



BEA 東亞銀行

Your Dream. Our Commitment.

**BEA****FUNDS**  
東亞基金

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BEA Investment Series

**INTERIM REPORT**  
**(Unaudited)**

For the period ended 30th June 2007

## **BANK OF EAST ASIA INVESTMENT SERIES**

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## **BANK OF EAST ASIA INVESTMENT SERIES**

### **MARKET REVIEW**

#### **BEA Japan Growth Fund**

Early in the first quarter, the Japanese stock market reached highs not seen since November 1991, buoyed by expectations of economic and corporate earnings expansion. However, global market corrections in late February weighed heavily on Japanese shares, which continue to be heavily influenced by external events. US sub-prime mortgage woes and an unstable yen have added volatility to the market. Towards the end of the first quarter, rising crude oil prices and higher long-term interest rates caused some concern as well. However, rising global markets have helped reduce any material impact on market prices. During the quarter, which became an increasingly volatile period, the portfolio's continued overweight position in basic minerals and metals and cellular / wireless technologies were positive contributors to performance. Offsetting some of these gains was the portfolio's underweight position in trading companies and real estate development.

In the second quarter, a fall in the yen led to negative returns in the Japanese stock market when measured in US\$. Foreign investment inflow continued to support local share prices, while local investors used the opportunity to take profits. The Japanese economy continued to show signs of improvement, with the GDP rising 3.3% YoY, stronger earnings, and the lowest unemployment rate since 1998. Higher oil prices and the fall in the yen benefited export-oriented companies and resource-oriented sectors. During the second quarter, the portfolio typically exhibited a moderate value-orientated bias, and in a market that favoured growth stocks, the portfolio's continued overweight position in basic minerals and metals were positive contributors to performance. Offsetting some of these gains was the portfolio's underweight position in bank and credit institutions and IT hardware.

## **BANK OF EAST ASIA INVESTMENT SERIES**

### **MARKET REVIEW (CONTINUED)**

#### **BEA Global Themes Fund**

The global equities market remains, on the whole, underpinned by favourable global economic conditions. Private equity buyouts have been spurred by strong corporate performances and effective capital structures. At the same time, the first half of 2007 witnessed an increasing amount of capital inflow into various emerging markets, a sign that investors are willing to trade risk for higher returns. The gloomier side of the financial spectrum, however, reveals that credit and market risks have increased since the beginning of 2007. Deterioration of the sub-prime market has been graver than many expected and the impact more distressing. Seven weeks into the year, global markets took a hit, selling off in the face of a sharp reversal in Asian equity markets, most notably in China. As expected, global markets rebounded from the February sell-off, closing the first quarter of 2007 with positive results from all developed markets, with the exception of Japan in March. Although global markets produced excellent results in April and May, they paused for the month of June, with most markets producing negative results, especially in the US and Europe.

Themes that positively contributed to performance at various times throughout the first half of 2007 were the following: Asymmetric Negotiators, Supply Chain Dominance, Global Agribusiness, Talent & Ingenuity, Large Units, and Disequilibria. While the Ex-Atrophy, Market Hedge, New Annuities, and Distressed themes negatively impacted performance at various times throughout the second quarter.

## BANK OF EAST ASIA INVESTMENT SERIES

### BEA JAPAN GROWTH FUND

#### INVESTMENT REPORT

AS AT 30TH JUNE 2007 (UNAUDITED)

#### Investment Portfolio

Established under the laws of Hong Kong	Holding shares	Market value US\$	% of net assets
ipac Multi-Manager Japan Equity Fund - Class A	2,705,688.07	36,986,756	99.81
Total investments <sup>1</sup>		<u>36,986,756</u>	<u>99.81</u>
Total investments at cost <sup>1</sup>		<u>35,641,389</u>	

<sup>1</sup> Investments are accounted for on a trade date basis

#### Statement of Movements in Portfolio Holdings FOR THE PERIOD ENDED 30TH JUNE 2007 (UNAUDITED)

	Holding as at 31st December 2006 Units	Additions Units	Disposals Units	Holding as at 30th June 2007 Units
ipac Multi-Manager Japan Equity Fund - Class A	4,203,080.59	-	1,497,392.52	2,705,688.07

## BANK OF EAST ASIA INVESTMENT SERIES

### BEA GLOBAL THEMES FUND

#### INVESTMENT REPORT (CONTINUED) AS AT 30TH JUNE 2007 (UNAUDITED)

#### Investment Portfolio

Listed / Quoted investments	Holding shares	Market value US\$	% of net assets
<b>Equities (91.06%)</b>			
<b>UNITED ARAB EMIRATES (1.11%)</b>			
Emaar Properties pjsc	241,000	774,385	1.11
<b>AUSTRIA (1.30%)</b>			
Wienerberger AG	12,159	911,619	1.30
<b>AUSTRALIA (0.51%)</b>			
Australian Wealth Management Ltd	159,802	358,300	0.51
<b>BRAZIL (2.18%)</b>			
Diagnosticos da America SA	15,500	342,364	0.49
Marfrig Frigorificos e Comercio de Alimentos SA	39,200	357,638	0.51
Santos-Brasil Units	54,500	824,945	1.18
<b>CANADA (1.50%)</b>			
Coalcorp Mining Inc	32,400	136,229	0.19
Goldcorp Inc	24,200	572,351	0.82
Meridian Gold Inc	12,650	346,079	0.49
<b>SWITZERLAND (2.84%)</b>			
Credit Suisse Group - Reg	10,631	760,197	1.09
UBS AG - Reg	20,384	1,224,826	1.75
<b>GERMANY (11.02%)</b>			
Adidas AG	7,320	466,930	0.67
Air Berlin PLC	27,053	575,587	0.82
Axel Springer AG	4,709	774,926	1.11
Commerzbank AG	13,530	645,184	0.92
Depfa Bank PLC	32,200	568,660	0.81
Deutsche Post AG - Reg	27,344	885,444	1.27
Deutsche Telekom AG - Reg	36,692	676,812	0.97
GFK AG	6,755	332,087	0.47
Premiere AG	8,926	214,694	0.31
Qiagen N.V.	41,239	732,201	1.05
Siemens AG - Reg	5,841	838,518	1.20
Stada Arzneimittel AG	9,422	601,651	0.86
TUI AG	14,167	390,639	0.56

## BANK OF EAST ASIA INVESTMENT SERIES

### BEA GLOBAL THEMES FUND

#### INVESTMENT REPORT (CONTINUED) AS AT 30TH JUNE 2007 (UNAUDITED)

#### Investment Portfolio (Continued)

Listed / Quoted investments (Continued)	Holding shares	Market value US\$	% of net assets
<b>Equities (Continued)</b>			
<b>FINLAND (0.57%)</b>			
M-real OYJ - B shares	60,300	396,076	0.57
<b>FRANCE (3.15%)</b>			
PPR	3,463	607,448	0.87
Sanofi-Aventis	5,769	469,564	0.67
Total SA	7,118	580,907	0.83
Vallourec	1,692	545,858	0.78
<b>UNITED KINGDOM (5.49%)</b>			
3i Group PLC	20,710	484,251	0.69
GlaxoSmithKline PLC	39,258	1,028,356	1.47
Old Mutual PLC	326,174	1,105,355	1.58
Standard Chartered PLC	29,532	965,795	1.38
Steppe Cement Ltd	39,124	255,425	0.37
<b>HONG KONG (2.42%)</b>			
China Properties Group Ltd	908,400	378,790	0.54
China Water Affairs Group Ltd	472,600	273,840	0.39
China Yurun Food Group Ltd	314,000	349,424	0.50
Hongkong & Shanghai Hotels	228,845	403,362	0.58
Industrial and Commercial Bank of China Asia Ltd	133,968	283,427	0.41
<b>ITALY (1.49%)</b>			
Banca Popolare di Milano Scarl	37,300	570,325	0.82
UniCredito Italiano SpA	52,100	466,753	0.67
<b>JAPAN (7.90%)</b>			
Credit Saison Co Ltd	22,200	578,566	0.83
Fanuc Ltd	4,200	433,742	0.62
Fast Retailing Co Ltd	6,200	441,455	0.63
Fukuoka Financial Group Inc	52,000	343,655	0.49
Mitsui Fudosan Co Ltd	22,000	618,007	0.88
Mizuho Financial Group Inc	145	1,004,180	1.44
Nomura Holdings Inc	23,200	452,058	0.65
ORIX Corp	3,300	869,407	1.24
Ryobi Ltd	8,000	53,519	0.08
Seven & I Holdings Co Ltd	15,000	428,675	0.61
Shinsei Bank Ltd	75,000	303,239	0.43

## BANK OF EAST ASIA INVESTMENT SERIES

### BEA GLOBAL THEMES FUND

#### INVESTMENT REPORT (CONTINUED) AS AT 30TH JUNE 2007 (UNAUDITED)

#### Investment Portfolio (Continued)

Listed / Quoted investments (Continued)	Holding shares	Market value US\$	% of net assets
<b>Equities (Continued)</b>			
<b>KOREA (1.27%)</b>			
CDNetworks Co Ltd	13,300	323,295	0.46
Daesang Corp	14,250	192,866	0.28
Kangwon Land Inc	15,900	368,419	0.53
<b>MALAYSIA (1.01%)</b>			
AMMB Holdings Bhd	313,500	392,318	0.56
Resorts World Bhd	310,700	311,411	0.45
<b>NETHERLANDS (2.27%)</b>			
ABN AMRO Holding NV	19,066	879,217	1.26
TNT NV	15,688	710,270	1.01
<b>SWEDEN (3.47%)</b>			
OMX AB	18,700	560,982	0.80
Rezidor Hotel Group AB	67,500	590,195	0.84
Swedbank AB - A Shares	9,500	345,465	0.49
Telefonaktiebolaget LM Ericsson - B Shares	232,500	934,280	1.34
<b>SINGAPORE (0.64%)</b>			
Food Empire Holdings Ltd	306,000	207,976	0.30
Olam International Ltd	83,500	168,072	0.24
Sunshine Holdings Ltd	286,000	69,156	0.10
<b>THAILAND (0.97%)</b>			
Seamico Securities PCL - Foreign	965,200	120,235	0.17
Siam City Bank PCL - Foreign	290,200	172,535	0.25
True Corp PCL - Foreign	1,575,800	381,689	0.55
<b>TURKEY (1.66%)</b>			
Hurriyet Gazetecilik ve Matbaacilik AS	174,900	482,080	0.69
Turkiye Is Bankasi - C	145,000	678,990	0.97
<b>UNITED STATES OF AMERICA (36.63%)</b>			
Agility (P-Cert)	36,120	196,493	0.28
Akamai Technologies Inc	18,500	899,840	1.29
Asustek Computer Inc - GDR Reg S	184,200	504,708	0.72
Banco Macro SA - ADP	9,100	299,117	0.43
BMB Munai Inc	16,900	102,414	0.15

## BANK OF EAST ASIA INVESTMENT SERIES

### BEA GLOBAL THEMES FUND

#### INVESTMENT REPORT (CONTINUED) AS AT 30TH JUNE 2007 (UNAUDITED)

#### Investment Portfolio (Continued)

Listed / Quoted investments (Continued)	Holding shares	Market value US\$	% of net assets
<b>Equities (Continued)</b>			
<b>UNITED STATES OF AMERICA (36.63%) ( Continued )</b>			
Bunge Ltd	4,300	363,350	0.52
Caterpillar Inc	4,350	340,605	0.49
China Mobile Ltd - Sponsored ADR	8,800	474,320	0.68
Chiquita Brands International Inc	24,600	466,416	0.67
Cisco Systems Inc	65,500	1,821,555	2.60
E.W. Scripps Co - Class A	10,600	484,314	0.69
Exxon Mobil Corp	6,600	553,608	0.79
Focus Media Holding Ltd - ADR	5,600	282,464	0.40
Gateway Inc	156,800	249,312	0.36
General Electric Co	29,000	1,110,120	1.59
Gold Fields Ltd - Sponsored ADR	1,700	26,690	0.04
Grupo Televisa SA - Sponsored ADR	41,300	1,140,293	1.63
Harley-Davidson Inc	7,000	417,270	0.60
Intel Corp	29,900	709,527	1.01
Johnson & Johnson	15,600	961,272	1.37
KazMunaiGas Exploration Production - GDR	23,300	506,775	0.72
Kookmin Bank - Sponsored ADR	8,725	765,357	1.09
MCB Bank Limited - GDR Regs	5,800	139,200	0.20
Medtronic Inc	13,250	687,145	0.98
Monsanto Co	10,750	726,055	1.04
New York Times Co - Class A	16,500	419,100	0.60
Newmont Mining Corp	11,500	449,190	0.64
Nice Systems Ltd - Sponsored ADR	12,050	418,255	0.60
OAO Gazprom - Sponsored ADS	28,600	1,198,340	1.71
Office Depot Inc	23,200	702,960	1.00
OTP Bank Nyrt - Reg S GDR	3,288	374,832	0.54
Pantry Inc	8,600	396,460	0.57
Pfizer Inc	21,400	547,198	0.78
Samsung Electronics Co Ltd - GDR Regs 144A	3,320	1,019,240	1.46
Schlumberger Ltd	5,750	488,405	0.70
SiRF Technology Holdings Inc	17,750	368,135	0.53
St Jude Medical Inc	10,550	437,720	0.63
Sun Microsystems Inc	92,500	486,550	0.70
Surgutneftegaz - Sponsored ADR	3,600	197,460	0.28
Symantec Corp	23,200	468,176	0.67
Telekomunikasi Indonesia Tbk PT - Sponsored ADR	10,400	448,240	0.64
Teva Pharmaceutical Industries Ltd - Sponsored ADR	14,300	589,446	0.84
United Parcel Service Inc - Class B	9,100	664,300	0.95

## BANK OF EAST ASIA INVESTMENT SERIES

### BEA GLOBAL THEMES FUND

#### INVESTMENT REPORT (CONTINUED) AS AT 30TH JUNE 2007 (UNAUDITED)

#### Investment Portfolio (Continued)

Listed / Quoted investments (Continued)	Holding shares	Market value US\$	% of net assets
<b>Equities (Continued)</b>			
<b>UNITED STATES OF AMERICA (36.63%) ( Continued )</b>			
VTB Bank OJSC - GDR-Reg S	29,925	328,577	0.47
Wyeth	8,300	475,922	0.68
Yahoo! Inc	20,750	562,533	0.80
Zimmer Holdings Inc	4,100	348,049	0.50
<b>SOUTH AFRICA (1.66%)</b>			
Gold Fields Ltd	32,300	501,216	0.72
Lewis Group Ltd	38,500	332,692	0.48
Naspers Ltd - N shares	12,600	324,317	0.46
		<u>63,668,709</u>	<u>91.06</u>
<b>Investment Fund (2.28%)</b>			
<b>SINGAPORE (0.30%)</b>			
CapitaRetail China Trust	105,000	212,721	0.30
<b>UNITED STATES OF AMERICA (1.98%)</b>			
Biotech HOLDERS Trust	2,350	395,035	0.57
iShares Nasdaq Biotechnology Index Fund	12,650	988,218	1.41
		<u>1,595,974</u>	<u>2.28</u>
Total investments <sup>1</sup>		<u><u>65,264,683</u></u>	<u><u>93.34</u></u>
Total investments at cost <sup>1</sup>		<u><u>62,996,754</u></u>	

<sup>1</sup> Investments are accounted for on a trade date basis

**BANK OF EAST ASIA INVESTMENT SERIES**  
**BEA GLOBAL THEMES FUND**  
**INVESTMENT REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30TH JUNE 2007 (UNAUDITED)**

**Statement of Movements in Portfolio Holdings**

	At 30th June 2007	At 15th March 2007 (Date of Commencement)
United Arab Emirates	1.11	-
Austria	1.30	-
Australia	0.51	-
Brazil	2.18	-
Canada	1.50	-
Switzerland	2.84	-
Germany	11.02	-
Finland	0.57	-
France	3.15	-
United Kingdom	5.49	-
Hong Kong	2.42	-
Italy	1.49	-
Japan	7.90	-
Korea	1.27	-
Malaysia	1.01	-
Netherlands	2.27	-
Sweden	3.47	-
Singapore	0.94	-
Thailand	0.97	-
Turkey	1.66	-
United States of America	38.61	-
South Africa	1.66	-
	<hr/>	<hr/>
	93.34	-
	<hr/> <hr/>	<hr/> <hr/>

**BANK OF EAST ASIA INVESTMENT SERIES**  
**BEA JAPAN GROWTH FUND**  
**INCOME STATEMENT**  
**FOR THE PERIOD ENDED 30TH JUNE 2007 (UNAUDITED)**

	2007 US\$	2006 US\$
<b>Income</b>		
Interest on bank deposits	2,860	6,137
	..... 2,860	..... 6,137
<b>Expenses</b>		
Investment management fees	104,896	69,785
Trustee's fees	29,269	18,579
Bank charges	-	3,669
Auditors' remuneration	5,690	-
Registrar's fees	11,675	7,423
Printing and publication expenses	3,678	497
Pre-operating expenses	-	47,820
Other operating expenses	576	-
	..... 155,784	..... 147,773
<b>Net loss for the period before investment and exchange gain/(loss)</b>	..... (152,924)	..... (141,636)
<b>Net gain on investments and exchange</b>		
Net realized gain on sale of investments	725,203	220,374
Net unrealized gain on investments	768,550	(1,303,979)
Exchange gain/(loss)	52	(31)
	..... 1,493,805	..... (1,083,636)
<b>Change in net assets attributable to unitholders</b>	..... 1,340,881	..... (1,225,272)

**BANK OF EAST ASIA INVESTMENT SERIES**  
**BEA JAPAN GROWTH FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT 30TH JUNE 2007 (UNAUDITED)**

	30th June 2007 US\$	31st December 2006 US\$
<b>Assets</b>		
Investments	36,986,756	55,943,003
Amounts receivable from sale of investments	530,000	440,000
Bank balances	488,719	142,585
	.....	.....
<b>Total assets</b>	<b>38,005,475</b>	<b>56,525,588</b>
	.....	.....
<b>Liabilities</b>		
Amounts payable on redemption	922,662	567,894
Accruals and other payables	25,229	40,438
	.....	.....
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	<b>947,891</b>	<b>608,332</b>
	.....	.....
<b>Net assets attributable to unitholders</b>	<b>37,057,584</b>	<b>55,917,256</b>
	<u><u>                    </u></u>	<u><u>                    </u></u>
Number of units in issue		
- Class A	3,533,622.89	5,458,595.23
Net asset value per unit		
- Class A	10.48	10.24

## BANK OF EAST ASIA INVESTMENT SERIES

### BEA JAPAN GROWTH FUND

#### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE PERIOD ENDED 30TH JUNE 2007 (UNAUDITED)

	2007 US\$	2006 US\$
Balance at the beginning of the period	55,917,256	-
	.....	.....
Subscription of units during the period	426,792	62,624,361
Redemption of units during the period	(20,627,345)	(6,783,633)
	.....	.....
	(20,200,553)	55,840,728
	.....	.....
Change in net assets attributable to unitholders for the period	1,340,881	(1,225,272)
	.....	.....
Balance at the end of the period	37,057,584	54,615,456
	=====	=====

**BANK OF EAST ASIA INVESTMENT SERIES**  
**BEA GLOBAL THEMES FUND**  
**INCOME STATEMENT**  
**FOR THE PERIOD ENDED 30TH JUNE 2007 (UNAUDITED)**

Period from  
15th March 2007 to  
30th June 2007  
US\$

**Income**

Dividend income	524,408
Interest on bank deposits	63,666
	.....
	588,074
	.....

**Expenses**

Investment management fees	271,869
Trustee's fees	31,718
Safe custody and bank charges	52,555
Auditors' remuneration	3,833
Registrar's fees	8,790
Printing and publication expenses	370
Pre-operating expenses	3,377
Transaction costs	192,148
	.....
	564,660
	.....

**Net gain for the period before investments and exchange gain/(loss)** 23,414  
.....

**Net gain on investments and exchange**

Net realized gain on sale of investments	2,679,057
Net unrealized gain on investments	1,958,929
Exchange gain	240,784
	.....
	4,878,770
	.....

**Profit before tax** 4,902,184

Overseas withholding tax (100,811)  
.....

**Profit after tax** 4,801,373  
.....

Adjstment from bid market prices to last traded market prices 95,626  
.....

**Change in net assets attributable to unitholders** 4,896,999  
.....  
.....

**Note:**

Since BEA Global Themes Fund commenced operations on 15th March 2007, preceding comparative figures are not available.

**BANK OF EAST ASIA INVESTMENT SERIES**  
**BEA GLOBAL THEMES FUND**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**AS AT 30TH JUNE 2007 (UNAUDITED)**

	2007 US\$
<b>Assets</b>	
Investments	65,264,683
Amounts receivable on subscription	942,233
Amounts due from brokers	1,615,901
Dividends receivable	58,365
Bank balances	5,698,227
<b>Total assets</b>	<u>73,579,409</u>
<b>Liabilities</b>	
Amounts payable on redemption	1,596,298
Amounts due to brokers	1,995,636
Accruals and other payables	162,173
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	<u>3,754,107</u>
<b>Net assets attributable to unitholders (at bid market prices)</b>	69,825,302
<b>Adjustment from bid market prices to last traded market prices</b>	95,626
<b>Net assets attributable to unitholders (at last traded market prices)</b>	<u><u>69,920,928</u></u>
Number of units in issue	
- Class A	6,428,052.95
Net asset value per unit	
- Class A	10.87

**Note:**

Since BEA Global Themes Fund commenced operations on 15th March 2007, preceding comparative figures are not available.

## BANK OF EAST ASIA INVESTMENT SERIES

### BEA GLOBAL THEMES FUND

#### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS FOR THE PERIOD ENDED 30TH JUNE 2007 (UNAUDITED)

	Period from 15th March 2007 to 30th June 2007 US\$
<b>Balance at the beginning of the period</b>	- .....
Subscription of units during the period	76,308,673
Redemption of units during the period	(11,284,744) .....
	65,023,929 .....
<b>Change in net assets attributable to unitholders for the period</b>	4,896,999 .....
<b>Balance at the end of the period</b>	<u>69,920,928</u>

**Note:**

Since BEA Global Themes Fund commenced operations on 15th March 2007, preceding comparative figures are not available.

## **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 Global Themes Fund**

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

### **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  
Hong Kong

### **Solicitors to the Manager**

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