HK), the first physical exchange traded fund (ETF) in Asia ex-Japan. Launched in 1999 with an aim to track the performance of Hang Seng Index, TraHK has become one of the largest and most actively-traded ETFs in Hong Kong, with an average daily trading volume of 33,106,178 shares¹ in the first ten months of 2014. Its assets under management (AUM) have grown to nearly HK\$60 billion².

Ting Li, senior managing director and head of Asia ex-Japan of SSgA, said, "We are pleased to see that the Tracker Fund of Hong Kong had become widely recognized as a relatively easy and cost effective option for local investors to invest in a wide range of Hong Kong's largest and most established listed companies."

¹ As of Oct 28, 2014

² As of Oct 28, 2014

“Since SSgA created the world’s first ETF in 1993, the industry has grown at a strong pace in terms of both assets under management and net capital flows, to a US\$2 trillion industry worldwide. The rapid proliferation of ETFs illustrates investors’ confidence in the structure to provide transparent, low-cost exposure to a variety of asset classes in various financial markets around the world,” said Li.

According to SSgA data, SSgA expects the global exchange traded product (ETP) industry could reach US\$3.54 trillion by 2018, more than doubling the US\$1.7 trillion of assets under management in 2013, which represents a 16 percent growth per annum³.

Within the Asia-Pacific region, the growth of the ETP market is also accelerating. There are 655 ETFs in the region today representing US\$189.1 billion as of 30 June 2014⁴. The ETF market in Hong Kong has grown to more than US\$40.4 billion as of the end of September 2014. In terms of AUM, 89 percent were in equity assets; 10 percent in fixed income and 0.3 percent in commodity assets⁵.

As investors look for lower cost investment solutions, SSgA foresees a rapid growth in ETF traction, especially institutional investors such as pension and superannuation funds, endowments, foundations, and insurance companies. There is also a trend evolving in the region to use ETFs. In Hong Kong, ETFs are starting to become a relatively low cost solution for the Mandatory Provident Fund (MPF). Already TraHK has been added to the platforms of 11 MPF providers.

Ray Chan, vice president and head of ETF business development, Asia ex-Japan at SSgA said, “Looking into the future, ETFs will benefit from the continued shift to passive investing. In addition to using ETFs for asset allocation and portfolio completion, institutional and retail investors are developing a better understanding and adoption of ETFs in transitional, tactical and trading applications, such as cash equalization, liquidity management and transitional management. The market will also be driven by an increase in sophistication of product and expansion of asset classes in Asia, as well as the increasing availability of assets, enhanced trading infrastructure, a supportive regulatory landscape and the opening up of new ETF markets in Asia.”

TraHK was launched in November 1999 as the first step of the Hong Kong SAR government’s programme to divest a substantial portfolio of Hong Kong shares it acquired. State Street Global Advisors Asia Limited was appointed as the Manager and State Street Bank and Trust Company was appointed as the Trustee of TraHK. With an issue size of HK\$ 33.3 billion, TraHK’s Initial Public Offering (IPO) was the largest ever in Asia ex-Japan at the time of launch. For more information on TraHK’s 15th anniversary, please visit www.trahk.com.hk/15years.*

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³ Source: McKinsey & Company Global Asset Management Growth Cube. Includes US '40 Act investment vehicles; assumes 5% average annual market performance impact.

⁴ Source: Markit, SSgA, data as of Jun 30, 2014.

⁵ Source: Deutsche Bank, SSgA, data as of Sep 30, 2014.

About State Street Global Advisors

State Street Global Advisors (SSgA) is a global leader in asset management. The firm is relied on by sophisticated investors worldwide for its disciplined investment process, powerful global investment platform and access to every major asset class, capitalization range and style. SSgA is the asset management business of State Street Corporation, one of the world's leading providers of financial services to institutional investors.

For more information on SSgA, please visit <http://www.ssga.com>*.

* This website is not authorised by the Securities and Futures Commission of Hong Kong ("SFC") and it may contain information relating to investment funds which are not authorised by the SFC.

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Projected characteristics are based upon estimates and reflect subjective judgments and assumptions. There can be no assurance that developments will transpire as forecasted and that the estimates are accurate.

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