

# BEA Union Investment Series

(Formerly Bank of East Asia Investment Series)

ANNUAL REPORT (Audited)  
For the year ended 31 December 2009

Investment Manager:



**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)  
FOR THE YEAR ENDED 31 DECEMBER 2009

CONTENTS	PAGE
MARKET COMMENTARY	1-4
TRUSTEE'S REPORT	5
INVESTMENT REPORT	6-37
INDEPENDENT AUDITOR'S REPORT	38-39
STATEMENT OF COMPREHENSIVE INCOME	40-43
STATEMENT OF ASSETS AND LIABILITIES	44-47
STATEMENT OF CHANGES IN EQUITY/STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	48-49
CASH FLOW STATEMENT	50-53
DISTRIBUTION STATEMENT	54
NOTES ON THE FINANCIAL STATEMENTS	55-103
MANAGEMENT AND ADMINISTRATION	

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**MARKET COMMENTARY**

**BEA Union Investment Japan Growth Fund (Formerly BEA Japan Growth Fund)**

Japan did not participate in the strong global rally in 3Q09. The continued strength of the yen, an absence of signs of a recovery in exports, and renewed balance sheet concerns all served to bring Japanese equities lower. While all sectors of the market posted negative returns, the traditional defensive sectors including consumer staples, healthcare, utilities, and telecom held up the best, falling only modestly for the month. Conversely, the financial sector delivered the weakest returns as it fell more than 15% in September as massive new capital calls, such as Nomura Holdings' announcement of a second round of public share offerings, weighed heavily on investor confidence.

In 4Q09, stocks in Japan out-performed the global markets. The trigger for this turnaround in performance was a notably weaker yen, which pulled back below JPY90/USD after hitting a 14-year high in recent months. The best performers were within information technology, materials, and consumer discretionaries. The strongest stocks were the larger, export-driven companies that benefited from the weaker yen. The materials sector was led by metal stocks, as copper prices surged to a 16-month high driven by increasing demand in China. Financials and utilities lagged sharply in performance. As had been the case for several months, foreigners were net buyers in Japan and their clear preference for the economically sensitive and export sector meant that the more domestically focussed utilities were largely ignored. Among financials, bank stocks were the main drag on performance as the two largest financial institutions, Mitsubishi UFJ (MUFG) and Sumitomo Mitsui Financial, both posted negative returns for the month. Additional capital calls by MUFG, which sold shares to raise 1.03 trillion yen to help meet stricter global capital requirements, weighed heavily on investor sentiment.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**MARKET COMMENTARY (CONTINUED)**

**BEA Union Investment Global Themes Fund (Formerly BEA Global Themes Fund)**

3Q09 ended with better news, with the IMF forecasting that the US would return to growth by year-end. The IMF expects expansion in most countries and predicts that global economic activity will pick up by about 3% in 2010. However, the IMF also noted that growth would be sluggish in advanced economies, with a stronger rebound led by China, India, and other emerging Asian nations. But the stock market moved higher during September despite mixed data and concerns that the long equity rally may be running ahead of economic recovery.

In the Eurozone, unemployment reached a 10-year high in August of 9.6%. But there was better news from Europe's manufacturers. Lacklustre domestic consumption was evident in Japan. Consumer prices fell a record 2.4% in August YoY on the back of weak demand and cheaper oil. Meanwhile in China, the PMI rose in September to 54.3 from 54.0 the month before, the seventh consecutive month in which the gauge of Chinese manufacturing activity has indicated expansion. Manufacturing activity picked up in the US in September according to the ISM Index. But the US Commerce Department reported that durable goods orders fell by 2.4% in August, substantially lower than the 0.5% rise that had been forecasted.

In Europe the recovery is primarily export led in 4Q09. Consumer spending and investment continued to decline across the region in 4Q09, economic recovery remains fragile. The major rating agencies cut their long-term debt ratings on Greece in December. Greece has the highest debt ratio in the Eurozone but, according to the European Commission, state finances in half of the region's countries are at risk of becoming unsustainable. Asia's stronger rebound continues. Industrial activity in China accelerated in December, with HSBC's PMI rising to 56.1 in the month, up from 55.7 in November. PMIs in other leading Asian nations, including Japan and India, also picked up in the month. The US ISM's manufacturing index rose to 55.9 in December, up from 53.6 in November at its highest level since April 2006. On November, the jobless rate in the US stood at 10% and the number of people making initial claims for unemployment benefits appeared to be on a declining trend, suggesting that unemployment may have peaked.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**MARKET COMMENTARY (CONTINUED)**

**BEA Union Investment Global Resources Fund (Formerly BEA Global Resources Fund)**

Until mid-September, commodities were in positive territory during 3Q09, but they turned slightly negative as September progressed. Investors were unsure about the economic recovery weight on the market. By far the biggest increase was seen in the price of natural gas. Rapidly depleting inventories in August caused a hike in worldwide gas prices. But with inventories peaking in September, fears emerged that some producers may reduce extraction before the winter season. Consequently, market participants covered their short selling positions, which slingshot the price of gas by nearly 50% in a few trading days. On the other hand, the oil price came under pressure. Weak fundamentals, for instance, increasing inventories and declining demand gained attention. But just before end of September, the picture changed and oil came into favour again. So on balance, the oil price remained unchanged. The same applied to the price of industrial metals. In contrast, precious metals gained in September with the gold price surpassing the US\$1,000 per ounce level. This was partly due to slightly higher-than-expected inflationary data, but more importantly, it was due to dollar weakness. The greenback serves as a substitute and has therefore had an important influence on the gold price. However, news that the IMF will sell some of its gold reserves put pressure on the gold price just before it reached its all-time high. In September, it was at US\$1,008 per ounce, which was an increase of nearly 6% when compared to August.

Helped by positive economic data, commodities advanced in 4Q09. With a plus of over 7% investors were focussed on industrial metals, whereby copper, aluminium, and zinc were likewise in demand. Backing the upward trend was also the climate summit in Copenhagen. More stringent pollution targets would have enlarged production costs which on the other hand would have led to higher world market prices. Natural gas was also in favour. The takeover of the biggest US natural gas producer XTO Energy by Exxon Mobile for US\$31 billion ignited hopes that gas prices would climb further. The upward movement was yet enforced by bear coverings from market participants who had speculated on weaker gas prices. Moreover, the gas price was bolstered by the cold winter weather in the US. By contrast, precious metals disclosed losses. The attention here was focussed on the gold price which initially continued its rally climbing at one point over US\$1,200 per ounce. However, profit taking and above all a stronger US dollar led in the further course to partially heavy price declines. Nevertheless, the buying interest of private investors was unbroken. For instance, the biggest listed gold fund, the SPDR Gold Trust, could register further cash inflows. In a monthly comparison, the gold price declined by more than 7% and was quoted at US\$1,095 per ounce at end of December.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**MARKET COMMENTARY (CONTINUED)**

**BEA Union Investment Asian Bond and Currency Fund (Formerly BEA Asian Bond and Currency Fund)**

Credit spread continued to tighten in 3Q09. Australia's central bank was the first of the G20 central banks to raise its key cash rate by 25 basis points to 3.25% on 6 October 2009. South Korean bond futures tumbled, Indian swap rates and yields rose, and in Singapore, interbank rates fell in preparation for more hawkish leanings from monetary policy makers after the Reserve Bank of Australia decision. This surprise move raises the chance that other central banks may follow suit sooner than expected. Yields fell for all maturities in Indonesia and for most maturities in Hong Kong, Malaysia, Singapore. Yields rose for all maturities in South Korea, and for most maturities in China, the Philippines, and Thailand. Yield spreads for 2-10 year maturities widened in Hong Kong, the Philippines, and Vietnam while they narrowed in Indonesia, South Korea, Malaysia, Singapore, and Thailand.

In 4Q09, the domestic balance sheet strength of most Asian countries allowed much of the region to shrug off the credit crunch. Local governments stimulated growth by lowering interest rates. Intra-region trade stimulated by China is also having a positive impact across the Asian region, with asset markets being fuelled by liquidity. Asian investors were set to return to the regional bond markets that they are familiar with and exit the international market due to the uncertain outlook for the global economy. Domestic bond issues in the East Asian emerging markets are likely to increase in 2010 as governments' fund stimulus packages and corporations turn to bonds for financing. Good quality bonds continue to be in demand.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**TRUSTEE'S REPORT TO THE UNITHOLDERS OF  
BEA UNION INVESTMENT SERIES  
(Formerly Bank of East Asia Investment Series) ("the Fund")**

We hereby confirm that, in our opinion, the Manager of the Fund and its Sub-Funds has in all material respects managed the Fund and its Sub-Funds in accordance with the provisions of the Trust Deed during the year ended 31 December 2009.

Bank of East Asia (Trustees) Limited  
12 April 2010

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009

(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Japan Growth Fund (Formerly BEA Japan Growth Fund)**

**Investment portfolio**

	Holding units	Cost	Market value	% of net assets
<b>Investment Fund</b>				
<b>Established under the laws of Hong Kong</b>				
ipac Multi-Manager Japan Equity Fund				
– Class A	1,672,874.23	\$22,036,376	\$15,290,070	99.63
	=====	=====	=====	=====

**Investment portfolio of the underlying fund**

Particulars of listed investments	Holding shares/units	Market value	% of net assets
Advantest Corp	1,900	\$ 48,982	0.14
Aeon Co Ltd	17,300	139,745	0.39
Aisin Seiki Co Ltd	2,800	79,704	0.22
Ajinomoto Co Inc	18,000	168,989	0.48
Alfresa Holdings Corp	1,700	67,383	0.19
All Nippon Airways Co Ltd	9,000	24,362	0.07
Amada Co Ltd	12,000	74,891	0.21
Asahi Breweries Ltd	13,100	240,766	0.68
Asahi Glass Co Ltd	13,000	122,466	0.34
Asahi Kasei Corp	28,000	139,556	0.39
Astellas Pharma Inc	12,300	457,146	1.29
Bank of Kyoto Ltd	4,000	32,139	0.09
Bank of Yokohama Ltd	18,000	81,594	0.23
Benesse Holdings Inc	900	37,510	0.11
Bridgestone Corp	10,800	188,633	0.53

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Japan Growth Fund (Formerly BEA Japan Growth Fund)  
(continued)**

**Investment portfolio of the underlying fund (continued)**

Particulars of listed investments	Holding shares/units	Market value	% of net assets
Brother Industries Ltd	6,700	\$ 76,288	0.21
Canon Inc	27,000	1,131,103	3.18
Casio Computer Co Ltd	6,200	49,017	0.14
Central Japan Railway Co	24	160,352	0.45
Chiba Bank Ltd	10,000	59,402	0.17
Chubu Electric Power Co Inc	8,900	212,235	0.60
Chugai Pharmaceutical Co Ltd	3,000	56,040	0.16
Chugoku Bank Ltd	2,000	24,556	0.07
Chugoku Electric Power Co Inc	3,600	68,640	0.19
Chuo Mitsui Trust Holdings Inc	12,000	39,830	0.11
Circle K Sunkus Co Ltd	2,300	28,338	0.08
Dai Nippon Printing Co Ltd	15,000	190,289	0.54
Daihatsu Motor Co Ltd	7,000	69,477	0.20
Daiichi Sankyo Co Ltd	8,700	181,859	0.51
Daikin Industries Ltd	3,100	121,210	0.34
Dainippon Sumitomo Pharma Co Ltd	7,100	74,436	0.21
Daito Trust Construction Co Ltd	1,300	61,443	0.17
Daiwa House Industry Co Ltd	7,000	74,666	0.21
Daiwa Securities Group Inc	42,000	209,335	0.59
Denki Kagaku Kogyo KK	6,000	26,682	0.08
Denso Corp	6,700	200,075	0.56
Dentsu Inc	5,000	114,399	0.32
East Japan Railway Co	4,400	277,437	0.78
Eisai Co Ltd	3,300	121,231	0.34
Electric Power Development Co	1,700	48,118	0.14
Elpida Memory Inc	1,300	20,974	0.06
Fanuc Ltd	2,500	231,752	0.65
Fast Retailing Co Ltd	600	112,530	0.32
Fuji Heavy Industries Ltd	20,000	96,675	0.27
FUJIFILM Holdings Corp	12,200	364,971	1.03
Fujitsu Ltd	56,000	357,914	1.01
Fukuoka Financial Group Inc	10,000	34,481	0.10
Furukawa Electric Co Ltd	16,000	65,997	0.19

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Japan Growth Fund (Formerly BEA Japan Growth Fund)  
(continued)**

**Investment portfolio of the underlying fund (continued)**

Particulars of listed investments	Holding shares/units	Market value	% of net assets
GS Yuasa Corp	4,000	\$ 29,175	0.08
Gunma Bank Ltd	5,000	25,404	0.07
Hachijuni Bank Ltd	4,000	23,116	0.07
Hakuhodo DY Holdings Inc	1,240	59,806	0.17
Hankyu Hanshin Holdings Inc	29,000	128,342	0.36
Hikari Tsushin Inc	200	3,607	0.01
Hirose Electric Co Ltd	500	52,097	0.15
Hisamitsu Pharmaceutical Co Inc	900	29,003	0.08
Hitachi Construction Machinery	1,000	25,888	0.07
Hitachi Ltd	104,000	316,150	0.89
Hokkaido Electric Power Co Inc	2,800	50,800	0.14
Hokuhoku Financial Group Inc	15,000	30,453	0.09
Hokuriku Electric Power Co	2,000	43,397	0.12
Honda Motor Co Ltd	43,200	1,443,171	4.06
Hoya Corp	5,300	139,766	0.39
Ibiden Co Ltd	1,500	53,171	0.15
Inpex Corp	22	165,422	0.47
Isetan Mitsukoshi Holdings Ltd	8,500	76,331	0.21
ITOCHU Corp	40,000	292,604	0.82
Itochu Techno-Solutions Corp	2,300	61,641	0.17
Japan Steel Works Ltd	4,000	50,615	0.14
Japan Tobacco Inc	61	204,436	0.58
JFE Holdings Inc	12,800	500,478	1.41
JGC Corp	3,000	54,944	0.15
Joyo Bank Ltd	9,000	35,867	0.10
JS Group Corp	3,700	63,511	0.18
JSR Corp	2,400	48,441	0.14
JTEKT Corp	4,300	54,734	0.15
Jupiter Telecommunications Co	30	29,615	0.08
Kaneka Corp	11,000	69,714	0.20
Kansai Electric Power Co Inc	10,100	227,832	0.64
Kao Corp	7,000	163,167	0.46

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Japan Growth Fund (Formerly BEA Japan Growth Fund)  
(continued)**

**Investment portfolio of the underlying fund (continued)**

Particulars of listed investments	Holding shares/units	Market value	% of net assets
Kawasaki Heavy Industries Ltd	26,000	\$ 65,073	0.18
KDDI Corp	39	206,112	0.58
Keihin Electric Express Railway	6,000	43,891	0.12
Keio Corp	8,000	48,037	0.14
Keisei Electric Railway Co Ltd	10,000	54,461	0.15
Keyence Corp	500	102,852	0.29
Kinden Corp	7,000	58,725	0.17
Kintetsu Corp	22,000	72,786	0.20
Kirin Holdings Co Ltd	21,000	335,883	0.95
Kobe Steel Ltd	44,000	78,930	0.22
Komatsu Ltd	12,300	255,394	0.72
Konica Minolta Holdings Inc	13,000	132,800	0.37
Kubota Corp	15,000	136,635	0.38
Kuraray Co Ltd	5,000	58,381	0.16
Kurita Water Industries Ltd	1,500	46,726	0.13
Kyocera Corp	2,200	193,072	0.54
Kyowa Hakko Kirin Co Ltd	3,000	31,710	0.09
Kyushu Electric Power Co Inc	5,500	113,078	0.32
Lawson Inc	2,000	88,082	0.25
Makita Corp	1,500	51,077	0.14
Marubeni Corp	42,000	230,539	0.65
Marui Group Co Ltd	9,800	60,003	0.17
Maruichi Steel Tube Ltd	3,100	61,737	0.17
Mazda Motor Corp	38,000	86,535	0.24
MEDIPAL HOLDINGS Corp	4,900	60,582	0.17
MEIJI Holdings Co Ltd	1,100	41,356	0.12
Minebea Co Ltd	14,000	75,342	0.21
Mitsubishi Chemical Holdings Corp	30,500	128,756	0.36
Mitsubishi Corp	17,500	433,294	1.22
Mitsubishi Electric Corp	50,000	367,904	1.04
Mitsubishi Estate Co Ltd	16,000	253,333	0.71
Mitsubishi Gas Chemical Co Inc	15,000	75,085	0.21

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Japan Growth Fund (Formerly BEA Japan Growth Fund)  
(continued)**

**Investment portfolio of the underlying fund (continued)**

Particulars of listed investments	Holding shares/units	Market value	% of net assets
Mitsubishi Heavy Industries Ltd	41,000	\$ 143,574	0.40
Mitsubishi Materials Corp	33,000	80,466	0.23
Mitsubishi Motors Corp	47,000	64,622	0.18
Mitsubishi Tanabe Pharma Corp	7,000	87,223	0.25
Mitsubishi UFJ Financial Group	140,000	681,623	1.92
Mitsui & Co Ltd	24,900	350,651	0.99
Mitsui Chemicals Inc	28,000	71,884	0.20
Mitsui Engineering & Shipbuild Co Ltd	28,000	66,771	0.19
Mitsui Fudosan Co Ltd	12,000	200,183	0.56
Mitsui OSK Lines Ltd	15,000	78,468	0.22
Mitsui Sumitomo Insurance Group	8,900	226,097	0.64
Mizuho Financial Group Inc	183,300	324,878	0.91
Mizuho Securities Co Ltd	12,000	36,092	0.10
Murata Manufacturing Co Ltd	3,200	157,774	0.44
Namco Bandai Holdings Inc	7,000	66,695	0.19
NEC Corp	62,000	158,505	0.45
NGK Insulators Ltd	4,000	86,578	0.24
Nidec Corp	1,400	127,826	0.36
Nikon Corp	4,200	82,471	0.23
Nintendo Co Ltd	1,400	331,296	0.93
Nippon Electric Glass Co Ltd	5,000	68,264	0.19
Nippon Express Co Ltd	16,000	65,310	0.18
Nippon Meat Packers Inc	7,000	80,756	0.23
Nippon Mining Holdings Inc	23,500	100,215	0.28
Nippon Oil Corp	32,000	147,462	0.42
Nippon Paper Group Inc	1,600	40,818	0.11
Nippon Sheet Glass Co Ltd	24,000	67,802	0.19
Nippon Steel Corp	133,000	535,743	1.51
Nippon Telegraph & Telephone Corp	6,900	270,530	0.76
Nippon Yusen KK	15,000	45,921	0.13
Nipponkoa Insurance Co Ltd	17,000	96,235	0.27
Nissan Motor Co Ltd	63,700	553,556	1.56

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Japan Growth Fund (Formerly BEA Japan Growth Fund)  
(continued)**

**Investment portfolio of the underlying fund (continued)**

Particulars of listed investments	Holding shares/units	Market value	% of net assets
Nisshin Seifun Group Inc	2,500	\$ 33,702	0.09
Nissin Foods Holdings Co Ltd	1,100	35,684	0.10
Nitori Co Ltd	550	40,883	0.11
Nitto Denko Corp	2,900	103,421	0.29
Nomura Holdings Inc	46,100	336,236	0.95
Nomura Research Institute Ltd	3,500	68,838	0.19
NSK Ltd	5,000	36,522	0.10
NTT Data Corp	31	96,235	0.27
NTT DoCoMo Inc	206	286,557	0.81
Obayashi Corp	8,000	27,069	0.08
Odakyu Electric Railway Co Ltd	8,000	61,271	0.17
OJI Paper Co Ltd	21,000	87,298	0.25
Olympus Corp	3,000	96,031	0.27
Omron Corp	6,500	116,043	0.33
Ono Pharmaceutical Co Ltd	1,600	68,231	0.19
Oriental Land Co Ltd	700	46,017	0.13
ORIX Corp	1,270	85,262	0.24
Osaka Gas Co Ltd	27,000	90,778	0.26
Panasonic Corp	48,600	691,191	1.94
Panasonic Electric Works Co Ltd	6,000	72,249	0.20
Rakuten Inc	93	70,428	0.20
Resona Holdings Inc	6,700	67,291	0.19
Ricoh Co Ltd	17,000	239,583	0.67
Rohm Co Ltd	2,500	162,468	0.46
Sankyo Co Ltd	700	34,814	0.10
Santen Pharmaceutical Co Ltd	1,000	31,688	0.09
SBI Holdings Inc	241	42,766	0.12
Secom Co Ltd	2,700	127,902	0.36
Sega Sammy Holdings Inc	2,500	29,889	0.08

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Japan Growth Fund (Formerly BEA Japan Growth Fund)  
(continued)**

**Investment portfolio of the underlying fund (continued)**

Particulars of listed investments	Holding shares/units	Market value	% of net assets
Seiko Epson Corp	4,900	\$ 78,531	0.22
Sekisui Chemical Co Ltd	6,000	37,123	0.10
Sekisui House Ltd	15,000	134,862	0.38
Seven & I Holdings Co Ltd	18,700	380,850	1.07
Sharp Corp	26,000	325,925	0.92
Shikoku Electric Power Co	2,400	61,872	0.17
Shimano Inc	2,100	83,914	0.24
Shin-Etsu Chemical Co Ltd	5,400	303,367	0.85
Shionogi & Co Ltd	3,900	84,204	0.24
Shiseido Co Ltd	5,000	95,655	0.27
Shizuoka Bank Ltd	8,000	69,091	0.19
Showa Denko KK	15,000	29,808	0.08
SMC Corp	800	90,488	0.25
Softbank Corp	9,800	228,433	0.64
Sojitz Corp	20,400	37,910	0.11
Sompo Japan Insurance Inc	11,000	70,068	0.20
Sony Corp	13,100	375,009	1.06
Sony Financial Holdings Inc	11	28,606	0.08
Stanley Electric Co Ltd	2,300	46,077	0.13
Sumco Corp	4,200	73,538	0.21
Sumitomo Chemical Co Ltd	42,000	182,717	0.51
Sumitomo Corp	14,700	148,745	0.42
Sumitomo Electric Industries Ltd	19,600	241,697	0.68
Sumitomo Heavy Industries Ltd	11,000	55,298	0.16
Sumitomo Metal Industries Ltd	88,000	235,372	0.66
Sumitomo Metal Mining Co Ltd	13,000	192,427	0.54
Sumitomo Mitsui Financial Group	11,800	335,260	0.94
Sumitomo Realty & Development Co Ltd	6,000	111,886	0.31
Sumitomo Trust & Banking Co Ltd	19,000	92,250	0.26
Suzuken Co Ltd	2,400	78,629	0.22
Suzuki Motor Corp	8,900	217,493	0.61
T&D Holdings Inc	4,700	95,873	0.27

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Japan Growth Fund (Formerly BEA Japan Growth Fund)  
(continued)**

**Investment portfolio of the underlying fund (continued)**

Particulars of listed investments	Holding shares/units	Market value	% of net assets
Taisho Pharmaceutical Co Ltd	4,000	\$ 68,618	0.19
Taiyo Nippon Sanso Corp	4,000	42,236	0.12
Takeda Pharmaceutical Co Ltd	19,100	783,737	2.20
TDK Corp	3,000	181,750	0.51
Teijin Ltd	28,000	89,930	0.25
Terumo Corp	2,500	150,384	0.42
THK Co Ltd	1,600	28,152	0.08
Tobu Railway Co Ltd	11,000	57,307	0.16
Toho Gas Co Ltd	6,000	31,838	0.09
Tohoku Electric Power Co Inc	6,100	120,434	0.34
Tokio Marine Holdings Inc	17,200	465,589	1.31
Tokuyama Corp	10,000	55,427	0.16
Tokyo Broadcasting System Holdings	3,500	48,837	0.14
Tokyo Electric Power Co Inc	15,800	396,294	1.11
Tokyo Electron Ltd	2,200	139,664	0.39
Tokyo Gas Co Ltd	31,000	123,207	0.35
Tokyo Steel Manufacturing Co Ltd	1,700	19,083	0.05
Tokyo Tatemono Co Ltd	15,000	56,716	0.16
Tokyu Corp	27,000	107,310	0.30
Tokyu Land Corp	18,000	66,126	0.19
TonenGeneral Sekiyu KK	4,000	33,299	0.09
Toppa Printing Co Ltd	14,000	112,788	0.32
Toray Industries Inc	18,000	97,062	0.27
Toshiba Corp	41,000	224,609	0.63
Tosoh Corp	20,000	55,427	0.16
TOTO Ltd	11,000	69,241	0.20
Toyo Seikan Kaisha Ltd	4,900	74,478	0.21
Toyota Industries Corp	3,000	88,619	0.25
Toyota Motor Corp	39,300	1,637,940	4.61
Toyota Tsusho Corp	5,500	80,762	0.23
Trend Micro Inc	1,500	56,716	0.16
Ube Industries Ltd	13,000	35,469	0.10

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Japan Growth Fund (Formerly BEA Japan Growth Fund)**  
(continued)

**Investment portfolio of the underlying fund (continued)**

Particulars of listed investments	Holding shares/units	Market value	% of net assets
Unicharm Corp	500	\$ 46,780	0.13
UNY Co Ltd	1,000	6,993	0.02
West Japan Railway Co	46	154,165	0.43
Yahoo! Japan Corp	216	64,571	0.18
Yakult Honsha Co Ltd	1,300	39,170	0.11
Yamada Denki Co Ltd	1,280	85,934	0.24
Yamaha Corp	6,100	73,125	0.21
Yamaha Motor Co Ltd	6,400	80,090	0.23
Yamato Holdings Co Ltd	6,000	82,948	0.23
Yamato Kogyo Co Ltd	1,300	42,312	0.12
Yamazaki Baking Co Ltd	5,000	59,079	0.17
		<hr/>	<hr/>
<b>Total value of investments</b>		\$ 35,206,317	99.02
<b>Other net assets</b>		<hr/> 348,606	<hr/> 0.98
<b>Total net assets</b>		\$ 35,554,923	100.00
		=====	=====
<b>Total investments at cost</b>		\$ 39,802,376	
		=====	

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Global Themes Fund (Formerly BEA Global Themes Fund)**

**Investment portfolio**

	Holding shares/units	Market value	% of net assets
<b>Listed/quoted investments (95.95%)</b>			
<b>Equities (92.49%)</b>			
<b>Australia (0.62%)</b>			
IOOF Holdings Ltd	12,024 \$	65,240	0.17
Telstra Corp Ltd	55,500	170,791	0.45
<b>Austria (2.78%)</b>			
Erste Group Bank AG	20,706	781,923	2.05
Raiffeisen International Bank - Holding AG	4,869	277,101	0.73
<b>Belgium (0.96%)</b>			
Anheuser-Busch InBev NV	4,426	232,089	0.61
Belgacom	3,700	134,979	0.35
<b>Brazil (2.52%)</b>			
Cielo SA	12,300	108,157	0.28
Santos Brasil Participacoes SA	53,800	527,188	1.38
SLC Agricola SA	34,900	326,742	0.86
<b>France (0.49%)</b>			
Total SA	2,902	188,174	0.49

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Global Themes Fund (Formerly BEA Global Themes Fund) (continued)**

**Investment portfolio (continued)**

	Holding shares/units	Market value	% of net assets
<b>Listed/quoted investments (95.95%) (continued)</b>			
<b>Equities (92.49%) (continued)</b>			
<b>Germany (7.36%)</b>			
Commerzbank AG	14,000	\$ 118,707	0.31
Daimler AG - REG SHS	7,800	416,936	1.09
Deutsche Lufthansa AG - REG	35,000	591,769	1.55
Deutsche Telekom AG - REG	30,500	453,503	1.19
E ON AG	14,100	590,155	1.55
Gagfah SA	6,019	55,155	0.14
Muenchener Rueckversicherungs - Gesellschaft AG - REG	1,100	172,672	0.45
QIAGEN NV	18,306	410,924	1.08
<b>Greece (0.17%)</b>			
Alpha Bank AE	5,400	63,798	0.17
<b>Hong Kong (1.14%)</b>			
China Railway Construction Corp Ltd - H	9,500	12,164	0.03
Renhe Commercial Holdings	640,000	144,420	0.38
The Hongkong & Shanghai Hotels Ltd	145,214	212,714	0.56
Vinda International Holdings Ltd	91,000	64,655	0.17
<b>Israel (0.93%)</b>			
Bezeq Israeli Telecommunication Corp Ltd	140,520	353,735	0.93

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Global Themes Fund (Formerly BEA Global Themes Fund) (continued)**

**Investment portfolio (continued)**

	Holding shares/units	Market value	% of net assets
<b>Listed/quoted investments (95.95%) (continued)</b>			
<b>Equities (92.49%) (continued)</b>			
<b>Italy (0.39%)</b>			
Telecom Italia SpA	94,100	\$ 147,238	0.39
<b>Japan (8.88%)</b>			
Chuo Mitsui Trust Holdings Inc	74,000	249,628	0.66
Dentsu Inc	8,000	184,830	0.49
Hitachi Ltd	136,000	418,947	1.10
Japan Tobacco Inc	93	315,740	0.83
Mitsubishi Corp	17,800	445,034	1.17
Mitsubishi UFJ Financial Group Inc	83,700	410,361	1.08
Mitsui & Co Ltd	13,300	189,128	0.50
Mizuho Financial Group Inc	102,500	182,335	0.48
Nomura Holdings Inc	56,000	413,654	1.09
Sumitomo Mitsui Financial Group Inc	6,000	172,139	0.45
Toyota Motor Corp	9,300	391,396	1.03
<b>Korea (2.05%)</b>			
Doosan Heavy Industries and Construction Co Ltd	3,598	252,209	0.66
KT&G Corp	6,105	339,294	0.89
NHN Corp	200	33,104	0.09
Samsung SDI Co Ltd	1,222	156,319	0.41
<b>Malaysia (0.29%)</b>			
AMMB Holdings Bhd	76,800	111,220	0.29

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Global Themes Fund (Formerly BEA Global Themes Fund) (continued)**

**Investment portfolio (continued)**

	Holding shares/units	Market value	% of net assets
<b>Listed/quoted investments (95.95%) (continued)</b>			
<b>Equities (92.49%) (continued)</b>			
<b>Mexico (0.00%)</b>			
Banco Compartamos SA de CV	100	\$ 515	0.00
<b>Netherlands (1.06%)</b>			
ArcelorMittal	4,958	229,876	0.60
Wolters Kluwer NV	7,900	174,148	0.46
<b>Russia (1.47%)</b>			
Sberbank of Russian Federation	199,217	561,792	1.47
<b>Singapore (0.12%)</b>			
Food Empire Holdings Ltd	196,600	46,337	0.12
<b>South Africa (0.36%)</b>			
Murray & Roberts Holdings Ltd	21,925	137,133	0.36
<b>Spain (0.51%)</b>			
Grifols SA	11,153	196,124	0.51
<b>Switzerland (2.99%)</b>			
Nestle SA - REG	10,054	488,905	1.28
Roche Holding AG - Genusschein	2,666	454,200	1.19
UBS AG - REG	12,784	198,832	0.52

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Global Themes Fund (Formerly BEA Global Themes Fund) (continued)**

**Investment portfolio (continued)**

	Holding shares/units	Market value	% of net assets
<b>Listed/quoted investments (95.95%) (continued)</b>			
<b>Equities (92.49%) (continued)</b>			
<b>Thailand (0.84%)</b>			
Bangkok Bank Public Co Ltd - F	42,000	\$ 146,783	0.39
Kasikornbank PCL - F	49,800	128,851	0.34
Seamico Securities PCL - F	719,200	41,424	0.11
<b>Turkey (0.04%)</b>			
Akbank TAS	2,500	15,724	0.04
<b>United Kingdom (9.48%)</b>			
Aberdeen Asset Management PLC	93,819	202,723	0.53
BAE Systems PLC	80,751	465,252	1.22
Diageo PLC	14,118	246,552	0.65
G4S PLC	69,182	290,720	0.76
GlaxoSmithKline PLC	27,248	579,544	1.52
Imperial Tobacco Group PLC	14,025	441,911	1.16
Kazakhstan Kagazy PLC - GDR REG S	64,925	13,634	0.04
KazMunaiGas Exploration Production - GDR	7,450	185,505	0.49
LUKOIL - Spon ADR	3,400	194,480	0.51
Orascom Telecom Holding SAE - GDR REG S	6,000	136,500	0.36
Rio Tinto PLC	2,898	158,418	0.42
Rosneft Oil Co - GDR	30,450	260,347	0.68
Royal Dutch Shell PLC - A SHS	10,319	312,327	0.82
The Governor and Co of the Bank of Ireland	63,400	120,577	0.32

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Global Themes Fund (Formerly BEA Global Themes Fund) (continued)**

**Investment portfolio (continued)**

	Holding shares/units	Market value	% of net assets
<b>Listed/quoted investments (95.95%) (continued)</b>			
<b>Equities (92.49%) (continued)</b>			
<b>United States of America (47.04%)</b>			
Affiliated Managers Group Inc	3,000	\$ 202,080	0.53
Agrium Inc	1,100	67,650	0.18
America Movil SAB de CV - ADR Series L	6,400	300,224	0.79
Apache Corp	2,350	242,473	0.64
Ashland Inc	1,200	47,484	0.12
Bank of America Corp	27,800	419,502	1.10
Berkshire Hathaway Inc - CL A	4	396,480	1.04
Berkshire Hathaway Inc - CL B	5	16,450	0.04
Boston Scientific Corp	21,700	194,866	0.51
Citigroup Inc	83,400	276,054	0.72
Cisco Systems Inc	16,300	390,222	1.02
ConocoPhillips	3,700	188,774	0.50
Copa Holdings SA - CL A	7,650	417,078	1.09
Devon Energy Corp	4,000	294,040	0.77
Emdeon Inc - CL A	2,500	38,100	0.10
Exxon Mobil Corp	11,200	762,944	2.00
FLIR Systems Inc	8,800	287,936	0.76
General Electric Co	59,800	904,774	2.37
Grupo Televisa SA - Spon ADR	12,800	265,472	0.70
Harris Corp	4,700	223,532	0.59
Herbalife Ltd	1,400	56,840	0.15
Hess Corp	4,500	272,070	0.71
Hewlett - Packard Co	22,600	1,163,222	3.05

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Global Themes Fund (Formerly BEA Global Themes Fund) (continued)**

**Investment portfolio (continued)**

	Holding shares/units	Market value	% of net assets
<b>Listed/quoted investments (95.95%) (continued)</b>			
<b>Equities (92.49%) (continued)</b>			
<b>United States of America (47.04%) (continued)</b>			
Illumina Inc	6,400	\$ 196,160	0.51
Intel Corp	12,400	252,960	0.66
International Business Machines Corp	3,050	399,031	1.05
Johnson & Johnson	5,200	334,516	0.88
JPMorgan Chase & Co	6,900	287,523	0.75
Laboratory Corp of America Holdings	7,550	565,042	1.48
Lazard Ltd - CL A	6,900	261,579	0.69
Lear Corp	1,800	121,770	0.32
Legg Mason Inc	4,400	132,528	0.35
Life Technologies Corp	10,100	527,018	1.38
McDonald's Corp	14,500	904,800	2.37
Mizuho Financial Group Inc - ADR	17,400	62,292	0.16
Monsanto Co	4,100	335,216	0.88
Moody's Corp	6,900	184,989	0.49
Morgan Stanley	6,400	189,312	0.50
Motorola Inc	30,700	237,925	0.62
Myriad Genetics Inc	16,000	417,280	1.09
Pfizer Inc	30,900	562,380	1.48
Psychiatric Solutions Inc	10,300	217,742	0.57
Qwest Communications International Inc	52,900	222,180	0.58
Safeway Inc	8,800	187,352	0.49
SAIC Inc	10,100	191,092	0.50
Schlumberger Ltd	3,000	195,270	0.51
Sprint Nextel Corp	86,000	315,620	0.83

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Global Themes Fund (Formerly BEA Global Themes Fund) (continued)**

**Investment portfolio (continued)**

	Holding shares/units		Market value	% of net assets
<b>Listed/quoted investments (95.95%) (continued)</b>				
<b>Equities (92.49%) (continued)</b>				
<b>United States of America (47.04%) (continued)</b>				
Teva Pharmaceutical Industries Ltd - Spon ADR	6,900	\$	387,642	1.02
The Kroger Co	8,400		172,452	0.45
The McGraw-Hill Co Inc	5,400		181,008	0.48
The NASDAQ OMX Group Inc	32,300		640,186	1.68
The Procter & Gamble Co	9,150		554,490	1.46
The Williams Co Inc	14,800		311,688	0.82
UBS AG - REG	18,400		284,648	0.75
Wal-Mart Stores Inc	8,500		454,155	1.19
Wells Fargo & Co	8,100		218,214	0.57
			<hr/>	
<b>Total equities</b>			<b>\$ 35,249,728</b>	<b>92.49</b>
			<hr/>	
<b>Investment fund (1.54%)</b>				
<b>United States of America (1.54%)</b>				
iShares Nasdaq Biotechnology Index Fund	7,200	\$	588,600	1.54
			<hr/>	
<b>Total investment fund</b>			<b>\$ 588,600</b>	<b>1.54</b>
			<hr/>	

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Global Themes Fund (Formerly BEA Global Themes Fund) (continued)**

**Investment portfolio (continued)**

	Holding shares/units	Market value	% of net assets
<b>Listed/quoted investments (95.95%) (continued)</b>			
<b>Derivatives (1.92%)</b>			
<b>United Kingdom (1.27%)</b>			
HSBC Riyadh Bank P-note 29/2/12	5,900	\$ 41,686	0.11
HSBC Samba Financial Group P-note 05/09/11	3,000	40,193	0.11
HSBC Saudi Basic P-note 22/08/11	12,700	278,501	0.73
HSBC Saudi Telecom Co P-note 15/09/11	2,700	31,746	0.08
HSBC - First Bank of Nigeria PLC - REG S P-note 05/10/12	983,900	92,792	0.24
<b>Luxembourg (0.65%)</b>			
Merrill-CW10 Doha Bank Ltd P-note 24/05/10	3,135	38,741	0.10
Merrill-CW10 National Bank of Abu Dhabi P-note 12/01/10	7,090	22,199	0.06
Merrill-CW10 Qatar Electricity P-note 24/05/10	711	19,525	0.05
Merrill-CW10 Qatar National Bank P-note 26/07/10	1,093	44,453	0.12
Merrill-CW11 Bharat Electron P-note 16/06/11	2,400	100,124	0.26
Merrill-CW11 Commercial International Bank P-note 09/05/11	2,245	22,328	0.06
<b>Total derivatives</b>		<u>\$ 732,288</u>	<u>1.92</u>
<b>Total listed/quoted investments</b>		<u>\$36,570,616</u>	<u>95.95</u>
<b>Total investments</b>		<u>\$36,570,616</u>	<u>95.95</u>
<b>Total investments at cost</b>		\$34,072,661	

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Global Resources Fund (Formerly BEA Global Resources Fund)**

**Investment portfolio**

	Holding shares/units	Market value	% of net assets
<b>Listed/quoted investments (98.19%)</b>			
<b>Equities (98.19%)</b>			
<b>Australia (5.47%)</b>			
BHP Billiton Ltd	13,904	\$ 538,966	3.99
Newcrest Mining Ltd	6,310	200,027	1.48
<b>Austria (4.42%)</b>			
Andritz AG	3,003	173,544	1.28
Schoeller-Bleckmann Oilfield Equipment AG	5,929	287,881	2.13
Voestalpine AG	3,668	135,979	1.01
<b>Belgium (1.82%)</b>			
Umicore	7,281	245,475	1.82
<b>Canada (5.85%)</b>			
Cameco Corp	2,144	68,915	0.51
Potash Corp of Saskatchewan Inc	3,311	359,618	2.66
Teck Resources Ltd - CL B	10,388	362,380	2.68
<b>France (3.31%)</b>			
Alstom SA	2,100	148,439	1.10
Total SA	3,716	240,956	1.78
Vinci SA	1,016	57,763	0.43

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Global Resources Fund (Formerly BEA Global Resources Fund) (continued)**

**Investment portfolio (continued)**

	Holding shares/units	Market value	% of net assets
<b>Listed/quoted investments (98.19%) (continued)</b>			
<b>Equities (98.19%) (continued)</b>			
<b>Germany (19.65%)</b>			
Aixtron AG	16,617	\$ 560,473	4.15
Aurubis AG	4,333	187,850	1.39
BASF SE	3,908	245,664	1.82
Bayer AG	3,279	264,800	1.96
E ON AG	4,500	188,347	1.39
K + S AG	2,784	160,366	1.19
Linde AG	2,141	258,347	1.91
MAN SE	2,620	205,202	1.52
Nordex AG	1,531	23,051	0.17
Siemens AG - REG	2,096	194,270	1.44
SMA Solar Technology AG	1,600	213,237	1.58
ThyssenKrupp AG	4,000	152,839	1.13
<b>Greece (1.17%)</b>			
Sidenor Steel Products Manufacturing Co SA	24,101	157,997	1.17
<b>Ireland (1.04%)</b>			
CRH PLC	5,091	139,792	1.04
<b>Italy (1.09%)</b>			
Saipem SpA	4,256	146,923	1.09

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Global Resources Fund (Formerly BEA Global Resources Fund) (continued)**

**Investment portfolio (continued)**

	Holding shares/units	Market value	% of net assets
<b>Listed/quoted investments (98.19%) (continued)</b>			
<b>Equities (98.19%) (continued)</b>			
<b>Japan (11.32%)</b>			
Asahi Kasei Corp	10,000	\$ 50,329	0.37
Daido Steel Co Ltd	4,000	14,925	0.11
JFE Holdings Inc	1,800	71,264	0.53
JGC Corp	4,000	73,975	0.55
JSR Corp	8,200	167,214	1.24
Mitsubishi Heavy Industries Ltd	24,000	84,865	0.63
Mitsubishi Rayon Co Ltd	17,000	68,226	0.51
Nippon Steel Corp	27,000	109,824	0.81
Shin-Etsu Chemical Co Ltd	3,700	209,897	1.55
Sumitomo Chemical Co Ltd	25,000	109,824	0.81
Sumitomo Metal Industries Ltd	56,000	151,248	1.12
Sumitomo Metal Mining Co Ltd	16,000	239,150	1.77
Tokyo Steel Manufacturing Co Ltd	15,700	177,958	1.32
<b>Netherlands (3.04%)</b>			
Akzo Nobel NV	3,335	222,690	1.65
SBM Offshore NV	2,352	46,663	0.35
ArcelorMittal	3,042	141,041	1.04
<b>Norway (0.90%)</b>			
Frontline Ltd	4,300	120,928	0.90
<b>Switzerland (1.65%)</b>			
ABB Ltd - REG	11,526	222,742	1.65

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Global Resources Fund (Formerly BEA Global Resources Fund) (continued)**

**Investment portfolio (continued)**

	Holding shares/units	Market value	% of net assets
<b>Listed/quoted investments (98.19%) (continued)</b>			
<b>Equities (98.19%) (continued)</b>			
<b>United Kingdom (9.11%)</b>			
Anglo American PLC	14,294	\$ 624,410	4.62
BHP Billiton PLC	14,120	454,239	3.36
British American Tobacco PLC	4,674	151,945	1.13
<b>United States of America (28.35%)</b>			
Alcoa Inc	820	13,218	0.10
Burlington Northern Santa Fe Corp	1,323	130,474	0.96
Chart Industries Inc	6,124	101,168	0.75
Chevron Corp	1,990	153,150	1.13
Cenovus Energy Inc	2,832	71,395	0.53
Covidien PLC	2,930	140,288	1.04
Devon Energy Corp	1,887	138,713	1.03
El du Pont de Nemours & Co	4,293	144,502	1.07
EnCana Corp	2,832	91,729	0.68
Exxon Mobil Corp	3,939	268,325	1.99
FedEx Corp	2,355	196,242	1.45
General Electric Co	16,932	256,181	1.90
Halliburton Co	6,593	198,252	1.47
Honeywell International Inc	2,364	92,622	0.69
Intrepid Potash Inc	9,000	262,080	1.94
Kinross Gold Corp	4,798	88,283	0.65
Monsanto Co	1,936	158,287	1.17
Newmont Mining Corp	2,991	141,564	1.05
Noble Corp	2,251	91,728	0.68
Praxair Inc	1,716	137,812	1.02
Schlumberger Ltd	2,022	131,612	0.97

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Global Resources Fund (Formerly BEA Global Resources Fund) (continued)**

**Investment portfolio (continued)**

	Holding shares/units	Market value	% of net assets
<b>Listed/quoted investments (98.19%) (continued)</b>			
<b>Equities (98.19%) (continued)</b>			
<b>United States of America (28.35%) (continued)</b>			
The Boeing Co	2,193	\$ 118,619	0.88
The Dow Chemical Co	3,936	108,752	0.81
Tyco International Ltd	2,730	97,434	0.72
United Parcel Service Inc - CL B	2,478	142,039	1.05
United Technologies Corp	1,722	119,404	0.88
Valero Energy Corp	1,875	31,406	0.23
Weyerhaeuser Co	1,372	59,147	0.44
XTO Energy Inc	1,924	89,447	0.66
Yamana Gold Inc	4,810	54,786	0.41
		<hr/>	<hr/>
<b>Total equities</b>		<b>\$ 13,261,117</b>	<b>98.19</b>
		<hr/>	<hr/>
<b>Total listed/quoted investments</b>		<b>\$ 13,261,117</b>	<b>98.19</b>
		=====	=====
<b>Total investments at cost</b>		<b>\$ 15,324,011</b>	
		=====	

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Asian Bond and Currency Fund (Formerly BEA Asian Bond and Currency Fund)**

**Investment portfolio**

	Nominal value	Market value	% of net assets
<b>Listed/quoted investments (91.56%)</b>			
<b>Debt securities (91.56%)</b>			
<b>Denominated in Australian Dollar (18.46%)</b>			
Eurofima 6.00% 15/08/2010	2,900,000	\$ 2,629,564	7.89
Kreditanstalt fuer Wiederaufbau 5.50% 22/02/2011	1,000,000	906,287	2.72
Nordic Investment Bank 5.375% 18/01/2011	2,900,000	2,617,561	7.85
<b>Denominated in Euro (11.10%)</b>			
Hutchison Whampoa Finance 03/13 Ltd 5.875% 08/07/2013	1,500,000	2,315,061	6.94
Oversea-Chinese Banking Corp Ltd 7.25% 06/09/2011	900,000	1,386,551	4.16
<b>Denominated in Hong Kong Dollar (1.48%)</b>			
Soho China Ltd 3.75% 02/07/2014	4,000,000	492,163	1.48
<b>Denominated in Renminbi (1.31%)</b>			
GOME Electrical Appliances Holdings Ltd 0.00% 18/05/2014	3,000,000	437,434	1.31

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Asian Bond and Currency Fund (Formerly BEA Asian Bond and Currency Fund) (continued)**

**Investment portfolio (continued)**

	Nominal value	Market value	% of net assets
<b>Listed/quoted investments (91.56%) (continued)</b>			
<b>Debt securities (91.56%) (continued)</b>			
<b>Denominated in Singapore Dollar (2.16%)</b>			
Export-Import Bank of Korea 4.85% 28/04/2010	1,000,000	\$ 720,653	2.16
<b>Denominated in US Dollar (57.05%)</b>			
Agile Property Holdings Ltd 10.0% 14/11/2016 Callable - 14/11/2013	1,000,000	1,014,167	3.04
Bank of East Asia Ltd 13/12/2015 Callable - 14/12/2010	500,000	499,375	1.50
Bumi Capital Pte Ltd 12.00% 10/11/2016 Callable - 10/11/2013	2,000,000	2,005,500	6.01
Citic Pacific Finance 2001 Ltd 7.625% 01/06/2011	1,750,000	1,836,625	5.51
CITIC Resources Fin (2007) Ltd 6.75% 15/05/2014	1,500,000	1,467,187	4.40
GAZ Capital SA 8.125% 31/07/2014	750,000	802,157	2.41
GAZ Capital SA 9.25% 23/04/2019	500,000	562,750	1.69
ICICI Bank Ltd 5.75% 12/01/2012	250,000	256,267	0.77
Industrial Bank of Korea 7.125% 23/04/2014	500,000	560,098	1.68
Korea Development Bank 4.625% 16/09/2010	500,000	508,882	1.53
Korea National Oil Corp 5.375% 30/07/2014	500,000	528,687	1.58

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**BEA Union Investment Asian Bond and Currency Fund (Formerly BEA Asian Bond and Currency Fund) (continued)**

**Investment portfolio (continued)**

	Nominal value	Market value	% of net assets
<b>Listed/quoted investments (91.56%) (continued)</b>			
<b>Debt securities (91.56%) (continued)</b>			
<b>Denominated in US Dollar (57.05%) (continued)</b>			
Majapahit Holding BV 7.75% 20/01/2020	500,000	\$ 525,000	1.57
Majapahit Holding BV 8.00% 07/08/2019	1,000,000	1,057,500	3.17
National Agricultural Cooperative Federation 5.0% 30/09/2014	1,000,000	1,034,748	3.10
Petroleum Co of Trinidad & Tobago Ltd 9.75% 14/08/2019	500,000	561,208	1.68
PT Adaro Indonesia 7.625% 22/10/2019 Callable - 22/10/2014	500,000	495,875	1.49
Ras Laffan Liquefied Natural Gas Co Ltd III 6.75% 30/09/2019	1,000,000	1,100,799	3.30
Standard Chartered Bank Perpetual Callable - 24/12/2014	1,000,000	1,095,415	3.28
The State of Qatar 6.40% 20/01/2040	1,000,000	1,005,729	3.02
TownGas China Co Ltd 8.25% 23/09/2011	1,941,000	2,106,616	6.32
		<hr/>	<hr/>
<b>Total debt securities</b>		<b>\$ 30,529,859</b>	<b>91.56</b>
		<hr/>	<hr/>
<b>Total listed/quoted investments</b>		<b>\$ 30,529,859</b>	<b>91.56</b>
		=====	=====
<b>Total investments at cost</b>		<b>\$ 29,826,775</b>	
		=====	

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**Statement of movements in portfolio holdings**

**BEA Union Investment Japan Growth Fund (Formerly BEA Japan Growth Fund)**

	Holdings as at		Additions	Disposals	Holdings as at	
	31 December				31 December	
	2008	2009			2008	2009
	Units	Units	Units	Units		Units
ipac Multi-Manager						
Japan Equity Fund						
- Class A	1,752,188.49		-	79,314.26		1,672,874.23
	=====	=====	=====	=====	=====	=====

**BEA Union Investment Global Themes Fund (Formerly BEA Global Themes Fund)**

	% of net assets	
	At 31	At 31
	December 2009	December 2008
Australia	0.62	0.63
Austria	2.78	1.17
Belgium	0.96	-
Brazil	2.52	1.73
Canada	-	0.52
France	0.49	2.06
Germany	7.36	9.30
Greece	0.17	-
Hong Kong	1.14	5.31
Indonesia	-	0.16
Israel	0.93	-
Italy	0.39	0.39
Japan	8.88	4.47
Korea	2.05	0.97
Luxembourg	0.65	2.28
Malaysia	0.29	0.74
Mexico	0.00	0.46
Netherlands	1.06	0.49
Russia	1.47	-
Singapore	0.12	0.27
South Africa	0.36	-
Spain	0.51	-
Switzerland	2.99	5.63
Thailand	0.84	0.25
Turkey	0.04	-
United Kingdom	10.75	6.59
United States of America	48.58	52.36
	=====	=====
	95.95	95.78
	=====	=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**

AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**Statement of movements in portfolio holdings (continued)**

**BEA Union Investment Global Resources Fund (Formerly BEA Global Resources Fund)**

	% of net assets	
	At 31 December 2009	At 31 December 2008
Australia	5.47	3.77
Austria	4.42	2.94
Belgium	1.82	1.22
Canada	5.85	2.93
France	3.31	4.17
Germany	19.65	11.31
Greece	1.17	0.93
Ireland	1.04	1.13
Italy	1.09	0.64
Japan	11.32	10.47
Netherlands	3.04	1.50
Norway	0.90	1.11
Switzerland	1.65	0.96
United Kingdom	9.11	8.27
United States of America	28.35	36.24
	<hr/>	<hr/>
	98.19	87.59
	=====	=====

**BEA Union Investment Asian Bond and Currency Fund (Formerly BEA Asian Bond and Currency Fund)**

	% of net assets	
	At 31 December 2009	At 31 December 2008
Australian Dollar	18.46	-
Euro	11.10	-
Hong Kong Dollar	1.48	-
Renminbi	1.31	-
Singapore Dollar	2.16	-
United States Dollar	57.05	87.68
	<hr/>	<hr/>
	91.56	87.68
	=====	=====

**BEA UNION INVESTMENT SERIES**  
 (Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**  
 AS AT 31 DECEMBER 2009 (CONTINUED)  
 (EXPRESSED IN UNITED STATES DOLLARS)

**Performance table**

**(a) Price record**

Sub-Funds	Class of units	2009	
		Lowest redemption price per unit	Highest issue price per unit
BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	Class A	5.02	7.32
BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)	Class A	4.25	7.67
BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)	Class A	0.42	0.78
BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	Class A Accumulating	9.88	11.48
	Class A Distributing	9.86	10.93

2008		2007		2006	
Lowest redemption price per unit	Highest issue price per unit	Lowest redemption price per unit	Highest issue price per unit	Lowest redemption price per unit	Highest issue price per unit
5.82	9.95	9.30	11.09	9.05	11.27
4.48	10.36	9.69	11.33	-	-
0.43	1.15	-	-	-	-
9.52	10.03	-	-	-	-
9.49	10.03	-	-	-	-

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INVESTMENT REPORT**  
AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**Performance table (continued)**

**(b) Total net asset value**

Sub-Funds	As at 31 December 2009	As at 31 December 2008	As at 31 December 2007	As at 31 December 2006
BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	15,346,997	15,587,821	26,613,651	55,917,256
BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)	38,112,745	28,378,339	62,365,062	–
BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)	13,505,516	10,331,355	–	–
BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	33,342,483	24,284,827	–	–

**BEA UNION INVESTMENT SERIES**  
**(Formerly Bank of East Asia Investment Series)**

**INVESTMENT REPORT**  
AS AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

**Performance table (continued)**

**(c) Net asset value per unit**

Sub-Funds	Class of units	As at 31 December 2009	As at 31 December 2008	As at 31 December 2007	As at 31 December 2006
BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	Class A	6.93	6.78	9.63	10.24
BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)	Class A	7.62	5.39	10.29	-
BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)	Class A	0.76	0.53	-	-
BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	Class A Accumulating	11.37	9.82	-	-
	Class A Distributing	10.83	9.79	-	-

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF  
BEA UNION INVESTMENT SERIES  
(Formerly Bank of East Asia Investment Series) ("the Fund")**

We have audited the financial statements of the Sub-Funds within the Fund ("the Sub-Funds") set out on pages 40 to 103 which comprise the statement of assets and liabilities as at 31 December 2009, and the statement of comprehensive income, the statement of changes in equity, the statement of changes in net assets attributable to unitholders, the cash flow statement, the distribution statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Manager's and Trustee's responsibility for the financial statements**

The Manager and the Trustee are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and for ensuring that the financial statements comply with the relevant disclosure provisions of the Trust Deed, as amended, and the relevant disclosure requirements set out in Appendix E to the Hong Kong Code on Unit Trusts and Mutual Funds ("the Code") issued by the Hong Kong Securities and Futures Commission. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF  
BEA UNION INVESTMENT SERIES  
(Formerly Bank of East Asia Investment Series) ("the Fund")  
(CONTINUED)**

**Auditor's responsibility (continued)**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager and the Trustee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Funds as at 31 December 2009 and of their transactions and cash flows for the year ended 31 December 2009 in accordance with Hong Kong Financial Reporting Standards, and have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed, as amended, and the relevant disclosure requirements of the Code.

Certified Public Accountants  
8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong  
12 April 2010

**BEA UNION INVESTMENT SERIES**  
**(Formerly Bank of East Asia Investment Series)**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**  
**(EXPRESSED IN UNITED STATES DOLLARS)**

		BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	
	Note	2009	2008
<b>Income</b>			
Dividend income		\$ -	\$ -
Interest on bank deposits		7	646
Interest on debt securities		-	-
Other income		-	-
		<u>7</u>	<u>646</u>
		.....	.....
<b>Expenses</b>			
Investment management fees	7(c)	\$ 66,933	\$ 97,480
Trustee's fees	7(d)	18,456	26,676
Safe custody and bank charges		-	-
Auditors' remuneration		12,820	12,618
Registrar's fees	7(e)	7,382	10,671
Printing and publication expenses		4,305	2,876
Regulatory fees		580	819
Pre-operating expenses		-	-
Legal and professional fees		738	107
Other operating expenses		-	-
Transaction costs		-	-
		<u>111,214</u>	<u>151,247</u>
		.....	.....
<b>Net (loss)/gain for the year/period before investments and exchange gain/(loss)</b>		<b>\$ (111,207)</b>	<b>\$ (150,601)</b>
		.....	.....

- (1) The date of commencement for BEA Union Investment Global Resources Fund was 5 March 2008.
- (2) The date of commencement for BEA Union Investment Asian Bond and Currency Fund was 25 August 2008.

The notes on pages 55 to 103 form part of these financial statements.

BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)		BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)		BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
2009	2008	2009	2008 <sup>(1)</sup>	2009	2008 <sup>(2)</sup>
\$ 737,231	\$ 977,527	\$ 258,017	\$ 324,214	\$ -	\$ -
1,244	22,746	31	2,032	157	25,807
-	-	-	-	1,432,004	379,860
2	-	1,222	-	-	-
<u>\$ 738,477</u>	<u>\$ 1,000,273</u>	<u>\$ 259,270</u>	<u>\$ 326,246</u>	<u>\$ 1,432,161</u>	<u>\$ 405,667</u>
\$ 483,416	\$ 702,655	\$ 172,246	\$ 209,256	\$ 208,719	\$ 70,620
56,399	81,976	20,095	24,413	34,787	11,770
91,244	134,561	7,262	10,957	9,870	2,953
11,298	11,954	11,659	11,612	14,239	14,193
16,114	23,263	5,742	6,975	13,915	4,708
4,305	2,876	4,305	1,583	6,058	925
-	823	-	823	580	242
-	-	-	27,452	-	26,039
2,560	507	738	6,865	989	573
355	3,357	-	246	-	-
257,606	338,842	5,692	28,820	-	-
<u>\$ 923,297</u>	<u>\$ 1,300,814</u>	<u>\$ 227,739</u>	<u>\$ 329,002</u>	<u>\$ 289,157</u>	<u>\$ 132,023</u>
\$ (184,820)	\$ (300,541)	\$ 31,531	\$ (2,756)	\$ 1,143,004	\$ 273,644

**BEA UNION INVESTMENT SERIES**  
**(Formerly Bank of East Asia Investment Series)**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**  
**(EXPRESSED IN UNITED STATES DOLLARS)**

		BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	
	Note	2009	2008
<b>Net gain/(loss) on investments and exchange</b>			
Net realised (loss)/gain on sale of investments		\$ (374,788)	\$ (842,001)
Net movement in unrealised gain/(loss) on investments		792,946	(6,327,595)
Exchange (loss)/gain		(10)	(79)
		<u>                    </u>	<u>                    </u>
		\$ 418,148	\$ (7,169,675)
		<u>                    </u>	<u>                    </u>
<b>Profit/(loss) before finance costs</b>		\$ 306,941	\$ (7,320,276)
Distribution to unitholders		-	-
		<u>                    </u>	<u>                    </u>
<b>Profit/(loss) before tax</b>		\$ 306,941	\$ (7,320,276)
Overseas withholding tax	8	-	-
		<u>                    </u>	<u>                    </u>
<b>Profit/(loss) and total comprehensive income for the year/period</b>		\$ 306,941	\$ (7,320,276)
		<u>                    </u>	<u>                    </u>

(1) The date of commencement for BEA Union Investment Global Resources Fund was 5 March 2008.

(2) The date of commencement for BEA Union Investment Asian Bond and Currency Fund was 25 August 2008.

The notes on pages 55 to 103 form part of these financial statements.

BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)		BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)		BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
2009	2008	2009	2008 <sup>(1)</sup>	2009	2008 <sup>(2)</sup>
\$ (37,882)	\$ (21,633,977)	\$ (670,947)	\$ (1,120,309)	\$ 1,074,605	\$ (7,775)
10,983,803	(4,304,181)	4,271,216	(5,898,198)	1,668,508	(908,897)
898,504	(1,068,389)	614,816	(1,961,700)	66,598	(32)
<u>11,844,425</u>	<u>(27,006,547)</u>	<u>4,215,085</u>	<u>(8,980,207)</u>	<u>2,809,711</u>	<u>(916,704)</u>
.....	.....	.....	.....	.....	.....
\$ 11,659,605	\$ (27,307,088)	\$ 4,246,616	\$ (8,982,963)	\$ 3,952,715	\$ (643,060)
-	-	-	-	(1,063,225)	(68,996)
<u>11,659,605</u>	<u>(27,307,088)</u>	<u>4,246,616</u>	<u>(8,982,963)</u>	<u>2,889,490</u>	<u>(712,056)</u>
(143,540)	(171,563)	(54,278)	(62,461)	-	-
<u>11,516,065</u>	<u>(27,478,651)</u>	<u>4,192,338</u>	<u>(9,045,424)</u>	<u>2,889,490</u>	<u>(712,056)</u>
=====	=====	=====	=====	=====	=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**STATEMENT OF ASSETS AND LIABILITIES**

AT 31 DECEMBER 2009

(EXPRESSED IN UNITED STATES DOLLARS)

		BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)		
	Note	2009	2008 Re-presented <sup>(3)</sup>	2007 Re-presented <sup>(3)</sup>
<b>Assets</b>				
Investments	4	\$ 15,290,070	\$ 15,541,912	\$ 26,176,609
Amount receivable from foreign currency forward contracts	4(b)	-	-	-
Dividend receivables		-	-	-
Amounts receivable from sale of investments		24,000	59,000	-
Interest receivables		3	33	-
Bank balances	7(a)	61,525	68,284	589,208
		<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total assets</b>		<b>\$ 15,375,598</b>	<b>\$ 15,669,229</b>	<b>\$ 26,765,817</b>
		.....	.....	.....
<b>Liabilities</b>				
		\$ 7,440	\$ 59,981	\$ 126,033
Amounts payable on redemption				
Amounts payable for purchase of investments		-	-	-
Accruals and other payables		21,161	21,427	26,133
		<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>\$ 28,601</b>	<b>\$ 81,408</b>	<b>\$ 152,166</b>
		<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Net assets attributable to unitholders <sup>(3)</sup></b>				
Financial liabilities	6	\$ -	\$ -	\$ -
		=====	=====	=====
Equity	6	\$ 15,346,997	\$ 15,587,821	\$ 26,613,651
		=====	=====	=====

(3) The application of Amendments to HKAS 32 resulted in the reclassification of “net assets attributable to unitholders” from financial liabilities to equity for BEA Union Investment Japan Growth Fund, BEA Union Investment Global Themes Fund and BEA Union Investment Global Resources Fund. The amendment has no effect for BEA Union Investment Asian Bond and Currency Fund. Please see Note 3(c) for further details.

HKAS 1 requires the presentation of statement of assets and liabilities as at the beginning of the earliest comparative period when an entity applies an accounting

BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)			BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)		BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
2009	2008 Re-presented <sup>(3)</sup>	2007 Re-presented <sup>(3)</sup>	2009	2008 Re-presented <sup>(3)</sup>	2009	2008
\$ 36,570,616	\$ 27,180,934	\$ 58,047,360	\$ 13,261,117	\$ 9,049,251	\$ 30,529,859	\$ 21,292,424
-	-	-	-	-	12,850	-
25,149	57,192	40,728	3,908	8,830	-	-
1,121,502	487,853	-	-	-	-	98,338
13	83	-	10	63	542,950	284,872
1,186,748	2,150,655	5,431,769	292,001	1,302,392	2,336,439	2,660,133
<u>\$ 38,904,028</u>	<u>\$ 29,876,717</u>	<u>\$ 63,519,857</u>	<u>\$ 13,557,036</u>	<u>\$ 10,360,536</u>	<u>\$ 33,422,098</u>	<u>\$ 24,335,767</u>
\$ 27,760	\$ 3,650	\$ 512,118	\$ 18,903	\$ -	\$ 35,435	\$ 15,003
671,115	1,419,801	511,770	-	-	-	-
92,408	74,927	130,907	32,617	29,181	44,180	35,937
<u>\$ 791,283</u>	<u>\$ 1,498,378</u>	<u>\$ 1,154,795</u>	<u>\$ 51,520</u>	<u>\$ 29,181</u>	<u>\$ 79,615</u>	<u>\$ 50,940</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,342,483	\$ 24,284,827
=====	=====	=====	=====	=====	=====	=====
\$ 38,112,745	\$ 28,378,339	\$ 62,365,062	\$ 13,505,516	\$ 10,331,355	\$ -	\$ -
=====	=====	=====	=====	=====	=====	=====

(3) (Continued)

policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

The date of commencement for BEA Union Investment Global Resources Fund was 5 March 2008. As the Sub-Fund did not have any assets or liabilities as at the beginning of the comparative period, an additional statement of assets and liabilities is not re-presented.

The notes on pages 55 to 103 form part of these financial statements.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**STATEMENT OF ASSETS AND LIABILITIES**  
AT 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

	Note	BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)		
		2009	2008 Re-presented <sup>(3)</sup>	2007 Re-presented <sup>(3)</sup>
Number of units in issue - Class A	5	2,213,029.17	2,298,811.20	2,763,457.57
Net asset value per unit <sup>(4)</sup> - Class A		\$ 6.93	\$ 6.78	\$ 9.63
Number of units in issue - Class A Accumulating	5	-	-	-
Net asset value per unit <sup>(4)</sup> - Class A Accumulating		\$ -	\$ -	\$ -
Number of units in issue - Class A Distributing	5	-	-	-
Net asset value per unit <sup>(4)</sup> - Class A Distributing		\$ -	\$ -	\$ -

(3) The application of Amendments to HKAS 32 resulted in the reclassification of “net assets attributable to unitholders” from financial liabilities to equity for BEA Union Investment Japan Growth Fund, BEA Union Investment Global Themes Fund and BEA Union Investment Global Resources Fund. The amendment has no effect for BEA Union Investment Asian Bond and Currency Fund. Please see Note 3(c) for further details.

HKAS 1 requires the presentation of statement of assets and liabilities as at the beginning of the earliest comparative period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

The date of commencement for BEA Union Investment Global Resources Fund was 5 March 2008. As the Sub-Fund did not have any assets or liabilities as at the beginning of the comparative period, an additional statement of assets and liabilities is not presented.

BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)			BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)		BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
2009	2008 Re-presented <sup>(3)</sup>	2007 Re-presented <sup>(3)</sup>	2009	2008 Re-presented <sup>(3)</sup>	2009	2008
4,997,491.67	5,261,989.06	6,057,318.36	17,734,971.07	19,217,026.82	-	-
\$ 7.62	\$ 5.39	\$ 10.29	\$ 0.76	\$ 0.53	\$ -	\$ -
-	-	-	-	-	442,787.62	339,938.77
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11.37	\$ 9.82
-	-	-	-	-	2,611,767.47	2,137,345.01
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10.83	\$ 9.79

(4) The net asset value per unit is rounded down to 2 decimal places in accordance with Explanatory Memorandum.

Approved and authorised for issue by the Trustee and the Manager on

)  
 ) For and on behalf of  
 ) Bank of East Asia (Trustees) Limited  
 )  
 )  
 ) For and on behalf of  
 ) BEA Union Investment Management Limited  
 )

The notes on pages 55 to 103 form part of these financial statements.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**STATEMENT OF CHANGES IN EQUITY/STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS <sup>(5)</sup>**

FOR THE YEAR ENDED 31 DECEMBER 2009  
(EXPRESSED IN UNITED STATES DOLLARS)

	BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	
	2009	2008
Balance at 1 January, as previously reported	\$ -	\$ -
Effect of adoption of amendments to HKAS 32	15,587,821	26,613,651
Balance at 1 January as restated	\$ 15,587,821	\$ 26,613,651
<b>Transactions with owner/recorded directly in equity/transaction with unitholders</b>		
Subscription of units during the year/period	\$ 15,856	\$ 79,980
Redemption of units during the year/period	(563,621)	(3,785,534)
Total transactions with owners/ unitholders <sup>(5)</sup>	\$ (547,765)	\$ (3,705,554)
Profit/(loss) and total comprehensive income for the year/period	\$ 306,941	\$ (7,320,276)
Balance at 31 December	\$ 15,346,997	\$ 15,587,821

- (1) The date of commencement for BEA Union Investment Global Resources Fund was 5 March 2008.
- (2) The date of commencement for BEA Union Investment Asian Bond and Currency Fund was 25 August 2008.
- (5) The application of Amendments to HKAS 32 resulted in the reclassification of redeemable units from financial liabilities to equity for BEA Union Investment Japan Growth Fund, BEA Union Investment Global Themes Fund and BEA Union Investment Global Resources Fund. The amendment has no effect for BEA Union Investment Asian Bond and Currency Fund. Please see Note 3(c) for further details.

BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)		BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)		BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
2009	2008	2009	2008 <sup>(1)</sup>	2009	2008 <sup>(2)</sup>
\$ -	\$ -	\$ -	\$ -	\$ 24,284,827	\$ -
28,378,339	62,365,062	10,331,355	-	-	-
<u>\$ 28,378,339</u>	<u>\$ 62,365,062</u>	<u>\$ 10,331,355</u>	<u>\$ -</u>	<u>\$ 24,284,827</u>	<u>\$ -</u>
.....	.....	.....	.....	.....	.....
\$ 133,833	\$ 506,829	\$ 2,316,923	\$ 28,338,577	\$ 21,057,686	\$ 33,168,448
(1,915,492)	(7,014,901)	(3,335,100)	(8,961,798)	(14,889,520)	(8,171,565)
<u>\$ (1,781,659)</u>	<u>\$ (6,508,072)</u>	<u>\$ (1,018,177)</u>	<u>\$ 19,376,779</u>	<u>\$ 6,168,166</u>	<u>\$ 24,996,883</u>
.....	.....	.....	.....	.....	.....
\$ 11,516,065	\$ (27,478,651)	\$ 4,192,338	\$ (9,045,424)	\$ 2,889,490	\$ (712,056)
<u>\$ 38,112,745</u>	<u>\$ 28,378,339</u>	<u>\$ 13,505,516</u>	<u>\$ 10,331,355</u>	<u>\$ 33,342,483</u>	<u>\$ 24,284,827</u>
=====	=====	=====	=====	=====	=====

(5) (Continued)

HKAS 1 requires the presentation of a statement of changes in equity. Statement of changes in net assets attributable to unitholders instead of statement of changes in equity was presented in the previous financial statements as there was no equity. The reclassification of redeemable units from financial liabilities to equity resulted in BEA Union Investment Japan Growth Fund, BEA Union Investment Global Themes Fund and BEA Union Investment Global Resources Fund presenting a statement of changes in equity. BEA Union Investment Asian Bond and Currency Fund continues to present a statement of changes in net assets attributable to unitholders as the Sub-Fund continues to have no equity.

The notes on pages 55 to 103 form part of these financial statements.

**BEA UNION INVESTMENT SERIES**  
**(Formerly Bank of East Asia Investment Series)**

**CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31 DECEMBER 2009  
(EXPRESSED IN UNITED STATES DOLLARS)

	BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	
	2009	2008
<b>Operating activities</b>		
Profit/(loss) before tax	\$ 306,941	\$ (7,320,276)
Net realised loss/(gain) on sale of investments	374,788	842,001
Net movement in unrealised (gain)/loss on investments	(792,946)	6,327,595
Interest on bank deposits	(7)	(646)
Interest on debt securities	-	-
Dividend income	-	-
Exchange (gain)/loss on investments	-	-
Distribution to unitholders	-	-
(Decrease)/increase in accruals and other payables	(266)	(4,706)
	<hr/>	<hr/>
<b>Net cash outflow from operating activities</b>	<b>\$ (111,490)</b>	<b>\$ (156,032)</b>
	<hr/>	<hr/>
<b>Investing activities</b>		
Purchase of investments	\$ -	\$ -
Sale of investments	705,000	3,406,101
Settlement of foreign currency forward contracts	-	-
Interest received from bank deposits	37	613
Interest received from debt securities	-	-
Dividend received net of withholding tax	-	-
	<hr/>	<hr/>
<b>Net cash inflow/(outflow) from investing activities</b>	<b>\$ 705,037</b>	<b>\$ 3,406,714</b>
	<hr/>	<hr/>

(1) The date of commencement for BEA Union Investment Global Resources Fund was 5 March 2008.

(2) The date of commencement for BEA Union Investment Asian Bond and Currency Fund was 25 August 2008.

The notes on pages 55 to 103 form part of these financial statements.

BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)		BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)		BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
2009	2008	2009	2008 <sup>(1)</sup>	2009	2008 <sup>(2)</sup>
\$ 11,659,605	\$ (27,307,088)	\$ 4,246,616	\$ (8,982,963)	\$ 2,889,490	\$ (712,056)
37,882	21,633,977	670,947	1,120,309	(1,074,605)	7,775
(10,983,803)	4,304,181	(4,271,216)	5,898,198	(1,668,508)	908,897
(1,244)	(22,746)	(31)	(2,032)	(157)	(25,807)
-	-	-	-	(1,432,004)	(379,860)
(737,231)	(977,527)	(258,017)	(324,214)	-	-
(1,025,728)	654,979	(611,906)	1,850,387	(21,774)	-
-	-	-	-	1,063,225	68,996
22,487	(56,306)	4,757	26,824	8,243	35,937
<u>\$ (1,028,032)</u>	<u>\$ (1,770,530)</u>	<u>\$ (218,850)</u>	<u>\$ (413,491)</u>	<u>\$ (236,090)</u>	<u>\$ (96,118)</u>
.....					
\$ (60,840,903)	\$ (108,023,874)	\$ (3,761,338)	\$ (22,955,793)	\$ (54,511,143)	\$ (22,646,248)
62,040,535	112,717,341	3,761,647	5,037,648	47,892,510	248,913
-	-	-	-	(15,847)	-
1,314	22,663	84	1,969	711	25,180
-	-	-	-	1,420,792	185,516
620,728	789,826	207,340	255,280	-	-
<u>\$ 1,821,674</u>	<u>\$ 5,505,956</u>	<u>\$ 207,733</u>	<u>\$ (17,660,896)</u>	<u>\$ (5,212,977)</u>	<u>\$ (22,186,639)</u>
.....					

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**CASH FLOW STATEMENT**

FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)  
(EXPRESSED IN UNITED STATES DOLLARS)

	BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	
	2009	2008
<b>Financing activities</b>		
Proceeds on subscription of units	\$ 15,856	\$ 79,980
Payments on redemption of units	(616,162)	(3,851,586)
Payments on distribution	-	-
	<hr/>	<hr/>
Net cash (outflow)/inflow from financing activities	\$ (600,306)	\$ (3,771,606)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	\$ (6,759)	\$ (520,924)
Cash and cash equivalents at the beginning of the year/period	68,284	589,208
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year/period	\$ 61,525	\$ 68,284
	=====	=====

- (1) The date of commencement for BEA Union Investment Global Resources Fund was 5 March 2008.
- (2) The date of commencement for BEA Union Investment Asian Bond and Currency Fund was 25 August 2008.

The notes on pages 55 to 103 form part of these financial statements.

BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)		BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)		BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
2009	2008	2009	2008 <sup>(1)</sup>	2009	2008 <sup>(2)</sup>
\$ 133,833	\$ 506,829	\$ 2,316,923	\$ 28,338,577	\$ 21,057,686	\$ 33,168,448
(1,891,382)	(7,523,369)	(3,316,197)	(8,961,798)	(14,869,088)	(8,156,562)
-	-	-	-	(1,063,225)	(68,996)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ (1,757,549)	\$ (7,016,540)	\$ (999,274)	\$ 19,376,779	\$ 5,125,373	\$ 24,942,890
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ (963,907)	\$ (3,281,114)	\$ (1,010,391)	\$ 1,302,392	\$ (323,694)	\$ 2,660,133
2,150,655	5,431,769	1,302,392	-	2,660,133	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 1,186,748	\$ 2,150,655	\$ 292,001	\$ 1,302,392	\$ 2,336,439	\$ 2,660,133
=====	=====	=====	=====	=====	=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**DISTRIBUTION STATEMENT**  
FOR THE YEAR ENDED 31 DECEMBER 2009  
(EXPRESSED IN UNITED STATES DOLLARS)

	BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
	2009	2008 <sup>(2)</sup>
Amount available for distribution to unitholders at the beginning of the year/period	\$ 204,648	\$ -
Net gain for the year/period before investments and exchange gain/loss	1,143,004	273,644
Distributions to unitholders	<u>(1,063,225)</u>	<u>(68,996)</u>
Undistributed income carried forward	\$ 284,427 =====	\$ 204,648 =====
Distribution history:		
0.02693 per unit on 2,562,040.87 units on 14 October 2008	\$ -	\$ 68,996
0.11364 per unit on 2,140,480.50 units on 14 January 2009	243,244	-
0.13472 per unit on 2,033,838.99 units on 14 April 2009	273,999	-
0.11788 per unit on 2,180,122.97 units on 14 July 2009	256,993	-
0.10512 per unit on 2,749,132.17 units on 14 October 2009	<u>288,989</u>	<u>-</u>
	\$ 1,063,225 =====	\$ 68,996 =====

(2) The date of commencement for BEA Union Investment Asian Bond and Currency Fund was 25 August 2008.

The notes on pages 55 to 103 form part of these financial statements.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS**  
(EXPRESSED IN UNITED STATES DOLLARS)

**1 The Fund**

BEA Union Investment Series (formerly Bank of East Asia Investment Series) (“the Fund”) is an umbrella unit trust established in Hong Kong pursuant to a trust deed dated 18 January 2002 and supplemental trust deeds dated 17 February 2006, 30 January 2007, 8 January 2008, 3 July 2008, 4 July 2008 and 4 September 2009. There were five sub-funds created under the Fund as at 31 December 2009. These sub-funds were established on the date set out below:

<b>Name of Sub-Funds</b>	<b>Establishment date</b>
BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	20 February 2006
BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)	15 March 2007
BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)	5 March 2008
BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	25 August 2008
BEA Union Investment Four Seasons Fund	23 October 2009

As at 31 December 2009, three different classes of units, namely Class A, Class B and Class I, had been created for each sub-fund while BEA Union Investment Asian Bond and Currency Fund had further separated its units into distributing units and accumulating units. Only Class A had been subscribed and was in issue as at 31 December 2009 for each sub-fund.

The sub-funds are authorised by the Hong Kong Securities and Futures Commission (“the HKSF”) under Section 104 of the Hong Kong Securities and Futures Ordinance (“the HKSF”). They are governed by the relevant provisions of the Hong Kong Code on Unit Trusts and Mutual Funds.

The Trust Deed does not contain any requirement that a combined set of financial statements for the Fund itself be prepared. These financial statements are prepared for BEA Union Investment Japan Growth Fund, BEA Union Investment Global Themes Fund, BEA Union Investment Global Resources Fund and BEA Union Investment Asian Bond and Currency Fund (collectively “the Sub-Funds”) only.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**2 Significant accounting policies**

**(a) Statement of compliance**

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong, the relevant provisions of the Trust Deed, as amended and the relevant provisions of the Hong Kong Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission. A summary of the significant accounting policies adopted by the Sub-Funds is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the company for the current and prior accounting periods reflected in these financial statements.

**(b) Basis of preparation of the financial statements**

The financial statements are presented in United States dollars (“USD”) and rounded to the nearest dollar.

The measurement basis used in the preparation of the financial statements is historical cost except that financial instruments classified as designated at fair value through profit or loss are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**2 Significant accounting policies (continued)**

**(c) Income and expenses**

Interest income is recognised as it accrues using effective interest method. Dividend income is recognised when the underlying securities are quoted ex-dividend. Dividend is presented gross of any non-recoverable withholding taxes, which are presented separately in the statement of comprehensive income. All other income and expenses are account for on an accrual basis.

**(d) Financial instruments**

(i) Classification

The Sub-Funds have designated all investments into the financial assets at fair value through profit or loss category upon initial recognition.

All derivatives are classified as held for trading. Derivatives in a net receivable position (positive fair value) are reported as financial assets. All derivatives in a net payable position (negative fair value) are reported as financial liabilities.

Financial assets that are classified as loans and receivables include amounts receivable from sale of investments and interest receivables.

Financial liabilities that are not at fair value through profit or loss include amounts payable on redemption, amounts payable for purchase of investments and accruals and other payables.

(ii) Recognition

The Sub-Funds recognise financial assets and financial liabilities on the date they become a party to the contractual provisions of the instrument.

A regular way purchase of financial assets is recognised using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

Financial liabilities are not recognised unless one of the parties has performed its obligations under the contract or the contract is a derivative contract not exempted from the scope of HKAS 39.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**2 Significant accounting policies (continued)**

**(d) Financial instruments (continued)**

(iii) Measurement

Financial instruments are measured initially at fair value (transaction price). Transactions costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

Financial assets classified as receivables are carried at amortised cost using the effective interest method, less impairment losses, if any.

Financial liabilities other than those at fair value through profit or loss are measured at amortised cost using the effective interest method.

(iv) Fair value measurement principles

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

When available, the Sub-Funds measure the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Sub-Funds establish fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Sub-Funds, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Sub-Funds calibrate valuation techniques and tests them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**2 Significant accounting policies (continued)**

**(d) Financial instruments (continued)**

(iv) Fair value measurement principles (continued)

Assets and long positions are measured at a bid price; liabilities and short positions are measured at an asking price.

Gains and losses on investments are included in the statement of comprehensive income. Realised gains and losses on investments included net gains or losses on contracts which have been settling or for which offsetting contracts have been entered into.

(v) Impairment

Financial assets that are stated at cost or amortised cost are reviewed at each date of the statement of assets and liabilities to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statement of comprehensive income.

(vi) Derecognition

The Sub-Funds derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire or they transfers the financial asset and the transfer qualifies for derecognition in accordance with HKAS 39.

The Sub-Funds use the weighted average method to determine realised gains and losses on derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**2 Significant accounting policies (continued)**

**(e) Translation of foreign currencies**

Foreign currency transactions during the year are translated into United States dollars at the rate of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into United States dollars at the foreign exchange rates ruling at the year end date. Differences arising on foreign currency translation are recorded in the statement of comprehensive income.

**(f) Related parties**

For the purposes of these financial statements, a party is considered to be related to the Sub-Funds if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Sub-Funds or exercise significant influence over the Sub-Funds in making financial and operating policy decisions, or has joint control over the Sub-Funds;
- (ii) the Sub-Funds and the party are subject to common control;
- (iii) the party is a subsidiary, an associate of the Sub-Funds or a joint venture in which the Sub-Funds are the venturers;
- (iv) the party is a member of key management personnel of the Sub-Funds, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals; or
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the Sub-Funds.

**(g) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**2 Significant accounting policies (continued)**

**(h) Units in issue**

The Sub-Funds classify capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

A puttable financial instrument is classified as an equity instrument if it has all of the following features:

- It entitles the holder to a pro-rata share of the Sub-Fund's net assets in the event of the Sub-Fund's liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro-rata share of the Sub-Fund's net assets.
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund over the life of the instrument.

In addition to the instrument having all the above features, the Sub-Fund must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-Fund; and
- The effect of substantially restricting or fixing the residual return to the puttable instrument holders.

Each Sub-Fund has three classes of redeemable units: Class A, Class B and Class I but only Class A was in issue. All redeemable units issued by the Sub-Funds provide the investors with the right to require redemption for cash at a value proportionate to the investor's share in the corresponding Sub-Fund's net assets at each daily redemption date and also in the event of the corresponding Sub-Fund's liquidation.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**2 Significant accounting policies (continued)**

**(h) Units in issue (continued)**

Consequently, except for BEA Union Investment Asian Bond and Currency Fund, all the Sub-Funds' redeemable units meet the definition of puttable instruments classified as equity instruments under the revised HKAS 32 and their redeemable units, which were previously classified as financial liabilities, have been reclassified as equity instruments. Comparative figures have been restated.

BEA Union Investment Asian Bond and Currency Fund's Class A units have been further separated into distributing units and accumulating units, which rank *pari passu* in all material respects but have different distribution policy as set out in the Explanatory Memorandum. Those redeemable units are the most subordinate classes of financial instruments in BEA Union Investment Asian Bond and Currency Fund. However, as the different classes of redeemable units do not have identical features, they do not meet the criteria for equity classification and therefore are classified as financial liabilities. They are measured at the present value of the redemption amounts.

The Sub-Funds continuously assess the classification of the redeemable units. If the redeemable units cease to have all the features or meet all the conditions set out in paragraphs 16A and 16B of HKAS 32, the Sub-Funds will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable units subsequently have all the features and meet the conditions set out in paragraphs 16A and 16B of HKAS 32, the Sub-Funds will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

The issuance, acquisition and resale of redeemable units are accounted for as equity transactions.

Upon issuance of units, the consideration received is included in equity.

No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issuance or cancellation of the Sub-Funds' own equity instruments.

**(i) Distributions to holders of redeemable units**

Distributions to holders of redeemable units classified as financial liabilities are recognised in the statement of comprehensive income as finance costs when they are authorised and no longer at the discretion of the Sub-Funds. Distributions to holders of redeemable units classified as equity are classified as transactions with owners and recorded in the statement of changes in equity.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**2 Significant accounting policies (continued)**

**(j) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as BEA Union Investment Management Limited (“the Manager”).

**3 Changes in accounting policies**

The HKICPA has issued certain new and revised HKFRSs that are first effective for the current accounting period. Of these, the following developments are relevant to the Sub-Funds’ financial statements:

- HKAS 1 (revised 2007), *Presentation of Financial Statements*
- Amendments to HKFRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- Amendments to HKAS 32, *Financial Instruments: Presentation* and HKAS 1, *Presentation of financial statements: Puttable Financial Instruments and Obligation Arising on Liquidation*
- HKFRS 8, *Operating segments*

The principal effect of these developments is as follows:

**(a) HKAS 1 (Revised 2007), Presentation of Financial Statements**

The revised HKAS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, the revised standard introduces the statement of comprehensive income. All items of non-owner changes in equity are presented either in one single performance statement (the statement of comprehensive income), or in two statements (the income statement and statement of comprehensive income). The Sub-Funds chose to present one single statement of comprehensive income. The Sub-Funds do not have any components of other comprehensive income other than profit or loss for the period. Therefore the adoption of this revised standard has not resulted in a significant change to the presentation of the Sub-Funds’ statement of comprehensive income.

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**3 Changes in accounting policies (continued)**

**(b) Amendments to HKFRS 7 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments.**

The amendments to HKFRS 7 require fair value measurements to be disclosed by the source of inputs, using a three-level hierarchy:

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

Specific disclosures are required when fair value measurements are categorised as Level 3 in the fair value hierarchy. The amendments require that any significant transfers between Level 1 and Level 2 of the fair value hierarchy be disclosed separately, distinguishing between transfers into and out of each level. Furthermore changes in valuation techniques from one period to another, including the reason therefore, are required to be disclosed for each class of financial instruments. Revised disclosures in respect of fair values of financial instruments are included in note 4.

In addition, the amendments revise the specified minimum liquidity risk disclosures including: the contractual maturity of non derivative and derivative financial liabilities, and a description of how this is managed. The adoption of the amendment does not result in additional disclosures in these financial statements as the Sub-Funds do not have derivative financial liabilities.

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**3 Changes in accounting policies (continued)**

**(c) Amendments to HKAS 32, Financial Instruments: Presentation and HKAS 1: Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation**

The amendment to HKAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. Those criteria include: the puttable instruments must entitle the holder to a pro-rata share of net assets; the puttable instruments must be the most subordinated class and their features must be identical; there must be no contractual obligations to deliver cash or another financial asset other than the obligation on the issuer to repurchase; and the total expected cash flows from the puttable instrument over its life must be based substantially on the profit or loss of the issuer. The application of the amended requirements did not have any impact to BEA Union Investment Asian Bond and Currency Fund. While its redeemable units issued are puttable instruments, they continue to be classified as financial liabilities as they do not meet the conditions for equity classification under the amendments as detailed in note 2(h).

The redeemable units of BEA Union Investment Japan Growth Fund, BEA Union Investment Global Themes Fund and BEA Union Investment Global Resources Fund have had all the feature and have met all the conditions for classification as equity instruments since issue.

The application of the amendments resulted in the reclassification of their redeemable units, which are puttable instruments, from financial liabilities to equity. The amendments have been applied retrospectively and the statement of assets and liabilities as at the beginning of the earliest comparative period has been re-presented except for BEA Union Investment Global Resources Fund, which was established on 5 March 2008 and did not have any assets or liabilities as at the beginning of the comparative period.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**3 Changes in accounting policies (continued)**

**(c) Amendments to HKAS 32, Financial Instruments: Presentation and HKAS 1: Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation (continued)**

The impact of the above to the Sub-Funds' equity and financial liabilities is illustrated below:

	BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)	BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)	BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)
Increase in equity and decrease in financial liabilities				
- as at 31 December 2009	\$ 15,346,997	\$ 38,112,745	\$ 13,505,516	\$ -
- as at 31 December 2008	15,587,821	28,378,339	10,331,355	-
- as at 31 December 2007	26,613,651	62,365,062	-	-
	=====	=====	=====	=====

The amendments to HKAS 1 require disclosure of certain information relating to puttable instruments classified as equity.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**3 Changes in accounting policies (continued)**

**(d) HKFRS 8, Operating Segments**

HKFRS 8 replaces HKAS 14 and expands the scope to include entities that file, or are in the process of filing, their financial statements with securities commissions or other regulatory organisations for the purposes of issuing any class of instruments in a public market. The standard is applicable to these financial statements as the Sub-Funds are authorised by the HKSFCA under Section 104 of the HKSFCA to issue units to the public in Hong Kong and are required to file these financial statements with the SFC.

The standard requires disclosure of information about the Sub-Funds' operating segments and replaces the requirement of HKAS 14 to determine primary (business) and secondary (geographical) reporting segments. For management purposes, each of the Sub-Funds is organised into one business unit.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**4 Financial instruments of fair value through profit or loss**

**(a) Breakdown of investments**

	BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	
	2009	2008
Listed/quoted investment funds	\$ 15,290,070	\$ 15,541,912
Listed equities	–	–
Listed/quoted debt securities	–	–
Listed/quoted derivatives	–	–
	<hr/>	<hr/>
Total investments	\$ 15,290,070	\$ 15,541,912
	=====	=====
Investments, at cost	\$ 22,036,376	\$ 23,081,164
Amortised premium	–	–
Net unrealised (depreciation)/ appreciation in value of investments	(6,746,306)	(7,539,252)
	<hr/>	<hr/>
Investments, at market value	\$ 15,290,070	\$ 15,541,912
	=====	=====

For BEA Union Investment Japan Growth Fund, the carrying value of investments as at 31 December 2009 represented 43.00% (2008: 47.70%) of the net asset value of ipac Multi-Manager Japan Equity Fund.

BEA Union Investment Global Themes Fund (formerly BEA Global Themes Limited)		BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)		BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
2009	2008	2009	2008	2009	2008
\$ 588,600	\$ 703,300	\$ -	\$ -	\$ -	\$ -
35,249,728	25,832,190	13,261,117	9,049,251	-	-
-	-	-	-	30,529,859	21,292,424
732,288	645,444	-	-	-	-
<u>\$ 36,570,616</u>	<u>\$ 27,180,934</u>	<u>\$ 13,261,117</u>	<u>\$ 9,049,251</u>	<u>\$ 30,529,859</u>	<u>\$ 21,292,424</u>
=====	=====	=====	=====	=====	=====
\$ 34,072,661	\$ 36,516,475	\$ 15,324,011	\$ 16,137,118	\$ 29,826,775	\$ 22,291,222
-	-	-	-	(63,362)	(89,901)
2,497,955	(9,335,541)	(2,062,894)	(7,087,867)	766,446	(908,897)
<u>\$ 36,570,616</u>	<u>\$ 27,180,934</u>	<u>\$ 13,261,117</u>	<u>\$ 9,049,251</u>	<u>\$ 30,529,859</u>	<u>\$ 21,292,424</u>
=====	=====	=====	=====	=====	=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**4 Financial instruments of fair value through profit or loss (continued)**

**(b) Fair value hierarchy**

The following table summarises the inputs used to value the Sub-Funds' investments and foreign currency forward contracts as of 31 December 2009.

	BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund) 2009	BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund) 2009	BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund) 2009	BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund) 2009
Level 1	\$ -	\$ 35,838,328	\$ 13,261,117	\$ -
Level 2	15,290,070	732,288	-	30,542,709
Level 3	-	-	-	-
	<u>\$ 15,290,070</u>	<u>\$ 36,570,616</u>	<u>\$ 13,261,117</u>	<u>\$ 30,542,709</u>
	=====	=====	=====	=====

The sub-funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**4 Financial instruments of fair value through profit or loss (continued)**

**(b) Fair value hierarchy (continued)**

When fair values of listed or quoted investments at the reporting date are based on quoted market prices or binding dealer price quotations in an active market, without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy. When fair values of debt securities at the reporting date represent quoted prices in markets that are considered less than active, these debt securities are included within Level 2 of the hierarchy.

For investment funds that are not listed, transactions may or may not occur on a regular basis and they are valued by the Sub-Funds based on the net asset value per unit published by the administrators of those underlying investment funds. Such NAV is adjusted when necessary, to reflect the effect of the time passed since the calculation date, liquidity risk, limitations on redemptions and other factors. Depending on the fair value level of the underlying investment funds' assets and liabilities and whether adjustments are needed, the Sub-Funds classify the fair value of those underlying investment funds as either Level 2 or Level 3.

Over-the-counter ("OTC") derivative contracts include forward contracts related to foreign currencies and participatory notes. Depending on the product and the terms of the transaction, the fair value of the OTC derivative products can be modelled taking into account the counterparties' creditworthiness and using a series of techniques, including simulation models. Many pricing models do not entail material subjectivity because the methodologies employed do not necessitate significant judgments and the pricing inputs are observed from actively quoted markets. Foreign currency forward contracts and participatory notes valued by the Sub-Funds using pricing models fall into this category and are categorised within Level 2 of the fair value hierarchy.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**5 Capital management and units in issue**

	BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	
	2009	2008
<b>Class A</b>		
Number of units in issue at 1 January	2,298,811.20	2,763,457.57
Units issued during the year/period	2,461.37	9,273.31
Units redeemed during the year/period	(88,243.40)	(473,919.68)
	<hr/>	<hr/>
Number of units in issue at 31 December	2,213,029.17	2,298,811.20
	=====	=====
<b>Class A Accumulating</b>		
Number of units in issue at 1 January	-	-
Units issued during the year/period	-	-
Units redeemed during the year/period	-	-
	<hr/>	<hr/>
Number of units in issue at 31 December	-	-
	=====	=====
<b>Class A Distributing</b>		
Number of units in issue at 1 January	-	-
Units issued during the year/period	-	-
Units redeemed during the year/period	-	-
	<hr/>	<hr/>
Number of units in issue at 31 December	-	-
	=====	=====

- (1) The date of commencement for BEA Union Investment Global Resources Fund was 5 March 2008.
- (2) The date of commencement for BEA Union Investment Asian Bond and Currency Fund was 25 August 2008.

The capital of the Sub-Funds is represented by redeemable participating units. As a result of the ability to issue and redeem units, the capital of the Sub-Funds can vary depending on the demand for redemptions and subscriptions to the Sub-Funds. The Sub-Funds are not subject to externally imposed capital requirements and restrictions on the issue and redeem of units.

BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)		BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)		BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
2009	2008	2009	2008 <sup>(1)</sup>	2009	2008 <sup>(2)</sup>
5,261,989.06	6,057,318.36	19,217,026.82	-	-	-
22,142.63	56,147.56	3,714,843.10	28,312,760.98	-	-
(286,640.02)	(851,476.86)	(5,196,898.85)	(9,095,734.16)	-	-
<u>4,997,491.67</u>	<u>5,261,989.06</u>	<u>17,734,971.07</u>	<u>19,217,026.82</u>	<u>-</u>	<u>-</u>
=====	=====	=====	=====	=====	=====
-	-	-	-	339,938.77	-
-	-	-	-	338,890.68	510,416.83
-	-	-	-	(236,041.83)	(170,478.06)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>442,787.62</u>	<u>339,938.77</u>
=====	=====	=====	=====	=====	=====
-	-	-	-	2,137,345.01	-
-	-	-	-	1,659,775.87	2,806,982.27
-	-	-	-	(1,185,353.41)	(669,637.26)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,611,767.47</u>	<u>2,137,345.01</u>
=====	=====	=====	=====	=====	=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**5 Capital management and units in issue (continued)**

The Sub-Funds’ objectives for managing capital are:

- To safeguard capital while achieve returns by investing in accordance with the Sub-Funds’ investment objectives, descriptions, risk exposures and expected returns indicated in the Explanatory Memorandum.
- To maintain sufficient liquidity to meet the expenses of the Sub-Funds, and to meet redemption requests as they arise.
- To maintain sufficient size to make the operation of the Sub-Funds cost-efficient.

The Manager manages the capital of the Sub-Funds in accordance with the Sub-Funds’ investment objectives and policies. With a view to protecting the interests of unitholders, the Manager is entitled at its discretion and with the approval of the Bank of East Asia (Trustees) Limited (“the Trustee”) to limit the number of units in any Sub-Fund redeemed on any dealing day to 10% of the total number of units of that Sub-Fund in issue.

**6 Net asset value of the Sub-Funds**

The Trustee and the Manager would like to highlight that the net asset value presented in the financial statements and that quoted for pricing purposes at the year end (“Dealing NAV”) are different due to the principles for calculating the Dealing NAV as set out in the Explanatory Memorandum document being different from that required for financial reporting purposes under HKFRSs. The following reconciliation provides details of these differences:

	BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	
	2009	2008
NAV as reported in the financial statements as at 31 December	\$ 15,346,997	\$ 15,587,821
Use of latest available traded pricing instead of bid pricing in valuing investment	—	—
	<hr/>	<hr/>
Dealing NAV as at 31 December	\$ 15,346,997	\$ 15,587,821
	=====	=====

BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)		BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)		BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
2009	2008	2009	2008	2009	2008
\$ 38,112,745	\$ 28,378,339	\$ 13,505,516	\$ 10,331,355	\$ 33,342,483	\$ 24,284,827
49,432	90,075	11,982	16,260	54,815	157,768
<u>\$ 38,162,177</u>	<u>\$ 28,468,414</u>	<u>\$ 13,517,498</u>	<u>\$ 10,347,615</u>	<u>\$ 33,397,298</u>	<u>\$ 24,442,595</u>
=====	=====	=====	=====	=====	=====

**BEA UNION INVESTMENT SERIES**  
 (Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
 (EXPRESSED IN UNITED STATES DOLLARS)

**7 Transactions with related parties**

The following is a summary of transactions with related parties during the year. All such transactions were entered into the ordinary course of business and on normal commercial terms.

- (a) Bank accounts are maintained with The Bank of East Asia, Limited which is the ultimate holding company of the Manager and the Trustee. The balances of these accounts and the interest income arising there from are set out below:

	BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	
	2009	2008
<b>At 31 December:</b>		
Bank balance as at year/period end	\$ 61,525	\$ 68,284
	=====	=====

Interest income on bank deposits and bank charges incurred are not disclosed as the Trustee and the Manager consider the amount immaterial.

BEA Union Investment  
Global Themes Fund  
(formerly BEA Global  
Themes Fund)

2009                      2008

BEA Union Investment  
Global Resources Fund  
(formerly BEA Global  
Resources Fund)

2009                      2008

BEA Union Investment  
Asian Bond and  
Currency Fund  
(formerly BEA Asian Bond  
and Currency Fund)

2009                      2008

\$	283,451	\$	281,885	\$	82,144	\$	605,260	\$	285,357	\$	2,373,431
=====		=====		=====		=====		=====		=====	

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**7 Transactions with related parties (continued)**

- (b) The Bank of East Asia (Nominees) Limited and BEA (China) Limited, fellow subsidiaries of the Manager and the Trustee, held the following units of the Sub-Funds as at year end on behalf of their clients.

	BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	
	2009	2008
BEA (Nominees) Limited		
– Class A	2,213,029.17	2,298,811.20
– Class A Accumulating	–	–
– Class A Distributing	–	–
	<hr/>	<hr/>
	2,213,029.17	2,298,811.20
	=====	=====
BEA (China) Limited		
– Class A	–	–
– Class A Accumulating	–	–
– Class A Distributing	–	–
	<hr/>	<hr/>
	–	–
	=====	=====

Bank charges incurred is not disclosed as the Trustee and the Manager consider the amount immaterial.

BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)		BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)		BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
2009	2008	2009	2008	2009	2008
4,007,445.85	4,252,284.96	17,082,980.31	18,549,074.25	-	-
-	-	-	-	401,678.78	336,888.33
-	-	-	-	2,611,767.47	2,137,345.01
<u>4,007,445.85</u>	<u>4,252,284.96</u>	<u>17,082,980.31</u>	<u>18,549,074.25</u>	<u>3,013,446.25</u>	<u>2,474,233.34</u>
=====	=====	=====	=====	=====	=====
990,045.82	1,009,704.10	651,990.76	667,952.57	-	-
-	-	-	-	8,693.44	3,050.44
-	-	-	-	-	-
<u>990,045.82</u>	<u>1,009,704.10</u>	<u>651,990.76</u>	<u>667,952.57</u>	<u>8,693.44</u>	<u>3,050.44</u>
=====	=====	=====	=====	=====	=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**7 Transactions with related parties (continued)**

- (c) The Manager is entitled to receive investment management fees, determined at the rates stated below on the net asset value of each Sub-Fund, accrued on and calculated at each dealing day. The investment management fees are payable monthly in arrears.

The rates of investment management fees charged to each individual Sub-Fund are as follows:

	Rate per annum
BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)	1.50%
BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)	1.50%
BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	0.75%

For BEA Union Investment Japan Growth Fund, the Manager received investment management fees determined at 1.50% per annum on the net asset value of the Sub-Fund, less management fees charged by the manager of the underlying fund, AXA Investment Managers Asia Limited, which are determined at 1.05% per annum of the investments, accrued on and calculated at each dealing day.

The investment management fees charged for the year for each Sub-Fund are disclosed in the statement of comprehensive income. As at 31 December, investment management fees payable for each Sub-Fund is as below:

	BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	
	2009	2008
Investment management fees payable	\$ 5,989	\$ 6,174
	=====	=====

BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)		BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)		BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
2009	2008	2009	2008	2009	2008
\$ 48,312	\$ 36,894	\$ 17,288	\$ 12,936	\$ 21,446	\$ 16,594
=====	=====	=====	=====	=====	=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**7 Transactions with related parties (continued)**

- (d) The Trustee is entitled to receive trustee’s fees, determined at the rates stated below on the net asset value of each Sub-Fund, accrued on and calculated at each dealing day. The trustee’s fees are payable monthly in arrears.

The rates of trustee’s fees charged to each individual Sub-Fund are as follows:

	Rate per annum
BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	0.125%
BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)	0.175%
BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)	0.175%
BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	0.125%

The trustee’s fees charged for the year for each Sub-Fund are disclosed in the statement of comprehensive income. As at 31 December, trustee’s fees payable for each Sub-Fund is as below:

	BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	
	2009	2008
Trustee’s fees payable	\$ 1,652	\$ 1,704
	=====	=====

BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)		BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)		BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
2009	2008	2009	2008	2009	2008
\$ 5,636	\$ 4,304	\$ 2,017	\$ 1,509	\$ 3,575	\$ 2,765
=====	=====	=====	=====	=====	=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**7 Transactions with related parties (continued)**

(e) The Trustee also acts as registrar and is entitled to receive registrar’s fees. The fees are payable monthly in arrears at the higher of (i) and (ii) below:

(i)

	Fee rate per annum accrued on a daily basis
Net asset value	
First \$50 million	0.05%
Next \$10 million	0.045%
Next \$10 million	0.04%
Next \$10 million	0.035%
Next \$10 million	0.03%
Next \$10 million	0.025%
Remainder	0.015%

(ii) A minimum of \$3,000 per annum.

The registrar’s fees charged for the year for each Sub-Fund are disclosed in the statement of comprehensive income.

As at 31 December, registrar’s fees payable for each Sub-Fund is as below:

	BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	
	2009	2008
Registrar’s fees payable	\$ 661	\$ 681
	=====	=====

BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)		BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)		BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
2009	2008	2009	2008	2009	2008
\$ 1,610	\$ 1,230	\$ 576	\$ 431	\$ 1,430	\$ 1,106
=====	=====	=====	=====	=====	=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**8 Taxation**

No provision for Hong Kong Profits Tax has been made in the financial statements as the income of the Sub-Funds is exempt from taxation under S26A(1A) of the Hong Kong Inland Revenue Ordinance.

Overseas withholding tax in the statement of comprehensive income represents non-recoverable withholding tax on dividend income.

**9 Soft commission arrangements**

During the year, the Sub-Funds had no soft commission arrangements with the brokers.

**10 Contingent liabilities and commitment**

The Sub-Funds had no contingent liabilities or commitment as at 31 December 2009 and 2008.

**11 Fair value information**

The Sub-Funds' financial instruments are measured at fair value on the date of statement of assets and liabilities. Fair value estimates are made at a specified point in time, based on market conditions and information about the financial instruments. Usually, fair values can be reliably determined within a reasonable range of estimates. For certain other financial instruments, including amounts receivable from sale of investments, amounts payable on redemption, amounts payable for purchase of investments and accruals and other payables, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

**12 Financial instruments and associated risks**

The Sub-Funds maintain positions in a variety of financial instruments as dictated by its investment management strategy. The Sub-Funds' investment portfolios comprise listed equity investments, listed and quoted debt securities, derivatives, and investment funds that the Sub-Funds intend to hold for an indefinite period of time.

Asset allocation is determined by the Manager to achieve the investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Manager. In instances where the portfolio has diverged from target asset allocation, the Manager will rebalance the portfolio to align with the target asset allocation.

The nature and extent of the financial instruments outstanding at the date of the statement of assets and liabilities and the risk management policies employed by the Sub-Funds are discussed below.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**12 Financial instruments and associated risks (continued)**

**(a) Market risk**

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk. The Sub-Funds' strategies on the management of market risk is driven by the Sub-Funds' investment objectives.

The investment objective of the BEA Union Investment Japan Growth Fund is to achieve long term capital growth through investing in a Japan equity fund (ipac Multi-Manager Japan Equity Fund) managed by reputable specialist fund manager and aiming to provide high capital growth over the long term by investing in Japanese equities.

The investment objective of the BEA Union Investment Global Themes Fund is to seek long-term growth of capital through a diversified international portfolio of marketable securities, primarily equity securities, including common stocks, preferred stocks, warrants and debt securities convertible into common stocks. The investment adviser of the Sub-Fund is Deutsche Investment Management Americas Inc.

The investment objective of the BEA Union Investment Global Resources Fund is to seek long-term growth of capital through a diversified international portfolio of marketable securities, primarily equity securities, including common stocks, preferred stocks, warrants, equity deposits, equity linked notes and debt securities convertible into common stocks with a business focus on mining, agriculture, forestry, extraction of energy, oil and gas, exploration, processing and distribution, commodity-related industries, recycling, and renewable energy. The investment adviser of the Sub-Fund is Union Investment Institutional GmbH.

The investment objective of BEA Union Investment Asian Bond and Currency Fund is to capture regular interest income, capital gains and currency appreciation by an actively managed portfolio of debt securities denominated in Asian or other currencies and primarily issued by Asian governments and corporate entities. Debt securities invested by the Sub-Fund may include convertible, non-convertible, exchangeable, or non-exchangeable debt securities; fixed and floating rate bonds; zero coupons and discount bonds; transferable notes; commercial papers; certificates of deposit of variable or fixed interest rates listed, traded, or dealt in regulated markets or exchanges; as well as money market instruments, unit trusts and cash.

The Sub-Funds' market risk is managed on a regular basis by the Manager in accordance with policies and procedures in place. The Sub-Funds' overall market position is monitored on a yearly basis by the Trustee. Details of the nature of the Sub-Fund's investment portfolios at the date of the statement of assets and liabilities are disclosed in the investment report.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**12 Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

(i) Currency risk

The Sub-Funds hold assets and liabilities denominated in currencies other than their functional currency and are therefore exposed to currency risk that the exchange rate may change in a manner that has an adverse effect on the value of the Sub-Funds' assets and liabilities.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset or liability. The Manager monitors all the Sub-Funds' foreign currency positions on a daily basis. BEA Union Investment Japan Growth Fund is not subject to direct currency risk as their assets and liabilities are denominated in Hong Kong dollars ("HKD") and United States dollars ("USD") only.

*Sensitivity analysis*

Each Sub-Funds' net exposure to each currency other than USD and HKD at the date of statement of assets and liabilities and their estimated impact to net assets attributable to unitholders and change in net assets attributable to unitholders from operations had the USD weakened/strengthened by 5% (2008: 5%) are illustrated below. The analysis is performed on the same basis as 2008.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**12 Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

(i) Currency risk (continued)

*Sensitivity analysis (continued)*

**As at 31 December**

	BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)			
	2009	Estimated increase/(decrease) had USD weakened by 5%	2008	Estimated increase/(decrease) had USD weakened by 5%
Australian Dollar	\$ 297,698	\$ 14,885	\$ 187,931	\$ 9,397
British Pound	2,716,513	135,826	1,482,265	74,113
Brazilian Real	974,300	48,715	512,517	25,626
Canadian Dollar	16	1	147,373	7,369
Swiss Franc	1,141,989	57,099	1,597,431	79,872
Danish Krone	11	1	11	1
Euro	5,323,505	266,175	3,492,094	174,605
Indonesian Rupiah	1	-	47,637	2,382
Israeli Shekel	353,735	17,687	-	-
Japanese Yen	3,390,959	169,548	1,308,663	65,433
Malaysian Ringgit	126,613	6,331	222,243	11,112
Mexican Peso	515	26	165,045	8,252
Norwegian Krone	15	1	12	1
Singapore Dollar	47,091	2,355	78,936	3,947
South Korean Won	780,926	39,046	273,967	13,698
Swedish Krona	60	3	55	3
Thai Baht	344,319	17,216	78,572	3,929
New Turkish Lira	362,942	18,147	-	-
South African Rand	157,237	7,862	11,912	596
	=====	=====	=====	=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**12 Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

(i) Currency risk (continued)

*Sensitivity analysis (continued)*

**As at 31 December (continued)**

	BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)			
	2009		2008	
	Net assets/ (liabilities)	Estimated increase/(decrease) had USD weakened by 5%	Net assets/ (liabilities)	Estimated increase/(decrease) had USD weakened by 5%
Australian Dollar	\$ 740,361	\$ 37,018	\$ 390,049	\$ 19,502
British Pound	1,277,995	63,900	870,333	43,517
Canadian Dollar	792,776	39,639	303,000	15,150
Swiss Franc	228,385	11,419	99,093	4,955
Euro	4,884,290	244,214	2,475,593	123,780
Japanese Yen	1,560,596	78,030	1,097,022	54,851
Norwegian Krone	139,050	6,953	125,985	6,299
	=====	=====	=====	=====

	BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)			
	2009		2008	
	Net assets/ (liabilities)	Estimated increase/(decrease) had USD weakened by 5%	Net assets/ (liabilities)	Estimated increase/(decrease) had USD weakened by 5%
Australian Dollar	\$ 6,344,152	\$ 317,208	\$ –	\$ –
Euro	3,826,717	191,336	–	–
Chinese Yuan	437,434	21,872	–	–
South Korean Won	604,727	30,236	–	–
Singapore Dollar	744,270	37,214	–	–
Taiwanese Dollar	953,297	47,665	–	–
	=====	=====	=====	=====

As HKD is pegged to USD, the Sub-Funds do not expect any significant movement in USD/HKD exchange rate. A 5% appreciation of USD against the above currencies would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**12 Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

(ii) Interest rate risk

Interest rate risk arises from change in interest rates which may inversely affect the value of debt instruments and therefore result in potential gain or loss to the Sub-Funds.

Except for BEA Union Investment Asian Bond and Currency Fund, all the other Sub-Funds did not have any interest bearing liabilities as at year end and interest bearing assets were limited to bank deposits; accordingly it is considered that they did not have significant direct interest rate risk exposure.

The Manager monitors all the Sub-Funds' direct exposure to interest rate risk on a monthly basis.

The following table summarises BEA Union Investment Asian Bond and Currency Fund's exposure to interest rate risk. It includes the Sub-Fund's interest rate sensitivity gap and the period in which the interest bearing assets and interest bearing liabilities reprice (the earlier of contractual re-pricing or maturity date) as at year/period end.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**12 Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

(ii) Interest rate risk (continued)

	BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
	2009	2008
<b>Assets</b>		
<b>Investments</b>		
– 1 year or less	\$ 5,466,739	\$ 1,257,716
– over 1 year to 5 years	16,747,442	17,119,570
– over 5 years	8,328,528	2,915,138
– non-interest bearing	–	–
	<u>\$ 30,542,709</u>	<u>\$ 21,292,424</u>
<b>Amounts receivable from sale of investments</b>		
– non-interest bearing	\$ –	\$ 98,338
<b>Interest receivables</b>		
– non-interest bearing	\$ 542,950	\$ 284,872
<b>Bank balances</b>		
– 1 year or less	<u>\$ 2,336,439</u>	<u>\$ 2,660,133</u>
<b>Total assets</b>	<u>\$ 33,422,098</u>	<u>\$ 24,335,767</u>
	=====	=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**12 Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

(ii) Interest rate risk (continued)

	BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
	2009	2008
<b>Liabilities</b>		
<b>Amounts payable on redemption</b>		
– non-interest bearing	\$ 35,435	\$ 15,003
	.....	.....
<b>Accruals and other payables</b>		
– non-interest bearing	\$ 44,180	\$ 35,937
	.....	.....
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	<b>\$ 79,615</b>	<b>\$ 50,940</b>
	=====	=====
<b>Total interest sensitivity gap</b>		
– 1 year or less	\$ 7,803,178	\$ 3,917,849
– over 1 year to 5 years	16,747,442	17,119,570
– over 5 years	8,328,528	2,915,138
– non-interest bearing	463,335	332,270
	=====	=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**12 Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

(ii) Interest rate risk (continued)

*Sensitivity analysis*

If the market interest rate at the date of the statement of assets and liabilities had changed by 50 basis points (2008: 50 basis points), with all other variables held constant, it is estimated that the net assets attributable to unitholders and change in net assets attributable to unitholders would have changed accordingly as shown below. The analysis is performed on the same basis for 2008.

**As at 31 December**

	BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
	2009	2008
Estimated (decrease) if interest rate had increased by 50 basis points	\$ (579,632)	\$ (192,470)
	=====	=====
Estimated increase interest rate had decreased by 50 basis points	\$ 601,273	\$ 195,839
	=====	=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**12 Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

(iii) Price risk

Price risk is the risk that value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The breakdown of investments held by the Sub-Funds is shown in note 4.

Each Sub-Funds' market risk is managed through (i) deliberate securities selection and (ii) diversification of the investment portfolio. The Manager monitors all Sub-Funds' market positions on a daily basis.

*Sensitivity analysis*

The Manager projects the possible movement of the underlying fund price/benchmark indices ("the potential movement") based on historical experience. If the underlying fund price/benchmark indices had changed by the following percentages, which are based on the Manager's best estimate of the potential movement as at the date of the statement of assets and liabilities, with all other variables held constant, it is estimated that the net assets attributable to unitholders and change in net assets attributable to unitholders from operations would have changed accordingly as shown below. The analysis is performed on the same basis as 2008.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**12 Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

(iii) Price risk (continued)

*Sensitivity analysis (continued)*

**As at 31 December**

	BEA Union Investment Japan Growth Fund (formerly BEA Japan Growth Fund)	
	ipac Multi-Manager Fund	
	2009	2008
Underlying fund/benchmark indices		
Potential movement of the underlying fund/ benchmark indices	3.04%	-29.55%
Estimated increase/(decrease)	\$ 464,818	\$ (4,592,635)
	=====	=====

An equal change in the opposite direction would have changed the net assets attributable to unitholders and change in net assets attributable to unitholders from operations for the year by an equal but opposite amount.

BEA Union Investment Global Themes Fund (formerly BEA Global Themes Fund)		BEA Union Investment Global Resources Fund (formerly BEA Global Resources Fund)		BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
MSCI World Index		50% MSCI World Materials 25% MSCI World Energy 25% MSCI World Industrials		HSBC Asian Local Currency Bond Index	
2009	2008	2009	2008	2009	2008
34.63%	-42.20%	44.00%	-40.83%	6.33%	2.50%
\$ 12,664,404	\$ (11,470,354)	\$ 5,834,918	\$ (3,694,809)	\$ 1,932,540	\$ 532,311
=====	=====	=====	=====	=====	=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**12 Financial instruments and associated risks (continued)**

**(b) Credit risk**

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. All transactions in listed securities are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the Sub-Funds' custodians have received payments. For purchase, payments are made once securities have been received by the Sub-Funds' custodians. The trade will fall if either party fails to meet their obligation.

The Manager monitors the Sub-Funds' credit position on a monthly basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of assets and liabilities.

At the date of the statement of assets and liabilities, BEA Union Investment Asian Bond and Currency Fund was the only Sub-Fund that held debt securities. The credit quality of these debt securities are expressed as a percentage of net assets below:

**As at 31 December**

Rating	BEA Union Investment Asian Bond and Currency Fund (formerly BEA Asian Bond and Currency Fund)	
	2009	2008
AAA	18.46%	—
AA	4.16%	—
AA-	3.01%	—
A+	—	8.69%
A	13.36%	21.50%
A-	6.94%	18.43%
BBB+	4.78%	10.64%
BBB	4.09%	8.27%
BBB-	12.60%	13.40%
BB	13.46%	—
BB+	1.49%	—
BB-	3.17%	—
BBBe	1.68%	—
bb-e	1.57%	—
B	—	6.75%
N/A	2.79%	—
<b>Total</b>	<b>91.56%</b>	<b>87.68%</b>
	=====	=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**12 Financial instruments and associated risks (continued)**

**(b) Credit risk (continued)**

The Sub-Funds' investments are held by the custodians and the majority of the Sub-Funds' cash is deposited with The Bank of East Asia, Limited and The Bank of New York Mellon ("the Banks"). Bankruptcy or insolvency of the custodians and the Banks may cause to funds rights with respect to the assets held by the custodians and the Banks to be delayed or limited. The Manager monitors the credit quality of the custodians and the Banks on an on-going basis.

At both 31 December 2009 and 2008, there were no significant concentrations of credit risk.

**(c) Liquidity risk**

Liquidity risk arises from the risk that the Sub-Funds may not be able to convert investments into cash to meet liquidity needs in a timely manner. The Sub-Funds' exposure to liquidity risk arises because of the possibility that the Sub-Funds could be required to pay their liabilities redeem the units than expected. The Sub-Funds are exposed to daily cash redemption of their redeemable units. Units are redeemable at the holders' option based on the Sub-Funds' net asset value per unit at the time of redemption.

The Sub-Funds' policy is to regularly monitor current and expected liquidity requirements to ensure that they maintain sufficient reserves of cash and readily realisable marketable securities to meet their liquidity requirements in the short and longer term.

The Sub-Funds invest the majority of assets in investments that are traded in an active market and can be readily disposed of. The Manager monitors the Sub-Funds' liquidity position on a daily basis.

As at 31 December 2009 and 2008, all the financial liabilities of the Sub-Funds are repayable on demand or due within three months.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**12 Financial instruments and associated risks (continued)**

**(d) Specific instruments**

As at 31 December 2009, the details of participatory notes held by BEA Union Investment Global Themes Fund are as follows:

Description	Contract amount	Unit price	Expiration date	Fair value
<b>United Kingdom (1.27%)</b>				
HSBC Riyad Bank P-note 29/2/12	5,900	7.06535	29/02/2012	41,686
HSBC Samba Financial Group P-note 05/09/11	3,000	13.39750	05/09/2011	40,193
HSBC Saudi Basic P-note 22/08/11	12,700	21.92924	22/08/2011	278,501
HSBC Saudi Telecom Co P-note 15/09/11	2,700	11.75781	15/09/2011	31,746
HSBC - First Bank of Nigeria PLC-REG S P-note 05/10/12	983,900	0.09431	05/10/2012	92,792
<b>Luxembourg (0.65%)</b>				
Merrill-CW10 Doha Bank Ltd P-note 24/05/10	3,135	12.35771	24/05/2010	38,741
Merrill-CW10 National Bank of Abu Dhabi P-note 12/01/10	7,090	3.13100	12/01/2010	22,199
Merrill-CW10 Qatar Electricity P-note 24/05/10	711	27.46159	24/05/2010	19,525
Merrill-CW10 Qatar National Bank P-note 26/07/10	1,093	40.67061	26/07/2010	44,453
Merrill-CW11 Bharat Electron P-note 16/06/11	2,400	41.71834	16/06/2011	100,124
Merrill-CW11 Commercial International Bank P-note 09/05/11	2,245	9.94576	09/05/2011	22,328
				732,288
				=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**12 Financial instruments and associated risks (continued)**

**(d) Specific instruments (continued)**

As at 31 December 2008, the details of call options held by BEA Union Investment Global Themes Fund are as follows:

Description	Contract amount	Strike price	Expiration date	Fair value
Merrill-CW11 Bharti Tele Ltd 17/03/2011	34,200	0.000001	17/03/2011	500,968
Merrill Lynch Frontier Index	3,800	0.000010	03/10/2009	144,476
				645,444
				=====

As at 31 December 2009, the details of foreign currency contracts held by BEA Union Investment Asian Bond and Currency Fund are as follows:

Type of contact	Expiration	Underlying	Notional amount of contracts outstanding	Fair value
Currency forward	January 2010	Buy South Korean Won/sell US dollars	\$ 598,802	\$ 5,925
Currency forward	February 2010	Buy Taiwanese dollars/sell US dollars	946,372	6,925
				\$ 12,850
				=====

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**13 Segment information**

The Manager makes the strategic resource allocation on behalf of the Sub-Funds and determines the operating segments based on the internal reporting used to make strategic decisions. The Manager's asset allocation decisions for each Sub-Fund are based on one single, integrated investment strategy, and the Sub-Funds' performance is evaluated on an overall basis. Accordingly the Manager considers that each Sub-Fund has one single operating segment which is investing in a portfolio of financial instruments to generate investment returns in accordance with the investment objective stipulated in the Explanatory Memorandum. The investment objectives and the investment portfolios of each Sub-Fund are presented in note 12(a) and the investment report respectively.

There were no changes in the operating segment during the period.

The internal reporting provided to the Manager is the same as that disclosed in the statement of comprehensive income and statement of assets and liabilities.

**14 Charge on the Sub-Funds' assets**

- (a) The Fund has obtained overdraft facility from The Bank of East Asia, Limited with effect from 25 March 2010. Information relating to this facility is set out below:

	US\$	% of net assets
BEA Union Investment Japan Growth Fund	3,000,000	10
BEA Union Investment Global Themes Fund	6,500,000	10
BEA Union Investment Global Resources Fund	2,500,000	10
BEA Union Investment Asian Bond and Currency Fund	5,000,000	10

The overdraft facility available to each Sub-Fund is up to the lesser of the amounts stated above or the percentage of each Sub-Fund's net assets stated above.

The obligations of each Sub-Fund under these facilities are secured by charges on, inter alia, the securities and cash of the Sub-Funds.

- (b) Under the agreement related to charge over accounts and securities signed by The Bank of New York Mellon (as the Sub-Funds' custodian) and the Trustee (as the trustee of the Sub-Funds) dated 5 February 2010, the obligations of BEA Union Investment Global Themes Fund, BEA Union Investment Global Resources Fund and BEA Union Investment Asian Bond and Currency Fund are secured by charges on, inter alia, the securities and cash of the Sub-Funds held from time to time with The Bank of New York Mellon.

**BEA UNION INVESTMENT SERIES**  
(Formerly Bank of East Asia Investment Series)

**NOTES ON THE FINANCIAL STATEMENTS (CONTINUED)**  
(EXPRESSED IN UNITED STATES DOLLARS)

**15 Comparative figures**

As a result of the application of certain new and revised HKFRSs, certain comparative figures have been adjusted to conform to current year's presentation or added to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in note 3.

**16 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2009**

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the accounting year ended 31 December 2009 and which have not been adopted in these financial statements.

The Sub-Funds are in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far they have concluded that the adoption of them is unlikely have a significant impact on the Sub-Funds' results of operations and financial position.

## **MANAGEMENT AND ADMINISTRATION**

### **Manager**

BEA Union Investment Management Limited  
5th Floor, The Bank of East Asia Building  
10 Dex Voeus Road Central  
Hong Kong

### **Investment Adviser for BEA Union Investment Global Themes Fund**

Deutsche Investment Management Americas Inc.  
345 Park Avenue  
New York, NY 10154  
United States of America

### **Investment Adviser for BEA Union Investment Global Resources Fund**

Union Investment Institutional GmbH  
Wiesenhüttenstraße 10  
60329 Frankfurt am Main  
Germany

### **Trustee and Registrar**

Bank of East Asia (Trustees) Limited  
32nd Floor, BEA Tower  
Millennium City 5  
418 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

### **Auditors**

KPMG  
8th Floor, Prince's Building  
10 Chater Road  
Central  
Hong Kong

### **Solicitors to the Manager**

Deacons  
5th Floor, Alexandra House  
18 Chater Road  
Central  
Hong Kong

