



## BEA (MPF) Industry Scheme

31 March 2019

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## Scheme report

The Trustee has pleasure in presenting the annual reports and the financial statements of the BEA (MPF) Industry Scheme ("the Scheme") for the year ended 31 March 2019.

### **The Scheme**

The Scheme is an industry scheme for the purpose of providing benefits to members in accordance with the Hong Kong Mandatory Provident Fund Schemes Ordinance ("the MPF Ordinance"). The Scheme was established under the trust deed dated 12 April 2000, as amended, between The Bank of East Asia, Limited as sponsor and Bank of East Asia (Trustees) Limited as trustee ("the Trustee"). The Scheme is registered under section 21A of the MPF Ordinance.

### **Financial development**

The Scheme commenced operations on 1 December 2000. The total contributions received and receivable including contribution surcharge and transfers in and benefits paid and payable including transfers out, forfeitures, long services payments and severance payments during the year were HK\$1,577.0 million (2018: HK\$1,673.8 million) and HK\$841.7 million (2018: HK\$714.3 million) respectively. The net asset value as at 31 March 2019 was HK\$12,204.6 million (2018: HK\$11,604.5 million).

### **Changes to the governing rules**

The governing rules were amended during the year to reflect the following changes:

Tax Deductible Voluntary Contributions ("TVC") is launched with effect from 1 April 2019 with the empowerment from the Inland Revenue and MPF Schemes Legislation (Tax Deductions for Annuity Premiums and MPF Voluntary Contributions) (Amendment) Ordinance 2018 ("Amendment Ordinance").

Relevant amendments in relation to the Amendment Ordinance and the launch of TVC are made to the governing rules.

## Scheme report (continued)

### **Particulars of the service providers**

Particulars of the Trustee and service providers engaged by the Trustee for the purposes of the Scheme during the year ended 31 March 2019 are set below.

#### ***Trustee, Custodian and Administrator***

Bank of East Asia (Trustees) Limited

32nd Floor, BEA Tower  
Millennium City 5  
418 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

#### ***Investment Manager***

BEA Union Investment Management Limited (an associate of the Trustee)

5th Floor, The Bank of East Asia Building  
10 Des Voeux Road Central  
Hong Kong

#### ***Sponsor and Banker***

The Bank of East Asia, Limited (the holding company of the Trustee)

The Bank of East Asia Building  
10 Des Voeux Road Central  
Hong Kong

## Scheme report (continued)

### Particulars of the service providers (continued)

#### ***Legal Adviser***

Baker & McKenzie

14th Floor, One Tai Koo Place  
979 King's Road, Quarry Bay  
Hong Kong

#### ***Auditor***

KPMG

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

#### ***Directors of the Trustee, Custodian and Administrator***

David Li Kwok Po	(resigned on 1 July 2019)
Adrian David Li Man Kiu	
Joseph Pang Yuk Wing	
Tong Hon Shing	
Raymond Ng Kai Man	(resigned on 28 January 2019)
Henry Chan Cho Yip	(appointed on 28 January 2019)
Cheung Man Kok	

#### ***Business address of the Directors of the Trustee, Custodian and Administrator***

32nd Floor, BEA Tower  
Millennium City 5  
418 Kwun Tong Road  
Kwun Tong, Kowloon  
Hong Kong

## Scheme report (continued)

### Particulars of the service providers (continued)

#### *Directors of the Investment Manager*

Brian David Li Man Bun  
Hermann Alexander Schindler  
Gunter Karl Haueisen  
Samson Li Kai Cheong  
Eleanor Wan Yuen Yung

#### *Business address of the Directors of the Investment Manager*

5th Floor, The Bank of East Asia Building  
10 Des Voeux Road Central  
Hong Kong

#### *Directors of the Sponsor and Banker*

David Li Kwok Po  
Arthur Li Kwok Cheung  
Allan Wong Chi Yun  
Aubrey Li Kwok Sing  
Winston Lo Yau Lai  
Stephen Charles Li Kwok Sze  
Isidro Fainé Casas  
Peter Lee Ka Kit (resigned on 23 August 2019)  
Adrian David Li Man Kiu  
Brian David Li Man Bun  
Daryl Ng Win Kong  
Masayuki Oku  
Rita Fan Hsu Lai Tai  
Meocre Li Kwok Wing  
Henry Tang Ying Yen  
Chan Kin Por (resigned on 1 June 2019)  
Delman Lee

#### *Business address of the Directors of the Sponsor and Banker*

The Bank of East Asia Building  
10 Des Voeux Road Central  
Hong Kong

### Further information

Scheme members can obtain further information about the Scheme and its operations from Mr Goran Lam Ka Chun, Senior MPF Marketing and Customer Services Manager, at the Trustee. Scheme members can also contact BEA (MPF) hotline (operated by Bank of East Asia (Trustees) Limited) on 2211 1777 or visit the website at <http://www.hkbea.com> for queries or further information.

# Investment report for the year ended 31 March 2019

## Investment analysis

### United States

- During April 2018 – March 2019, the U.S Federal Reserve (Fed) continued to normalise policy. However, the Fed signaled a pause for a further rate hike in the Federal Open Market Committee (“FOMC”) meeting in March. The dovish stance of the Fed shift mainly occurred in the context of downside risk to growth and muted inflation.
- The main sources of uncertainty are the developments at geopolitical level, above all the worsening of Chinese-U.S. trade relations. The combination of the U.S. strategic opposition to China and the unpredictability of the U.S. President pose a risk for the capital markets.

### Europe

- During April 2018 – March 2019, despite sluggish economic data being reported in Europe and the European Central Bank (ECB) trimmed its growth and inflation forecast, market sentiment was supported by ECB’s easing signal.
- The resurgence of the trade dispute has emerged as a further source of strain. In the long term, a reduction in trade and the brake on globalization will restrict growth and push up inflation. Economically speaking, the consequences are definitely negative. The losers in the trade dispute are the current winners of globalization, i.e. open economies in Asia and Europe.

### China

- During April 2018 – March 2019, China’s onshore and offshore equity markets underperformed global equity markets in the first half due to U.S.-China trade tensions, but recovered strongly at the beginning of 2019 as market sentiment improved.
- The stimulus package announced by the Chinese government has been stronger than market expectation. The two trillion renminbi tax cut is meaningful to the GDP growth and the value-added tax (VAT) cut sent a strong message of easing towards the private corporate sector.

## Investment report for the year ended 31 March 2019 (continued)

### Investment analysis (continued)

#### Japan

- During April 2018 – March 2019, Japan experienced an extended period of economic growth. On the policy front, six years of “Abenomics” saw lower fiscal deficits and higher labor force participation. Inflation has gained momentum on the back of higher energy prices but remains below the Bank of Japan’s 2 percent target.
- The Bank of Japan has promised not to raise interest rates before spring 2020 as it made a series of tweaks to its massive program of monetary stimulus. However, earnings outlook for Japanese companies were revised downward in 2019.

#### Asia

- During April 2018 – March 2019, Asian markets were impacted at first by the headlines including the U.S.-China trade tensions, emerging market currencies depreciation, and the U.S. interest rate hike. Later, market sentiment improved on easing trade tensions and positive fundamentals.
- We expect the resurgence tensions in trade dispute and mixed economic data will affect overall risk sentiment and add volatility to Asian markets.

#### Global Bond

- During April 2018 – March 2019, the world’s major central banks turned dovish as global economy began to weaken. Global bond markets performed well on the back of lower rate hike expectations. Investors around the world continue to push government bond yields lower, reflecting growing concerns on slowing global growth.
- We expect the major central banks will not run the risk of jeopardising growth by tightening the monetary policy too soon. The global interest rate environment is expected to remain low for a considerable time.



## Investment report for the year ended 31 March 2019 (continued)

### Trustee's commentary

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (Industry Scheme) MPF Conservative Fund <i>Launch date: 01/12/2000</i>	0.93	0.47	0.48	1.30
Benchmark / Performance Target <sup>1</sup>	0.07	0.02	0.01	0.44 <sup>7</sup>
Deviation from the Benchmark / Performance Target <sup>6</sup>	+0.86	+0.45	+0.47	+0.86 <sup>8</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year, 5-year and 10-year annualized returns were above the benchmark / performance target.</li> </ul>			
BEA (Industry Scheme) Growth Fund <i>Launch date: 01/12/2000</i>	-2.64	3.60	6.98	4.46
Benchmark / Performance Target <sup>2</sup>	-3.03	3.47	6.94	4.26 <sup>7</sup>
Deviation from the Benchmark / Performance Target <sup>6</sup>	+0.39	+0.13	+0.04	+0.20 <sup>8</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark / performance target due to underweighting in equities under weak markets in 2018.</li> <li>The 5-year annualized return was above the benchmark / performance target due to overweighting in equities and underweighting in bonds during strong equity markets in 2017.</li> <li>The 10-year annualized return was above the benchmark / performance target due to stable asset allocation and stock security selection.</li> </ul>			

## Investment report for the year ended 31 March 2019 (continued)

### Trustee's commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (Industry Scheme) Balanced Fund <i>Launch date: 01/12/2000</i>	-1.90	3.02	5.69	3.81
Benchmark / Performance Target <sup>2</sup>	-2.67	2.62	5.32	3.94 <sup>7</sup>
Deviation from the Benchmark / Performance Target <sup>6</sup>	+0.77	+0.40	+0.37	-0.13 <sup>8</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark / performance target due to underweighting in equities under weak markets in 2018.</li> <li>The 5-year annualized return was above the benchmark / performance target due to overweighting in equities and underweighting in bonds during strong equity markets in 2017.</li> <li>The 10-year annualized return was above the benchmark / performance target due to overweighting in equities and underweighting in bonds during strong equity markets in 2010 and 2017.</li> </ul>			
BEA (Industry Scheme) Stable Fund <i>Launch date: 01/12/2000</i>	-1.27	2.24	4.36	3.45
Benchmark / Performance Target <sup>2</sup>	-1.64	1.54	3.60	2.80 <sup>7</sup>
Deviation from the Benchmark / Performance Target <sup>6</sup>	+0.37	+0.70	+0.76	+0.65 <sup>8</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark / performance target due to underweighting in equities under weak markets in 2018.</li> <li>The 5-year annualized return was above the benchmark / performance target due to overweighting in equities and underweighting in bonds during strong equity markets in 2017.</li> <li>The 10-year annualized return was above the benchmark / performance target due to overweighting in equities and underweighting in bonds during strong equity markets in 2010 and 2017.</li> </ul>			

## Investment report for the year ended 31 March 2019 (continued)

### Trustee's commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (Industry Scheme) Greater China Equity Fund <i>Launch date: 04/01/2010</i>	-6.30	6.25	N/A	4.35
Benchmark / Performance Target <sup>2</sup>	-6.34	6.70	N/A	6.01 <sup>7</sup>
Deviation from the Benchmark / Performance Target <sup>6</sup>	+0.04	-0.45	N/A	-1.66 <sup>8</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark / performance target due to positive sector and stock selection.</li> <li>The 5-year annualized return was below the benchmark / performance target since the portfolio was defensive in the first half of 2015 and 2017 while the market rallied.</li> </ul>			
BEA (Industry Scheme) Hong Kong Equity Fund <i>Launch date: 04/01/2010</i>	-4.53	5.96	N/A	3.70
Benchmark / Performance Target <sup>2</sup>	-3.83	6.48	N/A	7.41 <sup>7</sup>
Deviation from the Benchmark / Performance Target <sup>6</sup>	-0.70	-0.52	N/A	-3.71 <sup>8</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was below the benchmark / performance target since stock selection was conservative during market rebound in early 2019.</li> <li>The 5-year annualized return was below the benchmark / performance target since the portfolio was defensive in the first half of 2015 and 2017 while the market rallied.</li> </ul>			

## Investment report for the year ended 31 March 2019 (continued)

### Trustee's commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (Industry Scheme) Asian Equity Fund <i>Launch date: 31/01/2012</i>	-9.85	4.41	N/A	4.17
Benchmark / Performance Target <sup>2</sup>	-9.09	4.48	N/A	6.32 <sup>7</sup>
Deviation from the Benchmark / Performance Target <sup>6</sup>	-0.76	-0.07	N/A	-2.15 <sup>8</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was below the benchmark / performance target due to underweighting in India equities which outperformed in 2018.</li> <li>The 5-year annualized return was below the benchmark / performance target due to underweighting in India equities which outperformed in 2018.</li> </ul>			
BEA China Tracker Fund <i>Launch date: 31/01/2012</i>	-3.07	4.65	N/A	1.82
Benchmark / Performance Target <sup>3</sup>	-1.21	6.55	N/A	4.04 <sup>7</sup>
Deviation from the Benchmark / Performance Target <sup>6</sup>	-1.86	-1.90	N/A	-2.22 <sup>8</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return closely corresponded to the return of the Hang Seng China Enterprises Index through investing in a single approved index tracking fund, namely the Hang Seng China Enterprises Index ETF. Tracking error of the fund has been on target and within 3%.</li> <li>The 5-year annualized return closely corresponded to the return of the Hang Seng China Enterprises Index through investing in a single approved index tracking fund, namely the Hang Seng China Enterprises Index ETF. Tracking error of the fund has been on target and within 3%.</li> </ul>			

## Investment report for the year ended 31 March 2019 (continued)

### Trustee's commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Hong Kong Tracker Fund <i>Launch date: 31/01/2012</i>	-0.66	8.33	N/A	6.86
Benchmark / Performance Target <sup>4</sup>	0.03	9.58	N/A	8.98 <sup>7</sup>
Deviation from the Benchmark / Performance Target <sup>6</sup>	-0.69	-1.25	N/A	-2.12 <sup>8</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return closely corresponded to the return of the Hang Seng Index through investing in a single approved index tracking fund, namely the Tracker Fund of Hong Kong. Tracking error of the fund has been on target and within 3%.</li> <li>The 5-year annualized return closely corresponded to the return of the Hang Seng Index through investing in a single approved index tracking fund, namely the Tracker Fund of Hong Kong. Tracking error of the fund has been on target and within 3%.</li> </ul>			
BEA (Industry Scheme) RMB & HKD Money Market Fund <i>Launch date: 03/07/2012</i>	-2.21	0.71	N/A	0.74
Benchmark / Performance Target <sup>2</sup>	-2.24	0.71	N/A	0.77 <sup>7</sup>
Deviation from the Benchmark / Performance Target <sup>6</sup>	+0.03	0.00	N/A	-0.03 <sup>8</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark / performance target due to positive security selection.</li> <li>The 5-year annualized return was in line with the benchmark / performance target due to stable currency exposure to RMB relative to HKD.</li> </ul>			

## Investment report for the year ended 31 March 2019 (continued)

### Trustee's commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (Industry Scheme) Age 65 Plus Fund <i>Launch date: 01/04/2017</i>	2.69	N/A	N/A	3.64
Benchmark / Performance Target <sup>5</sup>	2.48	N/A	N/A	3.06
Deviation from the Benchmark / Performance Target <sup>6</sup>	+0.21	N/A	N/A	+0.58
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection.</li> <li>The since launch annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection.</li> </ul>			
BEA (Industry Scheme) Core Accumulation Fund <i>Launch date: 01/04/2017</i>	2.32	N/A	N/A	5.85
Benchmark / Performance Target <sup>5</sup>	2.04	N/A	N/A	5.63
Deviation from the Benchmark / Performance Target <sup>6</sup>	+0.28	N/A	N/A	+0.22
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection.</li> <li>The since launch annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection.</li> </ul>			

## Investment report for the year ended 31 March 2019 (continued)

### Trustee's Commentary (continued)

#### **B. Trustee's assessment framework for deriving its commentary and trustee's action, if any, to address its concern raised in its commentary in Section A**

Bank of East Asia (Trustees) Limited ("BEA Trustees") has established an on-going mechanism on fund monitoring in order to monitor and review the performance of constituent funds ("CFs"). BEA Trustees identifies (i) underperformance issues by referencing to the benchmark of non-index tracking CFs; (ii) performance differences or abnormal tracking error by referencing the corresponding index of the index-tracking CFs; and (iii) outperformance and underperformance by referencing the recognized reference portfolio for the Default Investment Strategy ("DIS") CFs (collectively "performance issues").

On a regular basis, BEA Trustees holds review meetings with the investment manager to discuss the overall performance of the CFs. Comprehensive assessment on CF level in different horizons will be reviewed during the meeting. When any performance issues are identified, the investment manager is required to provide explanation and BEA Trustees will determine whether follow-up action has to be taken based on the explanation.

In addition to regular monitoring, BEA Trustees will update the Board of BEA Trustees regarding the fund performance of CFs and/or other issues through different channels including regular reports and meetings.

#### **Note:**

- <sup>1</sup> It refers to the prescribed savings rate prescribed by the Mandatory Provident Fund Schemes Authority.
- <sup>2</sup> It refers to the market median of MPF constituent fund under corresponding fund category obtained from Lipper.
- <sup>3</sup> It refers to the Hang Seng China Enterprises Index obtained from Lipper.
- <sup>4</sup> It refers to the Hang Seng Index obtained from Lipper.
- <sup>5</sup> It refers to the Willis Towers Watson – MPF DIS Reference Portfolios obtained from Hong Kong Investment Funds Association.
- <sup>6</sup> The figures of the performance and the benchmark/performance target were rounded to 2 decimal places which may derive a rounding difference in deviation.
- <sup>7</sup> The benchmark/performance target may not be meaningful as different funds may have different launch dates.
- <sup>8</sup> The deviation from the benchmark/performance target may not be meaningful due to different funds may have different launch dates.

## Investment report for the year ended 31 March 2019 (continued)

### **Investment objectives and policies of the Scheme and the constituent funds**

The Scheme commenced operations on 1 December 2000. The Scheme offers 12 constituent funds with different investment policies. The constituent funds of the Scheme are BEA (Industry Scheme) MPF Conservative Fund, BEA (Industry Scheme) Growth Fund, BEA (Industry Scheme) Balanced Fund, BEA (Industry Scheme) Stable Fund, BEA (Industry Scheme) Greater China Equity Fund, BEA (Industry Scheme) Hong Kong Equity Fund, BEA (Industry Scheme) Asian Equity Fund, BEA China Tracker Fund, BEA Hong Kong Tracker Fund and BEA (Industry Scheme) RMB & HKD Money Market Fund, BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund.

All constituent funds invest in approved pooled investment funds and/or approved index-tracking funds except for the BEA China Tracker Fund and the BEA Hong Kong Tracker Fund which invest in a single Approved Index-Tracking Fund, BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund which invest in a single Approved Pooled Investment Fund, the BEA (Industry Scheme) MPF Conservative Fund which invests directly in a portfolio of Hong Kong dollar deposits and Hong Kong dollar denominated debt instruments and the BEA (Industry Scheme) RMB & HKD Money Market Fund which invests directly in a portfolio of mainly Hong Kong dollar and Renminbi deposits and Hong Kong dollar and Renminbi denominated debt instruments.

Separate and distinct investment policies are applied in the investments of each constituent fund. The respective investment objectives and policies are set out below.

#### ***BEA (Industry Scheme) MPF Conservative Fund***

##### ***Investment objective:***

To achieve a minimum rate of return while maintaining stability of the principal amount invested.

##### ***Investment policy:***

The BEA (Industry Scheme) MPF Conservative Fund solely invests in Hong Kong dollar denominated instruments, namely, short-term deposits and debt securities issued by banks, corporations and governments. The BEA (Industry Scheme) MPF Conservative Fund will not enter into financial futures and options contracts for any purposes and will not engage in securities lending.



## Investment report for the year ended 31 March 2019 (continued)

### **Investment objectives and policies of the Scheme and the constituent funds (continued)**

#### ***BEA (Industry Scheme) Growth Fund***

##### ***Investment objective:***

To achieve long-term capital appreciation with a controlled risk-return framework through investing mainly in global equities with some exposure in global debt securities/money market instruments.

##### ***Investment policy:***

The BEA (Industry Scheme) Growth Fund invests primarily in global equity and bond markets. The BEA (Industry Scheme) Growth Fund invests in a range of Approved Pooled Investment Funds and/or Approved Index-Tracking Funds to obtain exposure to such markets (such Approved Pooled Investment Funds and/or Approved Index-Tracking Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA (Industry Scheme) Growth Fund). The underlying assets of the BEA (Industry Scheme) Growth Fund are expected normally to be invested 60% to 90% in equities and 10% to 40% in cash, debt securities and/or money market instruments. The BEA (Industry Scheme) Growth Fund will enter into financial futures and options contracts for hedging purposes only. The BEA (Industry Scheme) Growth Fund will not engage in securities lending.

## Investment report for the year ended 31 March 2019 (continued)

### **Investment objectives and policies of the Scheme and the constituent funds (continued)**

#### ***BEA (Industry Scheme) Balanced Fund***

##### ***Investment objective:***

To achieve a stable rate of return with an opportunity for capital appreciation through a balanced weighting of investments in global equities and debt securities.

##### ***Investment policy:***

The BEA (Industry Scheme) Balanced Fund invests primarily in global equity and bond markets. The BEA (Industry Scheme) Balanced Fund invests in a range of Approved Pooled Investment Funds and/or Approved Index-Tracking Funds to obtain exposure to such markets (such Approved Pooled Investment Funds and/or Approved Index-Tracking Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA (Industry Scheme) Balanced Fund). The underlying assets of the BEA (Industry Scheme) Balanced Fund are expected normally to be invested 40% to 60% in equities and 40% to 60% in cash, debt securities and/or money market instruments. The BEA (Industry Scheme) Balanced Fund will enter into financial futures and options contracts for hedging purposes only. The BEA (Industry Scheme) Balanced Fund will not engage in securities lending.

## Investment report for the year ended 31 March 2019 (continued)

### **Investment objectives and policies of the Scheme and the constituent funds (continued)**

#### ***BEA (Industry Scheme) Stable Fund***

##### ***Investment objective:***

To minimise short-term capital risk with moderate capital growth over the long term through a higher weighting of investments in global debt securities to provide steady income and lower exposure to global equities to provide modest potential for capital appreciation.

##### ***Investment policy:***

The BEA (Industry Scheme) Stable Fund invests primarily in the global equity and bond markets. The BEA (Industry Scheme) Stable Fund invests in a range of Approved Pooled Investment Funds and/or Approved Index-Tracking Funds to obtain exposure to such markets (such Approved Pooled Investment Funds and/or Approved Index-Tracking Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA (Industry Scheme) Stable Fund). The underlying assets of the BEA (Industry Scheme) Stable Fund are expected normally to be invested 10% to 40% in equities and 60% to 90% in cash, debt securities and/or money market instruments. The BEA (Industry Scheme) Stable Fund will enter into financial futures and options contracts for hedging purposes only. The BEA (Industry Scheme) Stable Fund will not engage in securities lending.

## Investment report for the year ended 31 March 2019 (continued)

### **Investment objectives and policies of the Scheme and the constituent funds (continued)**

#### ***BEA (Industry Scheme) Greater China Equity Fund***

##### ***Investment objective:***

To provide investors with long-term capital growth within a controlled risk-return framework through investing mainly in listed securities of companies that derive or are expected to derive a significant portion of their revenues from goods produced or sold, investments made or services performed in Greater China, which includes the People's Republic of China ("PRC"), the Special Administrative Regions of Hong Kong and Macau and Taiwan ("the Greater China Securities").

##### ***Investment policy:***

The BEA (Industry Scheme) Greater China Equity Fund invests in a range of Approved Pooled Investment Funds and/or Approved Index-Tracking Funds to obtain exposure to the Greater China Securities (such Approved Pooled Investment Funds and/or Approved Index-Tracking Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA (Industry Scheme) Greater China Equity Fund). It is intended that, through its investments in Approved Pooled Investment Funds and/or Approved Index-Tracking Funds, the BEA (Industry Scheme) Greater China Equity Fund will invest 70%-100% of its underlying assets in Greater China Securities and up to 30% of its underlying assets may be invested in cash, debt securities and/or money market instruments for cash management purpose. The BEA (Industry Scheme) Greater China Equity Fund will enter into financial futures and options contracts for hedging purposes only. The BEA (Industry Scheme) Greater China Equity Fund will not engage in securities lending.

## Investment report for the year ended 31 March 2019 (continued)

### **Investment objectives and policies of the Scheme and the constituent funds (continued)**

#### ***BEA (Industry Scheme) Hong Kong Equity Fund***

##### ***Investment objective:***

To achieve long-term capital appreciation within a controlled risk-return framework through investing mainly in Hong Kong equities, with some exposure in debt securities/money market instruments.

##### ***Investment policy:***

The BEA (Industry Scheme) Hong Kong Equity Fund invests in a range of Approved Pooled Investment Funds and/or Approved Index-Tracking Funds to obtain exposure to the Hong Kong equity market (such Approved Pooled Investment Funds and/or Approved Index-Tracking Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA (Industry Scheme) Hong Kong Equity Fund). It is intended that, through its investments in Approved Pooled Investment Funds and/or Approved Index-Tracking Funds, the BEA (Industry Scheme) Hong Kong Equity Fund will invest 70%-100% of its underlying assets in equities of companies that are listed in, or derive or are expected to derive a significant portion of their revenues from Hong Kong and up to 30% of its underlying assets may be invested in cash, debt securities and/or money market instruments for cash management purpose. The BEA (Industry Scheme) Hong Kong Equity Fund will enter into financial futures and options contracts for hedging purposes only. The BEA (Industry Scheme) Hong Kong Equity Fund will not engage in securities lending.

## Investment report for the year ended 31 March 2019 (continued)

### **Investment objectives and policies of the Scheme and the constituent funds (continued)**

#### ***BEA (Industry Scheme) Asian Equity Fund***

##### ***Investment objective:***

To achieve long-term capital appreciation within a controlled risk-return framework through investing mainly in Asian ex-Japan equities, with some exposure in debt securities/money market instruments.

##### ***Investment policy:***

The BEA (Industry Scheme) Asian Equity Fund invests in a range of Approved Pooled Investment Funds and/or Approved Index-Tracking Funds to obtain exposure to the Asian ex-Japan equity markets (such Approved Pooled Investment Funds and/or Approved Index-Tracking Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA (Industry Scheme) Asian Equity Fund). It is intended that, through its investments in Approved Pooled Investment Funds and/or Approved Index-Tracking Funds, the BEA (Industry Scheme) Asian Equity Fund will invest at least 70% of its underlying assets in equities of companies listed in the Asian equity markets (including but not limited to Singapore, Malaysia, Korea, Taiwan, Thailand, Indonesia, the Philippines, India, China and Hong Kong but excluding Japan) and up to 30% of its underlying assets may be invested in cash, debt securities and/or money market instruments for cash management purpose. The BEA (Industry Scheme) Asian Equity Fund will enter into financial futures and options contracts for hedging purposes only. The BEA (Industry Scheme) Asian Equity Fund will not engage in securities lending.

## Investment report for the year ended 31 March 2019 (continued)

### **Investment objectives and policies of the Scheme and the constituent funds (continued)**

#### ***BEA China Tracker Fund***

##### ***Investment objective:***

To provide investment returns that match the performance of the Hang Seng China Enterprises Index as closely as practicable.

##### ***Investment policy:***

The BEA China Tracker Fund invests directly in a single Approved Index-Tracking Fund, namely the Hang Seng China Enterprises Index ETF. The Approved Index-Tracking Fund aims to provide investment returns that match the performance of the Hang Seng China Enterprises Index as closely as practicable. The Approved Index-Tracking Fund may use futures contracts, warrants and options for hedging purposes or to achieve its investment objective. The Approved Index-Tracking Fund will not engage in securities lending. The BEA China Tracker Fund may hold cash and bank deposits for ancillary purposes, such as for meeting redemption requests or defraying operating expenses. The BEA China Tracker Fund will not enter into financial futures and options contracts for any purposes and will not engage in securities lending.

## Investment report for the year ended 31 March 2019 (continued)

### **Investment objectives and policies of the Scheme and the constituent funds (continued)**

#### ***BEA Hong Kong Tracker Fund***

##### ***Investment objective:***

To provide investment results that closely correspond to the performance of the Hang Seng Index.

##### ***Investment policy:***

The BEA Hong Kong Tracker Fund invests directly in a single Approved Index-Tracking Fund, namely the Tracker Fund of Hong Kong. The Approved Index-Tracking Fund aims to provide investment results that closely correspond to the performance of the Hang Seng Index. The Approved Index-Tracking Fund may use futures contracts and options for hedging purposes or to achieve its investment objective. The Approved Index-Tracking Fund will not engage in securities lending. The BEA Hong Kong Tracker Fund may hold cash and bank deposits for ancillary purposes, such as for meeting redemption requests or defraying operating expenses. The BEA Hong Kong Tracker Fund will not enter into financial futures and options contracts for any purposes and will not engage in securities lending.



## Investment report for the year ended 31 March 2019 (continued)

### Investment objectives and policies of the Scheme and the constituent funds (continued)

#### **BEA (Industry Scheme) RMB & HKD Money Market Fund**

##### **Investment objective:**

To achieve a rate of return over the long term in line with the interest rate offered by authorised financial institutions in Hong Kong on HKD and RMB savings accounts while maintaining stability of the principal amount invested.

##### **Investment policy:**

The BEA (Industry Scheme) RMB & HKD Money Market Fund primarily invests in HKD and RMB denominated instruments, namely short-term deposits (such as certificates of deposits and term deposits) placed with authorised financial institutions in Hong Kong and debt securities including bonds, fixed and floating rate securities, convertible bonds and notes with a remaining maturity period of two years or less, issued or distributed outside mainland China ("offshore RMB debt securities") by banks, corporations and governments, and will not invest in securities issued within mainland China through any qualified foreign institutional investor quota ("QFII"). The target ranges of asset allocation of the BEA (Industry Scheme) RMB & HKD Money Market Fund (as a percentage of its net asset value) are as follows:

	<i>Min %</i>	<i>Max %</i>
<b>Asset allocation</b>		
Short-term deposits	90%	100%
Debt securities	0%	10%

The BEA (Industry Scheme) RMB & HKD Money Market Fund will not enter into financial futures and options contracts for any purpose and will not engage in securities lending. The BEA (Industry Scheme) RMB & HKD Money Market Fund is denominated in HKD only and not in RMB. However, this constituent fund is expected to hold at least 50% of its net asset value in assets denominated and settled in RMB, and up to 50% of its net asset value in assets denominated and settled in HKD under normal circumstances. In addition, this constituent fund will at all times maintain an effective currency exposure to HKD of not less than 30% by investing in HKD denominated instruments and/or through currency forward contracts.

## Investment report for the year ended 31 March 2019 (continued)

### **Investment objectives and policies of the Scheme and the constituent funds (continued)**

#### ***BEA (Industry Scheme) Age 65 Plus Fund***

##### ***Investment objective:***

To provide stable growth to scheme members by investing in a globally diversified manner.

##### ***Investment policy:***

The BEA (Industry Scheme) Age 65 Plus Fund will invest in an Approved Pooled Investment Fund, BEA Union Investment Age 65 Plus Fund under the BEA Union Investment Capital Growth Fund, which in turn invests in two Approved Pooled Investment Funds as allowed under the General Regulation. The investment manager of the BEA Union Investment Age 65 Plus Fund will from time to time rebalance the allocation between the two Approved Pooled Investment Funds, such that so far as practicable the asset allocation of the BEA Union Investment Age 65 Plus Fund will be as set out in the sub-paragraph "Asset Allocation" below.

##### ***Asset Allocation:***

Subject to the discretion of the investment manager of the BEA Union Investment Age 65 Plus Fund and through an active asset allocation strategy investing in the two Approved Pooled Investment Funds (which in turn adopt relevant active investment strategy in selecting particular global equities or global bonds), the BEA (Industry Scheme) Age 65 Plus Fund will hold around 20% of its net asset value in Higher Risk Assets (such as global equities), with the remainder investing in Lower Risk Assets (such as global bonds and money market instruments). The asset allocation to Higher Risk Assets may vary between 15% and 25% due to differing price movements of various equity and bond markets. There is no prescribed allocation for investments in any specific countries or currencies.

The BEA (Industry Scheme) Age 65 Plus Fund will not enter into currency forward contracts, financial futures and options contracts for any purposes. However, the BEA Union Investment Age 65 Plus Fund may enter into currency forward contracts, financial futures and options contracts for hedging purposes to reduce risk and protect asset value, consistent with the investment objective of the BEA Union Investment Age 65 Plus Fund.

The BEA Union Investment Age 65 Plus Fund will not invest in any structured deposits or products, and will not enter into any securities lending, repurchase transactions or other similar transactions.

## Investment report for the year ended 31 March 2019 (continued)

### **Investment objectives and policies of the Scheme and the constituent funds (continued)**

#### ***BEA (Industry Scheme) Core Accumulation Fund***

##### ***Investment objective:***

To provide capital growth to scheme members by investing in a globally diversified manner.

##### ***Investment policy:***

The BEA (Industry Scheme) Core Accumulation Fund will invest in an Approved Pooled Investment Fund, BEA Union Investment Core Accumulation Fund under the BEA Union Investment Capital Growth Fund, which in turn invests in two Approved Pooled Investment Funds as allowed under the General Regulation. The investment manager of the BEA Union Investment Core Accumulation Fund will from time to time rebalance the allocation between the two Approved Pooled Investment Funds, such that so far as practicable the asset allocation of the BEA Union Investment Core Accumulation Fund will be as set out in the sub-paragraph "Asset Allocation" below.

##### ***Asset Allocation:***

Subject to the discretion of the investment manager of the BEA Union Investment Core Accumulation Fund and through an active asset allocation strategy investing in the two Approved Pooled Investment Funds (which in turn adopt relevant active strategy in selecting particular global equities or global bonds), the BEA (Industry Scheme) Core Accumulation Fund will hold around 60% of its net asset value in Higher Risk Assets (such as global equities), with the remainder investing in Lower Risk Assets (such as global bonds and money market instruments). The asset allocation to Higher Risk Assets may vary between 55% and 65% due to differing price movements of various equity and bond markets. There is no prescribed allocation for investments in any specific countries or currencies.

The BEA (Industry Scheme) Core Accumulation Fund will not enter into currency forward contracts, financial futures and options contracts for any purposes. However, the BEA Union Investment Core Accumulation Fund may enter into currency forward contracts, financial futures and options contracts for hedging purposes to reduce risk and protect asset value, consistent with the investment objective of the BEA Union Investment Core Accumulation Fund.

The BEA Union Investment Core Accumulation Fund will not invest in any structured deposits or products, and will not enter into any securities lending, repurchase transactions or other similar transactions.

## Investment report for the year ended 31 March 2019 (continued)

### Investment income and performance

	<i>BEA (Industry Scheme) MPF Conservative Fund</i>			<i>BEA (Industry Scheme) Growth Fund</i>			<i>BEA (Industry Scheme) Balanced Fund</i>		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	47,700,112	24,741,900	18,395,356	(6,396,694)	(14,538,047)	(13,402,352)	(8,859,999)	(11,959,573)	(11,281,985)
Capital appreciation/(depreciation) of investments – realised and unrealised	-	-	-	(63,140,578)	369,487,269	191,816,095	(21,948,689)	193,651,411	82,353,398
Value of scheme assets derived from investments as at 31 March	<u>2,739,967,284</u>	<u>2,537,594,956</u>	<u>2,259,509,158</u>	<u>2,442,509,338</u>	<u>2,520,159,694</u>	<u>2,184,550,421</u>	<u>1,536,977,507</u>	<u>1,538,258,532</u>	<u>1,348,074,227</u>
	<i>BEA (Industry Scheme) Stable Fund</i>			<i>BEA (Industry Scheme) Greater China Equity Fund</i>			<i>BEA (Industry Scheme) Hong Kong Equity Fund</i>		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	(18,237,128)	(22,706,683)	(24,644,840)	(4,217,651)	(3,782,997)	(2,638,310)	(2,311,124)	(2,528,627)	(1,733,309)
Capital appreciation/(depreciation) of investments – realised and unrealised	(12,503,884)	264,598,732	68,354,415	(19,029,351)	87,371,460	35,477,656	(12,103,487)	72,783,599	34,401,244
Value of scheme assets derived from investments as at 31 March	<u>2,391,147,669</u>	<u>2,217,074,448</u>	<u>2,500,235,766</u>	<u>388,253,706</u>	<u>383,459,417</u>	<u>265,085,054</u>	<u>380,784,293</u>	<u>354,791,387</u>	<u>249,007,201</u>

## Investment report for the year ended 31 March 2019 (continued)

### Investment income and performance (continued)

	<i>BEA (Industry Scheme) Asian Equity Fund</i>			<i>BEA China Tracker Fund</i>			<i>BEA Hong Kong Tracker Fund</i>		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	(1,711,714)	(1,620,190)	(869,655)	1,505,656	1,010,815	816,435	1,999,611	1,598,477	984,031
Capital appreciation/(depreciation) of investments – realised and unrealised	(12,578,005)	29,201,347	10,828,136	(3,331,680)	9,762,740	5,804,632	(1,795,850)	12,628,350	5,667,324
Value of scheme assets derived from investments as at 31 March	<u>156,956,754</u>	<u>147,875,728</u>	<u>89,542,970</u>	<u>83,720,000</u>	<u>75,313,680</u>	<u>52,299,720</u>	<u>87,479,700</u>	<u>74,616,800</u>	<u>47,299,400</u>

  

	<i>BEA (Industry Scheme) RMB &amp; HKD Money Market Fund</i>			<i>BEA (Industry Scheme) Age 65 Plus Fund<sup>(1)</sup></i>			<i>BEA (Industry Scheme) Core Accumulation Fund<sup>(1)</sup></i>		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	(2,003,232)	5,479,654	(781,808)	(2,862,275)	(1,335,838)	-	(4,603,226)	(2,424,453)	-
Capital appreciation/(depreciation) of investments – realised and unrealised	-	-	-	13,098,821	6,895,240	-	20,834,535	24,974,447	-
Value of scheme assets derived from investments as at 31 March	<u>95,236,352</u>	<u>81,386,732</u>	<u>52,226,572</u>	<u>390,989,427</u>	<u>332,484,932</u>	<u>-</u>	<u>706,946,164</u>	<u>479,582,135</u>	<u>-</u>

<sup>(1)</sup> The launch date of BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund was 1 April 2017.

## Investment report for the year ended 31 March 2019 (continued)

### Breakdown of income derived from investments and bank balances

*For the year ended 31 March 2019*

	<i>Dividend income HK\$</i>	<i>Interest income HK\$</i>	<i>Interest income from financial assets at fair value through profit or loss HK\$</i>	<i>Total HK\$</i>
BEA (Industry Scheme) MPF Conservative Fund	-	89,365	47,617,757	47,707,122
BEA (Industry Scheme) Growth Fund	31,906,308	1,364,971	-	33,271,279
BEA (Industry Scheme) Balanced Fund	13,757,777	828,092	-	14,585,869
BEA (Industry Scheme) Stable Fund	13,818,521	2,596,863	-	16,415,384
BEA (Industry Scheme) Greater China Equity Fund	366,925	5,135	-	372,060
BEA (Industry Scheme) Hong Kong Equity Fund	2,119,230	2,486	-	2,121,716
BEA (Industry Scheme) Asian Equity Fund	118,620	2,132	-	120,752
BEA China Tracker Fund	2,013,660	110	-	2,013,770
BEA Hong Kong Tracker Fund	2,529,720	116	-	2,529,836
BEA (Industry Scheme) RMB & HKD Money Market Fund	-	4,847	2,352,298	2,357,145
BEA (Industry Scheme) Age 65 Plus Fund	-	495	-	495
BEA (Industry Scheme) Core Accumulation Fund	-	802	-	802

## Investment report for the year ended 31 March 2019(continued)

### Breakdown of income derived from investments and bank balances (continued)

*For the year ended 31 March 2018*

	<i>Dividend income HK\$</i>	<i>Interest income HK\$</i>	<i>Interest income from financial assets at fair value through profit or loss HK\$</i>	<i>Total HK\$</i>
BEA (Industry Scheme) MPF Conservative Fund	-	10,726	24,734,884	24,745,610
BEA (Industry Scheme) Growth Fund	23,059,877	349,402	-	23,409,279
BEA (Industry Scheme) Balanced Fund	10,047,010	214,025	-	10,261,035
BEA (Industry Scheme) Stable Fund	10,766,448	862,554	-	11,629,002
BEA (Industry Scheme) Greater China Equity Fund	519,522	1,081	-	520,603
BEA (Industry Scheme) Hong Kong Equity Fund	1,457,790	719	-	1,458,509
BEA (Industry Scheme) Asian Equity Fund	1,936	201	-	2,137
BEA China Tracker Fund	1,463,640	18	-	1,463,658
BEA Hong Kong Tracker Fund	2,044,005	18	-	2,044,023
BEA (Industry Scheme) RMB & HKD Money Market Fund	-	566	1,700,377	1,700,943
BEA (Industry Scheme) Age 65 Plus Fund	-	52	-	52
BEA (Industry Scheme) Core Accumulation Fund	-	94	-	94

## Investment report for the year ended 31 March 2019 (continued)

### Performance table

(a) **Total net asset value and net asset value per unit**

Name of constituent funds	As at 31 March 2019		As at 31 March 2018		As at 31 March 2017	
	Total net asset value HK\$	Net asset value per unit HK\$	Total net asset value HK\$	Net asset value per unit HK\$	Total net asset value HK\$	Net asset value per unit HK\$
BEA (Industry Scheme) MPF Conservative Fund	2,879,570,799	13.4468	2,661,587,181	13.2177	2,361,715,171	13.0879
BEA (Industry Scheme) Growth Fund	2,681,663,364	22.2509	2,695,933,739	22.8528	2,267,179,438	19.8109
BEA (Industry Scheme) Balanced Fund	1,656,455,695	19.8524	1,658,422,553	20.2378	1,422,766,863	17.9799
BEA (Industry Scheme) Stable Fund	2,578,777,616	18.6415	2,539,379,188	18.8813	2,692,940,094	17.2069
BEA (Industry Scheme) Greater China Equity Fund	391,041,435	14.8189	386,402,666	15.8148	273,261,261	12.2425
BEA (Industry Scheme) Hong Kong Equity Fund	384,962,004	13.9892	358,225,605	14.6527	257,035,407	11.6262
BEA (Industry Scheme) Asian Equity Fund	157,862,879	13.3984	149,094,729	14.8631	91,329,279	11.7225
BEA China Tracker Fund	83,730,640	11.3793	75,330,385	11.7399	52,354,550	9.8643
BEA Hong Kong Tracker Fund	87,476,335	16.0926	74,618,992	16.1994	47,396,718	12.7152
BEA (Industry Scheme) RMB & HKD Money Market Fund	102,567,655	10.5068	87,265,757	10.7691	56,117,627	9.9849
BEA (Industry Scheme) Age 65 Plus Fund <sup>(1)</sup>	390,689,005	10.7404	332,293,245	10.4596	-	-
BEA (Industry Scheme) Core Accumulation Fund <sup>(1)</sup>	706,760,162	11.2017	479,375,452	10.9481	-	-
	<u>12,101,557,589</u>		<u>11,497,929,492</u>		<u>9,522,096,408</u>	

<sup>(1)</sup> The launch date of BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund was 1 April 2017.



## Investment report for the year ended 31 March 2019 (continued)

### Performance table (continued)

#### (b) Highest and lowest prices

	BEA (Industry Scheme) MPF Conservative Fund	BEA (Industry Scheme) Growth Fund	BEA (Industry Scheme) Balanced Fund	BEA (Industry Scheme) Stable Fund	BEA (Industry Scheme) Greater China Equity Fund	BEA (Industry Scheme) Hong Kong Equity Fund	BEA (Industry Scheme) Asian Equity Fund <sup>(1)</sup>	BEA China Tracker Fund <sup>(1)</sup>	BEA Hong Kong Tracker Fund <sup>(1)</sup>	BEA (Industry Scheme) RMB & HKD Money Market Fund <sup>(1)</sup>	BEA (Industry Scheme) Age 65 Plus Fund <sup>(1)</sup>	BEA (Industry Scheme) Core Accumulation Fund <sup>(1)</sup>
Highest issue price per unit (at last traded market prices) (HK\$)												
2019	13.4455	23.1788	20.3963	18.9791	16.3145	15.2194	15.1010	12.2441	17.0917	10.7755	10.7409	11.2941
2018	13.2168	24.2459	21.1157	19.3562	17.1542	16.0611	15.9979	13.4411	17.7884	10.7674	10.6019	11.4709
2017	13.0879	19.9191	18.1026	17.7368	12.5248	11.8709	11.9027	10.1898	12.9252	10.1839	-	-
2016	12.9802	20.7534	18.5391	17.5823	14.2344	13.7745	12.4573	13.5318	14.2322	10.3250	-	-
2015	12.8819	19.7096	17.8807	17.2569	12.4976	12.0507	11.9072	11.3299	12.6062	10.3147	-	-
2014	12.7372	18.8948	17.2472	16.7720	11.6340	11.3680	11.0780	10.4188	11.6978	10.3241	-	-
2013	12.6168	17.5169	16.4181	16.3395	10.8223	11.0508	10.9072	10.7679	11.3506	10.1001	-	-
2012	12.4736	17.5243	16.2467	16.0658	11.4170	11.2589	10.1647	10.1614	10.2756	-	-	-
2011	12.3420	17.1851	16.0577	15.9871	11.3614	11.6197	-	-	-	-	-	-
2010	12.2961	15.9604	14.9950	15.0147	10.0161	9.9997	-	-	-	-	-	-

<sup>(1)</sup> The date of commencement for BEA (Industry Scheme) Asian Equity Fund, BEA China Tracker Fund and BEA Hong Kong Tracker Fund was 31 January 2012.

The date of commencement for BEA (Industry Scheme) RMB & HKD Money Market Fund was 3 July 2012.

The launch date of BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund was 1 April 2017.

## Investment report for the year ended 31 March 2019 (continued)

### Performance table (continued)

#### (b) Highest and lowest prices (continued)

	BEA (Industry Scheme) MPF Conservative Fund	BEA (Industry Scheme) Growth Fund	BEA (Industry Scheme) Balanced Fund	BEA (Industry Scheme) Stable Fund	BEA (Industry Scheme) Greater China Equity Fund	BEA (Industry Scheme) Hong Kong Equity Fund	BEA (Industry Scheme) Asian Equity Fund <sup>(1)</sup>	BEA China Tracker Fund <sup>(1)</sup>	BEA Hong Kong Tracker Fund <sup>(1)</sup>	BEA (Industry Scheme) RMB & HKD Money Market Fund <sup>(1)</sup>	BEA (Industry Scheme) Age 65 Plus Fund <sup>(1)</sup>	BEA (Industry Scheme) Core Accumulation Fund <sup>(1)</sup>
Lowest redemption price per unit (at last traded market prices) (HK\$)												
2019	13.2189	20.2162	18.4273	17.6994	12.6910	11.9353	11.8030	9.8623	13.6585	10.1905	10.2138	10.1587
2018	13.0891	19.7123	17.9595	17.2019	12.1411	11.5166	11.6725	9.5137	12.5539	9.9586	9.9998	9.9802
2017	12.9805	17.8688	16.8609	16.5864	10.0397	9.5558	9.7112	7.7290	10.1432	9.8349	-	-
2016	12.8823	16.8559	16.0385	16.0533	9.3968	8.8241	9.0232	7.0739	9.3940	9.9229	-	-
2015	12.7376	18.3419	16.9743	16.6863	10.7693	10.2449	10.7461	8.7107	10.6268	10.1037	-	-
2014	12.6182	16.6468	15.6959	15.7571	9.4096	9.3317	9.5976	8.0691	9.6427	10.0875	-	-
2013	12.4751	14.9318	14.5685	15.1031	8.4845	8.5377	8.8120	8.0759	8.7466	9.9609	-	-
2012	12.3421	13.9308	13.7965	14.5073	7.6995	7.5698	9.8020	9.0853	9.7465	-	-	-
2011	12.2962	14.2258	13.7418	14.0334	8.4873	8.6416	-	-	-	-	-	-
2010	12.2405	11.4054	11.4753	12.1963	8.8612	8.9774	-	-	-	-	-	-

<sup>(1)</sup> The date of commencement for BEA (Industry Scheme) Asian Equity Fund, BEA China Tracker Fund and BEA Hong Kong Tracker Fund was 31 January 2012.

The date of commencement for BEA (Industry Scheme) RMB & HKD Money Market Fund was 3 July 2012.

The launch date of BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund was 1 April 2017.

## Investment report for the year ended 31 March 2019 (continued)

### Performance table (continued)

#### (c) Net annualised investment return <sup>(1)</sup>

Net annualised investment return (%)	BEA (Industry Scheme) MPF Conservative Fund <sup>(3)</sup>	BEA (Industry Scheme) Growth Fund	BEA (Industry Scheme) Balanced Fund	BEA (Industry Scheme) Stable Fund	BEA (Industry Scheme) Greater China Equity Fund	BEA (Industry Scheme) Hong Kong Equity Fund	BEA (Industry Scheme) Asian Equity Fund <sup>(2)</sup>	BEA China Tracker Fund <sup>(2)</sup>	BEA Hong Kong Tracker Fund <sup>(2)</sup>	BEA (Industry Scheme) RMB & HKD Money Market Fund <sup>(2)</sup>	BEA (Industry Scheme) Age 65 Plus Fund <sup>(2)</sup>	BEA (Industry Scheme) Core Accumulation Fund <sup>(2)</sup>
2019	1.73	(2.63)	(1.90)	(1.27)	(6.30)	(4.53)	(9.85)	(3.07)	(0.66)	(2.44)	2.68	2.32
2018	0.99	15.35	12.56	9.73	29.18	26.03	26.79	19.01	27.40	7.85	4.60	9.48
2017	0.83	8.80	5.41	1.81	14.68	16.00	13.97	16.79	19.22	(2.00)	-	-
2016	0.76	(6.98)	(3.81)	(0.94)	(14.58)	(16.83)	(11.49)	(25.45)	(14.47)	(0.88)	-	-
2015	1.14	5.01	3.67	2.26	14.21	15.05	7.61	24.97	15.62	1.33	-	-
2014	0.95	7.59	5.29	3.06	7.13	1.43	1.82	(5.61)	1.18	0.68	-	-
2013	1.15	6.41	5.08	3.87	7.04	8.91	6.94	5.02	9.37	0.76	-	-
2012	1.07	(4.37)	(2.31)	(0.31)	(11.84)	(12.75)	(0.82)	(8.54)	(2.54)	-	-	-
2011	0.37	8.83	7.32	6.20	11.29	11.95	-	-	-	-	-	-
2010	0.46	38.11	29.13	21.05	(2.73)	(2.94)	-	-	-	-	-	-

<sup>(1)</sup> The net annualised investment return represents the percentage change in unit price at the year end during each of these years except for the net investment return in the first financial period which was calculated as the percentage change in unit price between the unit price at the period end date and the initial offer price.

<sup>(2)</sup> The date of commencement for BEA (Industry Scheme) Asian Equity Fund, BEA China Tracker Fund and BEA Hong Kong Tracker Fund was 31 January 2012.

The date of commencement for BEA (Industry Scheme) RMB & HKD Money Market Fund was 3 July 2012.

The launch date of BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund was 1 April 2017.

<sup>(3)</sup> The unit price of BEA (Industry Scheme) MPF Conservative Fund does not reflect the impact of fees and charges which are deducted from members' accounts by way of unit deduction.

## Investment report for the year ended 31 March 2019 (continued)

### Performance table (continued)

(d) **Fund Expense Ratio (“FER”)**

Name of constituent funds	2019	
	Transaction costs for the year ended 31 March HK\$	FER for the year ended 31 March
BEA (Industry Scheme) MPF Conservative Fund	-	0.82%
BEA (Industry Scheme) Growth Fund	1,445,655	1.39%
BEA (Industry Scheme) Balanced Fund	585,873	1.36%
BEA (Industry Scheme) Stable Fund	696,361	1.32%
BEA (Industry Scheme) Greater China Equity Fund	9,508	1.33%
BEA (Industry Scheme) Hong Kong Equity Fund	64,337	1.33%
BEA (Industry Scheme) Asian Equity Fund	22,839	1.34%
BEA China Tracker Fund	33,689	1.27%
BEA Hong Kong Tracker Fund	41,878	0.71%
BEA (Industry Scheme) RMB & HKD Money Market Fund	-	0.78%
BEA (Industry Scheme) Age 65 Plus Fund	-	0.81%
BEA (Industry Scheme) Core Accumulation Fund	-	0.81%

## Investment report as at 31 March 2019 (continued)

### Investment portfolio

#### BEA (Industry Scheme) MPF Conservative Fund

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits</b>				
<i>Hong Kong Dollar</i>				
Australia and New Zealand Banking Group Limited F/D 1.51% 15 May 2019	49,031,039	49,031,039	49,031,039	1.70
Australia and New Zealand Banking Group Limited F/D 1.51% 15 May 2019	72,638,809	72,638,809	72,638,809	2.52
Australia and New Zealand Banking Group Limited F/D 1.51% 15 May 2019	58,354,668	58,354,668	58,354,668	2.03
Australia and New Zealand Banking Group Limited F/D 1.51% 15 May 2019	21,556,443	21,556,443	21,556,443	0.75
Bank of Communications Co., Ltd F/D 1.94% 4 December 2019	67,357,108	67,357,108	67,357,108	2.34
Bank of East Asia, Limited F/D 1.53% 15 May 2019	53,199,852	53,199,852	53,199,852	1.85
Bank of East Asia, Limited F/D 1.66% 12 June 2019	10,527,680	10,527,680	10,527,680	0.37
Bank of East Asia, Limited F/D 1.75% 19 June 2019	28,523,245	28,523,245	28,523,245	0.99
China CITIC Bank International Limited F/D 1.75% 15 May 2019	99,542,536	99,542,536	99,542,536	3.46
China CITIC Bank International Limited F/D 1.75% 15 May 2019	42,884,591	42,884,591	42,884,591	1.49
China CITIC Bank International Limited F/D 1.75% 15 May 2019	14,309,281	14,309,281	14,309,281	0.50
China CITIC Bank International Limited F/D 1.75% 15 May 2019	7,012,027	7,012,027	7,012,027	0.24
China CITIC Bank International Limited F/D 1.75% 15 May 2019	24,225,659	24,225,659	24,225,659	0.84
China CITIC Bank International Limited F/D 1.74% 29 May 2019	21,413,399	21,413,399	21,413,399	0.74
China CITIC Bank International Limited F/D 1.54% 12 June 2019	9,806,382	9,806,382	9,806,382	0.34
China CITIC Bank International Limited F/D 2.12% 17 July 2019	27,999,954	27,999,954	27,999,954	0.97
China CITIC Bank International Limited F/D 2.02% 27 November 2019	9,211,780	9,211,780	9,211,780	0.32
China Construction Bank Corporation F/D 1.56% 12 June 2019	27,283,827	27,283,827	27,283,827	0.95
China Construction Bank Corporation F/D 1.72% 26 June 2019	21,710,053	21,710,053	21,710,053	0.75
China Construction Bank Corporation F/D 1.72% 26 June 2019	13,672,380	13,672,380	13,672,380	0.47

## Investment report as at 31 March 2019 (continued)

### Investment portfolio (continued)

#### BEA (Industry Scheme) MPF Conservative Fund (continued)

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits (continued)</b>				
<i>Hong Kong Dollar (continued)</i>				
China Construction Bank Corporation F/D 1.97% 14 August 2019	74,434,592	74,434,592	74,434,592	2.58
China Construction Bank Corporation F/D 1.97% 14 August 2019	49,306,653	49,306,653	49,306,653	1.71
China Construction Bank Corporation F/D 1.97% 14 August 2019	48,689,915	48,689,915	48,689,915	1.69
Chong Hing Bank Limited F/D 1.55% 29 May 2019	61,255,817	61,255,817	61,255,817	2.13
Chong Hing Bank Limited F/D 1.55% 29 May 2019	67,048,456	67,048,456	67,048,456	2.33
Chong Hing Bank Limited F/D 1.65% 12 June 2019	14,891,511	14,891,511	14,891,511	0.52
Chong Hing Bank Limited F/D 1.95% 14 August 2019	14,027,426	14,027,426	14,027,426	0.49
CMB Wing Lung Bank Limited F/D 1.55% 22 May 2019	76,151,078	76,151,078	76,151,078	2.64
CMB Wing Lung Bank Limited F/D 2.10% 17 July 2019	86,947,893	86,947,893	86,947,893	3.02
CMB Wing Lung Bank Limited F/D 2.10% 24 July 2019	19,215,507	19,215,507	19,215,507	0.67
Dah Sing Bank Limited F/D 1.65% 15 May 2019	14,309,281	14,309,281	14,309,281	0.50
Dah Sing Bank Limited F/D 1.65% 15 May 2019	38,699,249	38,699,249	38,699,249	1.34
Dah Sing Bank Limited F/D 1.60% 22 May 2019	33,973,932	33,973,932	33,973,932	1.18
Dah Sing Bank Limited F/D 1.60% 22 May 2019	9,167,169	9,167,169	9,167,169	0.32
Dah Sing Bank Limited F/D 1.43% 29 May 2019	11,279,420	11,279,420	11,279,420	0.39
Dah Sing Bank Limited F/D 2.05% 17 July 2019	40,688,930	40,688,930	40,688,930	1.41
DBS Bank (Hong Kong) Limited F/D 2.19% 3 April 2019	47,850,027	47,850,027	47,850,027	1.66
DBS Bank (Hong Kong) Limited F/D 1.51% 15 May 2019	92,596,844	92,596,844	92,596,844	3.22
DBS Bank (Hong Kong) Limited F/D 1.47% 12 June 2019	28,757,719	28,757,719	28,757,719	1.00
DBS Bank (Hong Kong) Limited F/D 1.47% 12 June 2019	38,027,307	38,027,307	38,027,307	1.32

## Investment report as at 31 March 2019 (continued)

### Investment portfolio (continued)

#### BEA (Industry Scheme) MPF Conservative Fund (continued)

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits (continued)</b>				
<i>Hong Kong Dollar (continued)</i>				
Fubon Bank (Hong Kong) Limited F/D 2.00% 3 April 2019	5,664,197	5,664,197	5,664,197	0.20
Fubon Bank (Hong Kong) Limited F/D 1.74% 29 May 2019	22,538,330	22,538,330	22,538,330	0.78
Fubon Bank (Hong Kong) Limited F/D 1.70% 26 June 2019	51,816,024	51,816,024	51,816,024	1.80
Fubon Bank (Hong Kong) Limited F/D 2.16% 17 July 2019	37,095,949	37,095,949	37,095,949	1.29
Fubon Bank (Hong Kong) Limited F/D 2.16% 17 July 2019	9,065,995	9,065,995	9,065,995	0.31
Fubon Bank (Hong Kong) Limited F/D 2.16% 17 July 2019	11,062,999	11,062,999	11,062,999	0.38
Fubon Bank (Hong Kong) Limited F/D 2.16% 17 July 2019	19,091,281	19,091,281	19,091,281	0.66
Fubon Bank (Hong Kong) Limited F/D 2.00% 31 July 2019	35,886,913	35,886,913	35,886,913	1.25
Fubon Bank (Hong Kong) Limited F/D 1.95% 1 August 2019	10,688,541	10,688,541	10,688,541	0.37
Industrial and Commercial Bank of China (Asia) Limited F/D 1.55% 15 May 2019	28,886,082	28,886,082	28,886,082	1.00
Industrial and Commercial Bank of China (Asia) Limited F/D 1.55% 15 May 2019	34,611,370	34,611,370	34,611,370	1.20
Industrial and Commercial Bank of China (Asia) Limited F/D 1.72% 26 June 2019	41,629,448	41,629,448	41,629,448	1.45
Industrial and Commercial Bank of China (Asia) Limited F/D 1.75% 3 July 2019	81,733,767	81,733,767	81,733,767	2.84
Industrial and Commercial Bank of China (Asia) Limited F/D 2.05% 1 August 2019	47,376,348	47,376,348	47,376,348	1.65
Industrial and Commercial Bank of China (Asia) Limited F/D 2.00% 14 August 2019	18,400,901	18,400,901	18,400,901	0.64
MUFG Bank, Ltd. F/D 1.71% 3 July 2019	73,976,001	73,976,001	73,976,001	2.57
MUFG Bank, Ltd. F/D 2.00% 31 July 2019	49,268,881	49,268,881	49,268,881	1.71
MUFG Bank, Ltd. F/D 2.00% 1 August 2019	38,497,149	38,497,149	38,497,149	1.34
MUFG Bank, Ltd. F/D 2.00% 1 August 2019	44,965,806	44,965,806	44,965,806	1.56
MUFG Bank, Ltd. F/D 1.97% 14 August 2019	43,557,820	43,557,820	43,557,820	1.51

## Investment report as at 31 March 2019 (continued)

### Investment portfolio (continued)

#### BEA (Industry Scheme) MPF Conservative Fund (continued)

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits (continued)</b>				
<i>Hong Kong Dollar (continued)</i>				
OCBC Wing Hang Bank Limited F/D 2.25% 3 April 2019	16,395,445	16,395,445	16,395,445	0.57
OCBC Wing Hang Bank Limited F/D 2.15% 3 April 2019	22,656,790	22,656,790	22,656,790	0.79
OCBC Wing Hang Bank Limited F/D 2.00% 10 April 2019	35,158,488	35,158,488	35,158,488	1.22
OCBC Wing Hang Bank Limited F/D 1.41% 15 May 2019	89,951,855	89,951,855	89,951,855	3.12
OCBC Wing Hang Bank Limited F/D 2.08% 17 July 2019	69,399,604	69,399,604	69,399,604	2.41
Sumitomo Mitsui Banking Corporation F/D 1.67% 15 May 2019	81,177,602	81,177,602	81,177,602	2.82
Sumitomo Mitsui Banking Corporation F/D 1.90% 29 May 2019	69,601,117	69,601,117	69,601,117	2.42
Sumitomo Mitsui Banking Corporation F/D 1.86% 26 June 2019	10,464,111	10,464,111	10,464,111	0.36
Sumitomo Mitsui Banking Corporation F/D 2.21% 31 July 2019	2,803,537	2,803,537	2,803,537	0.10
Sumitomo Mitsui Banking Corporation F/D 2.09% 14 August 2019	40,316,434	40,316,434	40,316,434	1.40
Sumitomo Mitsui Banking Corporation F/D 2.13% 27 November 2019	23,000,535	23,000,535	23,000,535	0.80
Sumitomo Mitsui Banking Corporation F/D 2.13% 27 November 2019	25,648,525	25,648,525	25,648,525	0.89
<b>Total investments</b>		<u>2,739,967,284</u>	<u>2,739,967,284</u>	<u>95.15</u>

Note: Investments are accounted for on a trade date basis.



# Investment report as at 31 March 2019 (continued)

## Investment portfolio (continued)

### BEA (Industry Scheme) Growth Fund

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	668,856.3080	84,101,992	68,905,725	3.14
BEA Union Investment Asia Strategic Growth Fund - Class A	685,594.7800	256,885,508	191,531,311	9.58
BEA Union Investment Global Bond Fund - Class A	3,531,543.5310	443,526,552	411,220,700	16.54
BEA Union Investment Global Equity Fund - Class A	487,996.2030	83,144,793	57,480,018	3.10
BEA Union Investment Greater China Growth Fund - Class A	149,442.9500	41,062,439	26,952,184	1.53
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	71,915.6340	9,988,362	8,254,456	0.37
BEA Union Investment Hong Kong Growth Fund - Class A	1,034,572.9390	346,012,919	294,528,449	12.90
BEA Union Investment Money Market Fund - Class A	748,907.4810	75,242,735	74,893,271	2.81
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	353,178.7822	40,616,184	36,295,118	1.52
Schroder Institutional Pooled Funds - European Equity Fund - Class B	2,345,240.4756	72,784,304	80,334,336	2.71
<b>Approved Index-Tracking Funds</b>				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	7,799,500.0000	229,305,300	227,503,582	8.55
<i>The United Kingdom</i>				
Vanguard FTSE Developed Europe UCITS ETF	650,001.0000	170,869,262	181,740,787	6.37
<i>The United States of America</i>				
iShares Europe ETF	227,805.0000	77,592,509	69,849,932	2.89
iShares MSCI Australia ETF	393,861.0000	66,535,303	59,590,022	2.48
iShares MSCI Japan ETF	233,557.0000	100,324,237	94,689,169	3.74
SPDR S&P 500 ETF Trust	155,366.0000	344,516,939	286,577,909	12.85
<b>Total investments</b>		<u>2,442,509,338</u>	<u>2,170,346,969</u>	<u>91.08</u>

Note: Investments are accounted for on a trade date basis.

## Investment report as at 31 March 2019 (continued)

### Investment portfolio (continued)

#### BEA (Industry Scheme) Balanced Fund

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	754,274.0080	94,842,414	78,858,644	5.73
BEA Union Investment Asia Strategic Growth Fund - Class A	316,816.0850	118,707,819	91,320,715	7.17
BEA Union Investment Global Bond Fund - Class A	4,546,184.6810	570,955,334	522,737,041	34.47
BEA Union Investment Global Equity Fund - Class A	206,179.6440	35,128,888	21,938,388	2.12
BEA Union Investment Greater China Growth Fund - Class A	69,082.1360	18,981,698	12,459,015	1.15
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	87,696.9350	12,180,227	10,337,462	0.74
BEA Union Investment Hong Kong Growth Fund - Class A	479,279.2400	160,294,942	134,764,239	9.68
BEA Union Investment Money Market Fund - Class A	468,983.5270	47,118,775	46,899,928	2.84
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	151,952.7294	17,474,832	16,066,434	1.05
Schroder Institutional Pooled Funds - European Equity Fund - Class B	1,086,842.6108	33,730,052	37,228,924	2.04
<b>Approved Index-Tracking Funds</b>				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	3,433,000.0000	100,930,200	100,722,724	6.09
<i>The United Kingdom</i>				
Vanguard FTSE Developed Europe UCITS ETF	254,271.0000	66,841,587	70,916,489	4.03
<i>The United States of America</i>				
iShares Europe ETF	86,023.0000	29,300,236	26,303,908	1.77
iShares MSCI Australia ETF	182,105.0000	30,763,166	27,195,846	1.86
iShares MSCI Japan ETF	102,340.0000	43,960,072	41,626,030	2.65
SPDR S&P 500 ETF Trust	70,246.0000	155,767,265	132,326,550	9.40
<b>Total investments</b>		<u>1,536,977,507</u>	<u>1,371,702,337</u>	<u>92.79</u>

Note: Investments are accounted for on a trade date basis.

## Investment report as at 31 March 2019 (continued)

### Investment portfolio (continued)

#### BEA (Industry Scheme) Stable Fund

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,212,985.4090	152,520,785	134,260,279	5.92
BEA Union Investment Asia Strategic Growth Fund - Class A	307,713.8490	115,297,302	91,680,667	4.47
BEA Union Investment Global Bond Fund - Class A	10,220,118.1120	1,283,544,634	1,174,687,099	49.77
BEA Union Investment Global Equity Fund - Class A	205,988.3300	35,096,292	22,812,382	1.36
BEA Union Investment Greater China Growth Fund - Class A	67,645.3230	18,586,905	12,199,846	0.72
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	89,076.0950	12,371,779	10,570,798	0.48
BEA Union Investment Hong Kong Growth Fund - Class A	566,965.6080	189,621,648	178,851,123	7.35
BEA Union Investment Money Market Fund - Class A	1,729,799.1780	173,792,923	172,987,356	6.74
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	134,609.6994	15,480,353	13,691,700	0.60
Schroder Institutional Pooled Funds - European Equity Fund - Class B	581,058.0521	18,033,079	19,903,679	0.70
<b>Approved Index-Tracking Funds</b>				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	2,484,500.0000	73,044,300	72,988,070	2.83
<i>The United Kingdom</i>				
Vanguard FTSE Developed Europe UCITS ETF	199,947.0000	52,561,144	55,897,136	2.04
<i>The United States of America</i>				
iShares Europe ETF	97,163.0000	33,094,624	29,877,368	1.28
iShares MSCI Australia ETF	184,688.0000	31,199,515	28,786,102	1.21
iShares MSCI Japan ETF	90,417.0000	38,838,556	37,111,830	1.51
SPDR S&P 500 ETF Trust	66,772.0000	148,063,830	132,049,248	5.74
<b>Total investments</b>		<u>2,391,147,669</u>	<u>2,188,354,683</u>	<u>92.72</u>

Note: Investments are accounted for on a trade date basis.

## Investment report as at 31 March 2019 (continued)

### Investment portfolio (continued)

#### **BEA (Industry Scheme) Greater China Equity Fund**

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Greater China Growth Fund - Class A	1,246,924.6010	342,617,473	244,725,287	87.62
BEA Union Investment Hong Kong Growth Fund - Class A	98,593.8860	32,974,725	23,072,544	8.43
<b>Approved Index-Tracking Funds</b>				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	309,046.0000	9,085,952	8,063,057	2.32
<i>The United States of America</i>				
iShares MSCI Taiwan ETF	13,172.0000	3,575,556	3,910,720	0.92
<b>Total investments</b>		<u>388,253,706</u>	<u>279,771,608</u>	<u>99.29</u>

Note: Investments are accounted for on a trade date basis.

## Investment report as at 31 March 2019 (continued)

### Investment portfolio (continued)

#### **BEA (Industry Scheme) Hong Kong Equity Fund**

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Hong Kong Growth Fund - Class A	913,720.4150	305,593,793	228,003,521	79.38
<b>Approved Index-Tracking Fund</b>				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	2,557,500.0000	75,190,500	64,613,458	19.53
<b>Total investments</b>		<u>380,784,293</u>	<u>292,616,979</u>	<u>98.91</u>

Note: Investments are accounted for on a trade date basis.

# Investment report as at 31 March 2019 (continued)

## Investment portfolio (continued)

### BEA (Industry Scheme) Asian Equity Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Strategic Growth Fund - Class A	370,905.0550	138,974,415	117,186,447	88.03
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	131,439.5622	15,115,782	12,558,536	9.58
<b>Approved Index-Tracking Fund</b>				
<i>The United Kingdom</i>				
iShares MSCI AC Far East ex-Japan UCITS ETF USD (Dist)	6,713.0000	2,866,557	2,810,907	1.82
<b>Total investments</b>		<u>156,956,754</u>	<u>132,555,890</u>	<u>99.43</u>

Note: Investments are accounted for on a trade date basis.

## Investment report as at 31 March 2019 (continued)

### Investment portfolio (continued)

#### **BEA China Tracker Fund**

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Index-Tracking Fund</b>				
<i>Hong Kong</i>				
Hang Seng China Enterprises Index ETF	728,000.0000	83,720,000	78,469,752	99.99
<b>Total investments</b>		<u>83,720,000</u>	<u>78,469,752</u>	<u>99.99</u>

Note: Investments are accounted for on a trade date basis.

## Investment report as at 31 March 2019 (continued)

### Investment portfolio (continued)

#### **BEA Hong Kong Tracker Fund**

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Index-Tracking Fund</b>				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	2,975,500.0000	87,479,700	75,913,780	100.00
<b>Total investments</b>		<u>87,479,700</u>	<u>75,913,780</u>	<u>100.00</u>

Note: Investments are accounted for on a trade date basis.



## Investment report as at 31 March 2019 (continued)

### Investment portfolio (continued)

#### BEA (Industry Scheme) RMB & HKD Money Market Fund

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
<b>Short - term deposits</b>				
<i>Hong Kong Dollar</i>				
China CITIC Bank International Limited F/D 2.02% 02 August 2019	1,808,668	1,808,668	1,808,668	1.76
China CITIC Bank International Limited F/D 2.02% 02 August 2019	1,242,220	1,242,220	1,242,220	1.21
China CITIC Bank International Limited F/D 1.86% 12 September 2019	1,016,383	1,016,383	1,016,383	0.99
China CITIC Bank International Limited F/D 1.97% 19 December 2019	1,573,408	1,573,408	1,573,408	1.53
China Construction Bank Corporation F/D 2.14% 19 July 2019	461,340	461,340	461,340	0.45
China Construction Bank Corporation F/D 2.02% 02 August 2019	1,931,372	1,931,372	1,931,372	1.88
China Construction Bank Corporation F/D 2.01% 09 August 2019	928,445	928,445	928,445	0.90
China Construction Bank Corporation F/D 1.81% 12 September 2019	778,422	778,422	778,422	0.76
Chong Hing Bank Limited F/D 2.00% 16 August 2019	467,858	467,858	467,858	0.46
Chong Hing Bank Limited F/D 2.00% 16 August 2019	1,054,443	1,054,443	1,054,443	1.03
Chong Hing Bank Limited F/D 2.00% 16 August 2019	880,503	880,503	880,503	0.86
Chong Hing Bank Limited F/D 1.85% 12 September 2019	864,929	864,929	864,929	0.84
Chong Hing Bank Limited F/D 1.85% 12 September 2019	1,259,644	1,259,644	1,259,644	1.23
Chong Hing Bank Limited F/D 2.10% 06 December 2019	929,027	929,027	929,027	0.91
Chong Hing Bank Limited F/D 2.10% 06 December 2019	928,994	928,994	928,994	0.91
CMB Wing Lung Bank Limited F/D 1.55% 24 May 2019	959,221	959,221	959,221	0.94
CMB Wing Lung Bank Limited F/D 2.05% 26 July 2019	2,164,969	2,164,969	2,164,969	2.11
CMB Wing Lung Bank Limited F/D 2.05% 26 July 2019	2,444,249	2,444,249	2,444,249	2.38
Fubon Bank (Hong Kong) Limited F/D 2.00% 12 April 2019	784,060	784,060	784,060	0.76
Fubon Bank (Hong Kong) Limited F/D 2.00% 12 April 2019	609,277	609,277	609,277	0.59
Fubon Bank (Hong Kong) Limited F/D 2.00% 19 July 2019	1,015,222	1,015,222	1,015,222	0.99
ICBC (Asia) Ltd F/D 1.50% 24 May 2019	2,021,242	2,021,242	2,021,242	1.97
ICBC (Asia) Ltd F/D 2.00% 16 August 2019	576,460	576,460	576,460	0.56
OCBC Wing Hang Bank Limited F/D 2.25% 04 April 2019	1,004,239	1,004,239	1,004,239	0.98

## Investment report as at 31 March 2019 (continued)

### Investment portfolio (continued)

#### BEA (Industry Scheme) RMB & HKD Money Market Fund (continued)

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
<b>Short - term deposits (continued)</b>				
<i>Hong Kong Dollar (continued)</i>				
OCBC Wing Hang Bank Limited F/D 2.25% 04 April 2019	728,686	728,686	728,686	0.71
OCBC Wing Hang Bank Limited F/D 2.10% 19 March 2020	1,029,086	1,029,086	1,029,086	1.00
Sumitomo Mitsui Banking Corporation F/D 2.16% 04 April 2019	457,937	457,937	457,937	0.45
Sumitomo Mitsui Banking Corporation F/D 2.02% 12 April 2019	1,111,223	1,111,223	1,111,223	1.08
Sumitomo Mitsui Banking Corporation F/D 1.70% 24 May 2019	366,876	366,876	366,876	0.36
Sumitomo Mitsui Banking Corporation F/D 2.30% 19 July 2019	470,109	470,109	470,109	0.46
Sumitomo Mitsui Banking Corporation F/D 2.21% 02 August 2019	1,011,517	1,011,517	1,011,517	0.99
Sumitomo Mitsui Banking Corporation F/D 1.95% 12 September 2019	1,482,947	1,482,947	1,482,947	1.45
Sumitomo Mitsui Banking Corporation F/D 2.08% 06 December 2019	615,175	615,175	615,175	0.60
Sumitomo Mitsui Banking Corporation F/D 2.09% 19 December 2019	765,231	765,231	765,231	0.75
<i>Renminbi</i>				
Australia and New Zealand Banking Group Limited F/D 2.55% 26 April 2019	1,312,917	1,532,962	1,516,091	1.49
Australia and New Zealand Banking Group Limited F/D 2.55% 26 April 2019	3,101,649	3,621,486	3,581,630	3.53
Australia and New Zealand Banking Group Limited F/D 2.55% 26 April 2019	1,539,806	1,797,877	1,778,091	1.75
China CITIC Bank International Limited F/D 2.90% 03 May 2019	270,118	315,390	311,743	0.31
China CITIC Bank International Limited F/D 2.30% 17 May 2019	458,358	535,178	530,136	0.52
China CITIC Bank International Limited F/D 2.30% 17 May 2019	266,472	311,132	308,201	0.30
China CITIC Bank International Limited F/D 2.30% 24 May 2019	1,533,612	1,790,646	1,774,773	1.75
China CITIC Bank International Limited F/D 2.30% 20 June 2019	334,937	391,073	391,073	0.38
Chong Hing Bank Limited F/D 2.20% 24 May 2019	1,669,046	1,948,778	1,947,526	1.90
CMB Wing Lung Bank Limited F/D 2.50% 03 May 2019	585,240	683,326	679,551	0.67
CMB Wing Lung Bank Limited F/D 2.50% 03 May 2019	2,090,788	2,441,204	2,427,718	2.38
Credit Agricole Corporate and Investment Bank F/D 2.77% 04 April 2019	1,479,902	1,727,934	1,683,981	1.68

## Investment report as at 31 March 2019 (continued)

### Investment portfolio (continued)

#### BEA (Industry Scheme) RMB & HKD Money Market Fund (continued)

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
<b>Short - term deposits (continued)</b>				
<i>Renminbi (continued)</i>				
Credit Agricole Corporate and Investment Bank F/D 2.72% 26 April 2019	919,413	1,073,507	1,061,555	1.05
Credit Agricole Corporate and Investment Bank F/D 2.33% 24 May 2019	3,130,426	3,655,085	3,652,738	3.56
Credit Agricole Corporate and Investment Bank F/D 2.52% 24 May 2019	431,554	503,882	504,465	0.49
Credit Agricole Corporate and Investment Bank F/D 2.32% 20 June 2019	1,407,143	1,642,980	1,642,980	1.60
Credit Agricole Corporate and Investment Bank F/D 2.40% 27 June 2019	427,206	498,805	499,895	0.49
Dah Sing Bank Limited F/D 2.70% 26 April 2019	342,628	400,053	395,650	0.39
Dah Sing Bank Limited F/D 2.70% 26 April 2019	778,044	908,444	898,446	0.89
Dah Sing Bank Limited F/D 2.70% 26 April 2019	702,971	820,789	811,755	0.80
Dah Sing Bank Limited F/D 1.85% 17 May 2019	2,019,964	2,358,510	2,336,290	2.30
Dah Sing Bank Limited F/D 2.20% 31 May 2019	1,706,713	1,992,758	1,995,148	1.94
DBS Bank (Hong Kong) Limited F/D 2.50% 26 April 2019	1,402,038	1,637,019	1,618,793	1.60
Fubon Bank (Hong Kong) Limited F/D 2.90% 04 April 2019	675,430	788,632	768,572	0.77
Fubon Bank (Hong Kong) Limited F/D 2.90% 12 April 2019	619,328	723,127	706,096	0.70
Fubon Bank (Hong Kong) Limited F/D 2.90% 26 April 2019	340,000	396,984	392,615	0.39
Fubon Bank (Hong Kong) Limited F/D 2.90% 10 May 2019	1,280,000	1,494,528	1,487,232	1.46
Fubon Bank (Hong Kong) Limited F/D 2.90% 10 May 2019	543,000	634,007	630,912	0.62
Fubon Bank (Hong Kong) Limited F/D 2.40% 20 June 2019	795,683	929,040	930,234	0.91
Fubon Bank (Hong Kong) Limited F/D 2.40% 27 June 2019	421,064	491,635	492,708	0.48
Fubon Bank (Hong Kong) Limited F/D 2.40% 04 July 2019	1,010,830	1,180,245	1,176,960	1.15
ICBC (Asia) Ltd F/D 2.50% 17 May 2019	2,487,904	2,904,877	2,877,510	2.83
ICBC (Asia) Ltd F/D 2.50% 17 May 2019	593,114	692,520	685,996	0.67
MUFG Bank, Ltd. F/D 2.56% 03 May 2019	1,119,080	1,306,637	1,291,530	1.27

## Investment report as at 31 March 2019 (continued)

### Investment portfolio (continued)

#### BEA (Industry Scheme) RMB & HKD Money Market Fund (continued)

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
<b>Short - term deposits (continued)</b>				
<i>Renminbi (continued)</i>				
MUFG Bank, Ltd. F/D 2.56% 03 May 2019	1,252,822	1,462,795	1,445,882	1.43
MUFG Bank, Ltd. F/D 2.29% 24 May 2019	2,276,579	2,658,133	2,656,426	2.59
MUFG Bank, Ltd. F/D 2.29% 24 May 2019	498,626	582,196	581,822	0.57
MUFG Bank, Ltd. F/D 2.38% 06 June 2019	362,681	423,466	425,225	0.41
MUFG Bank, Ltd. F/D 2.38% 06 June 2019	1,911,154	2,231,464	2,240,733	2.18
OCBC Wing Hang Bank Limited F/D 2.61% 03 May 2019	613,910	716,802	708,514	0.70
OCBC Wing Hang Bank Limited F/D 2.61% 03 May 2019	1,803,869	2,106,198	2,081,846	2.05
OCBC Wing Hang Bank Limited F/D 2.61% 03 May 2019	236,353	275,966	272,775	0.27
OCBC Wing Hang Bank Limited F/D 2.10% 24 May 2019	885,691	1,034,133	1,024,966	1.01
OCBC Wing Hang Bank Limited F/D 2.15% 13 June 2019	1,190,980	1,390,589	1,389,993	1.36
Sumitomo Mitsui Banking Corporation F/D 2.60% 26 April 2019	274,716	320,758	317,186	0.31
Sumitomo Mitsui Banking Corporation F/D 2.50% 03 May 2019	198,706	232,009	229,326	0.23
Sumitomo Mitsui Banking Corporation F/D 2.30% 24 May 2019	1,189,993	1,389,436	1,388,543	1.35
Sumitomo Mitsui Banking Corporation F/D 2.30% 24 May 2019	460,753	537,975	537,629	0.52
<b>Total investments</b>		<u>95,236,352</u>	<u>94,832,842</u>	<u>92.85</u>

Note: Investments are accounted for on a trade date basis.

## Investment report as at 31 March 2019 (continued)

### Investment portfolio (continued)

#### **BEA (Industry Scheme) Age 65 Plus Fund**

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Age 65 Plus Fund - Class I	3,573,616.9210	<u>390,989,427</u>	<u>371,458,701</u>	<u>100.08</u>
<b>Total investments</b>		<u><u>390,989,427</u></u>	<u><u>371,458,701</u></u>	<u><u>100.08</u></u>

Note: Investment are accounted for on a trade date basis.

## Investment report as at 31 March 2019 (continued)

### Investment portfolio (continued)

#### **BEA (Industry Scheme) Core Accumulation Fund**

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Core Accumulation Fund - Class I	6,165,586.6400	706,946,164	661,426,463	100.03
<b>Total investments</b>		<u>706,946,164</u>	<u>661,426,463</u>	<u>100.03</u>

Note: Investment are accounted for on a trade date basis.

# Investment report for the year ended 31 March 2019 (continued)

## Statement of movements in investment portfolio

### *BEA (Industry Scheme) MPF Conservative Fund*

	<i>% of net assets</i>	
	<i>As at</i>	<i>As at</i>
	<i>31 March 2019</i>	<i>31 March 2018</i>
Short-term deposits	<u>95.15</u>	<u>95.34</u>

# Investment report for the year ended 31 March 2019 (continued)

## Statement of movements in investment portfolio (continued)

### BEA (Industry Scheme) Growth Fund

	Portfolio holdings			
	As at 31 March 2018 units	Additions units	Disposals units	As at 31 March 2019 units
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	668,856.3080	-	-	668,856.3080
BEA Union Investment Asia Strategic Growth Fund - Class A	637,069.0150	79,439.1140	30,913.3490	685,594.7800
BEA Union Investment Global Bond Fund - Class A	3,887,161.8890	217,203.1260	572,821.4840	3,531,543.5310
BEA Union Investment Global Equity Fund - Class A	487,996.2030	-	-	487,996.2030
BEA Union Investment Greater China Growth - Class A Fund	149,442.9500	-	-	149,442.9500
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	71,915.6340	-	-	71,915.6340
BEA Union Investment Hong Kong Growth Fund - Class A	1,183,677.9310	559,269.0330	708,374.0250	1,034,572.9390
BEA Union Investment Money Market Fund - Class A	-	748,907.4810	-	748,907.4810
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	401,189.2892	-	48,010.5070	353,178.7822
PineBridge Fund Series - PineBridge Hong Kong Dollar Money Market Fund - Provident Fund Units	1,467,764.0603	4,832,628.9378	6,300,392.9981	-
Schroder Institutional Pooled Funds - European Equity Fund - Class B	2,345,240.4756	-	-	2,345,240.4756
<b>Approved Index-Tracking Funds</b>				
iShares Europe ETF	466,957.0000	72,988.0000	312,140.0000	227,805.0000
iShares MSCI Australia ETF	394,156.0000	15,493.0000	15,788.0000	393,861.0000
iShares MSCI Japan ETF	507,107.0000	508,681.0000	782,231.0000	233,557.0000
SPDR S&P 500 ETF Trust	153,788.0000	70,928.0000	69,350.0000	155,366.0000
Tracker Fund of Hong Kong	3,443,000.0000	12,595,000.0000	8,238,500.0000	7,799,500.0000
Vanguard FTSE Developed Europe UCITS ETF	325,635.0000	482,229.0000	157,863.0000	650,001.0000



# Investment report for the year ended 31 March 2019 (continued)

## Statement of movements in investment portfolio (continued)

### BEA (Industry Scheme) Balanced Fund

	Portfolio holdings			
	As at 31 March 2018 units	Additions units	Disposals units	As at 31 March 2019 units
Approved Pooled Investment Funds				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	754,274.0080	-	-	754,274.0080
BEA Union Investment Asia Strategic Growth Fund - Class A	297,623.6310	49,345.1850	30,152.7310	316,816.0850
BEA Union Investment Global Bond Fund - Class A	4,612,771.6640	133,116.2970	199,703.2800	4,546,184.6810
BEA Union Investment Global Equity Fund - Class A	206,179.6440	-	-	206,179.6440
BEA Union Investment Greater China Growth Fund - Class A	69,082.1360	-	-	69,082.1360
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	87,696.9350	-	-	87,696.9350
BEA Union Investment Hong Kong Growth Fund - Class A	493,374.4230	257,904.6560	271,999.8390	479,279.2400
BEA Union Investment Money Market Fund - Class A	-	468,983.5270	-	468,983.5270
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	210,807.7279	-	58,854.9985	151,952.7294
PineBridge Fund Series - PineBridge Hong Kong Dollar Money Market Fund - Provident Fund Units	884,773.6625	3,808,612.3408	4,693,386.0033	-
Schroder Institutional Pooled Funds - European Equity Fund - Class B	1,086,842.6108	-	-	1,086,842.6108
Approved Index-Tracking Funds				
iShares Europe ETF	195,200.0000	14,427.0000	123,604.0000	86,023.0000
iShares MSCI Australia ETF	167,740.0000	14,365.0000	-	182,105.0000
iShares MSCI Japan ETF	219,352.0000	233,586.0000	350,598.0000	102,340.0000
SPDR S&P 500 ETF Trust	68,436.0000	33,970.0000	32,160.0000	70,246.0000
Tracker Fund of Hong Kong	1,658,500.0000	5,129,500.0000	3,355,000.0000	3,433,000.0000
Vanguard FTSE Developed Europe UCITS ETF	136,315.0000	197,530.0000	79,574.0000	254,271.0000

# Investment report for the year ended 31 March 2019 (continued)

## Statement of movements in investment portfolio (continued)

### BEA (Industry Scheme) Stable Fund

	Portfolio holdings			
	As at 31 March 2018 units	Additions units	Disposals units	As at 31 March 2019 units
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,212,985.4090	-	-	1,212,985.4090
BEA Union Investment Asia Strategic Growth Fund - Class A	278,030.0300	63,108.6740	33,424.8550	307,713.8490
BEA Union Investment Global Bond Fund - Class A	9,913,299.7840	409,053.6980	102,235.3700	10,220,118.1120
BEA Union Investment Global Equity Fund - Class A	205,988.3300	-	-	205,988.3300
BEA Union Investment Greater China Growth Fund - Class A	67,645.3230	-	-	67,645.3230
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	89,076.0950	-	-	89,076.0950
BEA Union Investment Hong Kong Growth Fund - Class A	443,350.6250	458,664.0760	335,049.0930	566,965.6080
BEA Union Investment Money Market Fund - Class A	-	1,729,799.1780	-	1,729,799.1780
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	201,928.4774	-	67,318.7780	134,609.6994
PineBridge Fund Series - PineBridge Hong Kong Dollar Money Market Fund - Provident Fund Units	2,572,016.4609	7,816,882.7827	10,388,899.2436	-
Schroder Institutional Pooled Funds - European Equity Fund - Class B	581,058.0521	-	-	581,058.0521
<b>Approved Index-Tracking Funds</b>				
iShares Europe ETF	193,763.0000	24,185.0000	120,785.0000	97,163.0000
iShares MSCI Australia ETF	169,741.0000	14,947.0000	-	184,688.0000
iShares MSCI Japan ETF	201,564.0000	230,141.0000	341,288.0000	90,417.0000
SPDR S&P 500 ETF Trust	59,405.0000	45,758.0000	38,391.0000	66,772.0000
Tracker Fund of Hong Kong	1,905,500.0000	6,488,000.0000	5,909,000.0000	2,484,500.0000
Vanguard FTSE Developed Europe UCITS ETF	135,374.0000	174,884.0000	110,311.0000	199,947.0000

# Investment report for the year ended 31 March 2019 (continued)

## Statement of movements in investment portfolio (continued)

### BEA (Industry Scheme) Greater China Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Greater China Growth Fund - Class A	1,179,231.9710	67,692.6300	-	1,246,924.6010
BEA Union Investment Hong Kong Growth Fund - Class A	95,248.7720	3,345.1140	-	98,593.8860
<b>Approved Index-Tracking Funds</b>				
Tracker Fund of Hong Kong	125,546.0000	183,500.0000	-	309,046.0000
iShares MSCI Taiwan ETF	13,172.0000	-	-	13,172.0000

# Investment report for the year ended 31 March 2019 (continued)

## Statement of movements in investment portfolio (continued)

### BEA (Industry Scheme) Hong Kong Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Hong Kong Growth Fund - Class A	880,631.3240	53,768.6720	20,679.5810	913,720.4150
<b>Approved Index-Tracking Funds</b>				
Hang Seng China Enterprises Index ETF	40,400.0000	-	40,400.0000	-
Tracker Fund of Hong Kong	1,428,500.0000	1,202,500.0000	73,500.0000	2,557,500.0000

# Investment report for the year ended 31 March 2019 (continued)

## Statement of movements in investment portfolio (continued)

### BEA (Industry Scheme) Asian Equity Fund

	Portfolio holdings			
	As at 31 March 2018 units	Additions units	Disposals units	As at 31 March 2019 units
Approved Pooled Investment Funds				
BEA Union Investment Asia Strategic Growth Fund - Class A	314,265.6860	56,639.3690	-	370,905.0550
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	140,198.2679	19,687.2940	28,445.9997	131,439.5622
Approved Index-Tracking Fund				
iShares MSCI AC Far East ex-Japan UCITS ETF USD (Dist)	1,928.0000	29,762.0000	24,977.0000	6,713.0000

# Investment report for the year ended 31 March 2019 (continued)

## Statement of movements in investment portfolio (continued)

### BEA China Tracker Fund

	<i>Portfolio holdings</i>		
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>
<b>Approved Index-Tracking Fund</b>			
Hang Seng China Enterprises Index ETF	621,400.0000	145,000.0000	38,400.0000
	728,000.0000		

# Investment report for the year ended 31 March 2019 (continued)

## Statement of movements in investment portfolio (continued)

### BEA Hong Kong Tracker Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2019 units</i>
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Index-Tracking Fund</b>				
Tracker Fund of Hong Kong	2,454,500.0000	711,000.0000	190,000.0000	2,975,500.0000

# Investment report for the year ended 31 March 2019 (continued)

## Statement of movements in investment portfolio (continued)

### BEA (Industry Scheme) RMB & HKD Money Market Fund

	% of net assets	
	As at 31 March 2019	As at 31 March 2018
<b>Short-term deposits</b>		
Hong Kong Dollar	34.85	34.69
Renminbi	58.00	58.57
	<u>92.85</u>	<u>93.26</u>



# Investment report for the year ended 31 March 2019 (continued)

## Statement of movements in investment portfolio (continued)

### BEA (Industry Scheme) Age 65 Plus Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2019 units</i>
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Age 65 Plus Fund - Class I	3,145,552.8130	621,583.9450	193,519.8370	3,573,616.9210

# Investment report for the year ended 31 March 2019 (continued)

## Statement of movements in investment portfolio (continued)

### BEA (Industry Scheme) Core Accumulation Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Core Accumulation Fund - Class I	<u>4,312,401.1800</u>	<u>1,892,898.8230</u>	<u>39,713.3630</u>	<u>6,165,586.6400</u>

# Independent auditor's report to the Trustee of BEA (MPF) Industry Scheme ("the Scheme")

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of the Scheme set out on pages 72 to 134, which comprise the statement of net assets available for benefits of the Scheme and the statement of assets and liabilities of each of its constituent funds as at 31 March 2019, and the statement of changes in net assets available for benefits and the cash flow statement of the Scheme, and the statement of comprehensive income and the statement of changes in net assets attributable to members of each of its constituent funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Scheme as at 31 March 2019, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

### *Basis for Opinion*

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HSAs") and with reference to Practice Note 860.1 (Revised), *The Audit of Retirement Schemes* issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Scheme in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independent auditor's report to the Trustee of BEA (MPF) Industry Scheme ("the Scheme") (continued)

### **Report on the Audit of the Financial Statements (continued)**

#### *Information Other than the Financial Statements and Auditor's Report Thereon*

The Investment Manager and the Trustee of the Scheme are responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of Investment Manager and Trustee for the Financial Statements*

The Investment Manager and the Trustee are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and for such internal control as the Investment Manager and the Trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Investment Manager and the Trustee of the Scheme are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Investment Manager and the Trustee either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

In addition, the Investment Manager and the Trustee are required to ensure that the financial statements have been properly prepared in accordance with sections 80, 81, 83 and 84 of the Mandatory Provident Fund Schemes (General) Regulation ("General Regulation").

Those charged with governance are responsible for overseeing the Scheme's financial reporting process.

## Independent auditor's report to the Trustee of BEA (MPF) Industry Scheme ("the Scheme") (continued)

### **Report on the Audit of the Financial Statements (continued)**

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, in accordance with section 102 of the General Regulation, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Scheme have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Investment Manager and the Trustee of the Scheme.

## Independent auditor's report to the Trustee of BEA (MPF) Industry Scheme ("the Scheme") (continued)

### Report on the Audit of the Financial Statements (continued)

#### *Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

- Conclude on the appropriateness of the Investment Manager's and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Investment Manager and the Trustee of the Scheme regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on matters under the Mandatory Provident Fund Schemes (General) Regulation

- a. In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.
- b. We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.



Certified Public Accountants

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

9 September 2019

## Independent auditor's assurance report

To the Trustee of BEA (MPF) Industry Scheme ("the Scheme")

We have audited the financial statements of the Scheme for the year ended 31 March 2019 in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 860.1 (Revised), *The Audit of Retirement Schemes* ("PN 860.1 (Revised)") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and have issued an unqualified auditor's report thereon dated 9 September 2019.

Pursuant to section 102 of the Mandatory Provident Fund Schemes (General) Regulation ("General Regulation"), we are required to report whether the Scheme complied with certain requirements of the Mandatory Provident Fund Schemes Ordinance ("MPFSO") and the General Regulation.

### *Trustee's responsibility*

The General Regulation requires the Trustee to ensure that:

- a. proper accounting and other records are kept in respect of the constituent funds of the Scheme, the Scheme assets and all financial transactions entered into in relation to the Scheme;
- b. the requirements specified in the guidelines made by the Mandatory Provident Fund Schemes Authority ("MPFA") under section 28 of the MPFSO with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part X of, and Schedule 1 to, the General Regulation are complied with;
- c. the requirements under sections 34DB(1)(a), (b), (c) and (d), 34DC(1), 34DD(1) and (4) of the MPFSO are complied with; and
- d. the Scheme assets are not subject to any encumbrance, otherwise than as permitted by the General Regulation.

### *Our independence and quality control*

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Independent auditor's assurance report (continued)

### *Auditor's responsibility*

Our responsibility is to report solely to you, on the Scheme's compliance with the above requirements based on the results of the procedures performed by us, in accordance with section 102 of the General Regulation, 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 engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to PN 860.1 (Revised) issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance on whether the Scheme has complied with the above requirements.

We have planned and performed such procedures as we considered necessary with reference to the procedures recommended on PN 860.1 (Revised), which included reviewing, on a test basis, evidence obtained from the Trustee regarding the Scheme's compliance with the above requirements.

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

### *Opinion*

Based on the foregoing:

1. In our opinion:
  - a. proper accounting and other records have been kept during the year ended 31 March 2019 in respect of the constituent funds of the Scheme, the Scheme assets and all financial transactions entered into in relation to the Scheme; and
  - b. the requirements specified in the guidelines made by the MPFA under section 28 of the MPFSO with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part X of, and Schedule 1 to, the General Regulation have been complied with, in all material respects, as at 31 July 2018, 30 November 2018 and 31 March 2019; and
  - c. the requirements specified in the MPFSO under section 34DB(1)(a), (b), (c) and (d), 34DC(1) and 34DD(1) and (4)(a) with respect to the investment of accrued benefits and control of payment for services relating to BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund have been complied with, in all material respects, as at 31 July 2018, 30 November 2018 and 31 March 2019; and



## Independent auditor's assurance report (continued)

### *Opinion (continued)*

- d. the requirements specified in section 34DD(4)(b) of the MPFSO with respect to the controls of out-of-pocket expenses of the BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund have been complied with, in all material respects, as at 31 March 2019.
2. as at 31 March 2019, the Scheme assets were not subject to any encumbrance, otherwise than as permitted by the General Regulation.

### *Other Matter*

The requirements specified in the MPFSO under sections 34DI(1) and (2) and 34DK(2) with respect to the transfer of accrued benefits to an account and specified notice, and 34DJ(2), (3), (4) and (5) with respect to locating scheme members relating to BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund are not applicable to the Trustee during the year ended 31 March 2019 as the Trustee has completed the relevant transitional provisions and the default investment arrangement of the Scheme prior to 1 April 2017 were not guaranteed funds. Accordingly, there is no reporting on these sections.

### *Intended users and purpose*

This report is intended solely for submission by the Trustee to the MPFA pursuant to section 102 of the General Regulation, and is not intended to be, and should not be, used by anyone for any other purposes.



Certified Public Accountants

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

9 September 2019

# Statement of changes in net assets available for benefits - Industry Scheme for the year ended 31 March 2019

	Note	2019 HK\$	2018 HK\$
<b>Income</b>			
Net (loss)/gain on investments in constituent funds	8	(112,495,832)	1,043,289,033
Interest on bank deposits	9(d)	2,215,637	2,307,188
<b>Total investment (loss)/ income</b>		<u>(110,280,195)</u>	<u>1,045,596,221</u>
<b>Expenses</b>			
Administrative and other expenses		<u>2,213,525</u>	<u>2,386,537</u>
<b>Total operating expenses</b>		<u>2,213,525</u>	<u>2,386,537</u>
<b>Net (loss)/ profit</b>		<u>(112,493,720)</u>	<u>1,043,209,684</u>
<b>Contributions received and receivable</b>	11		
From employers			
– Mandatory		741,283,181	778,464,439
– Additional voluntary		897,911	579,055
From members			
– Mandatory		743,582,789	778,478,449
– Additional voluntary		420,267	452,541
		<u>1,486,184,148</u>	<u>1,557,974,484</u>
<b>Contribution surcharge</b>		<u>2,394,699</u>	<u>2,531,772</u>

# Statement of changes in net assets available for benefits - Industry Scheme for the year ended 31 March 2019 (continued)

	Note	2019 HK\$	2018 HK\$
<b>Transfers in</b>			
Group transfers in from other schemes		78,557,410	96,131,001
Individual transfers in from other schemes		9,898,725	17,167,875
		<u>88,456,135</u>	<u>113,298,876</u>
<b>Benefits paid and payable</b>	12		
Retirement		242,758,110	193,316,278
Early retirement		73,427,159	60,146,942
Death		13,815,475	16,217,067
Permanent departure		55,519,931	48,239,505
Total incapacity		6,462,243	7,617,331
Small balance		24,923	33,519
Refund of contribution to leavers or employers		637,990	385,377
Terminal illness		5,989,229	4,515,378
		<u>398,635,060</u>	<u>330,471,397</u>
<b>Transfers out</b>			
Group transfers out to other schemes		71,301,639	65,679,829
Individual transfers out to other schemes		339,295,405	279,401,799
		<u>410,597,044</u>	<u>345,081,628</u>

Statement of changes in net assets available for benefits  
- Industry Scheme  
for the year ended 31 March 2019 (continued)

	<i>Note</i>	<i>2019</i> HK\$	<i>2018</i> HK\$
<b>Long service payments and severance payments</b>		32,502,842	38,796,353
		-----	-----
<b>Fees and expenses deduction for conservative fund</b>		22,696,533	20,696,616
		-----	-----
<b>Changes in net assets available for benefits attributable to members</b>		600,109,783	1,981,968,822
		-----	-----
<b>Net assets available for benefits attributable to members at the beginning of the year</b>		11,604,457,293	9,622,488,471
		-----	-----
<b>Net assets available for benefits attributable to members at the end of the year</b>		12,204,567,076	11,604,457,293
		-----	-----

The notes on pages 85 to 134 form part of these financial statements.

# Statement of net assets available for benefits - Industry Scheme as at 31 March 2019

	Note	2019 HK\$	2018 HK\$
<b>Assets</b>			
Investments	6	12,101,557,589	11,497,929,492
Contributions receivables			
– from employers		47,923,979	52,309,382
– from members		48,224,396	52,266,705
Interest receivables		151,040	144,767
Other receivables		193,232	154,227
Bank balances	7, 9(d)	25,175,582	22,811,397
<b>Total assets</b>		<u>12,223,225,818</u>	<u>11,625,615,970</u>
<b>Liabilities</b>			
Benefits payables	7	11,947,009	13,962,669
Accruals and other payables		6,711,733	7,196,008
<b>Total liabilities (excluding net assets available for benefits attributable to members)</b>		<u>18,658,742</u>	<u>21,158,677</u>
<b>Net assets available for benefits attributable to members</b>		<u>12,204,567,076</u>	<u>11,604,457,293</u>

Approved and authorised for issue by the Trustee on 9 September 2019




)  
)  
) For and on behalf of  
) Bank of East Asia (Trustees) Limited  
) 東亞銀行 (信託) 有限公司  
)  
)

The notes on pages 85 to 134 form part of these financial statements.

## Cash flow statement - Industry Scheme for the year ended 31 March 2019

	2019 HK\$	2018 HK\$
<b>Cash flows from operating activities</b>		
Net (loss)/profit	(112,493,720)	1,043,209,684
Adjustments for:		
Net loss/(gain) on investments	112,495,832	(1,043,289,033)
Interest on bank deposits	(2,215,637)	(2,307,188)
Fees and expenses deduction for conservative fund	(22,696,533)	(20,696,616)
	(24,910,058)	(23,083,153)
Proceeds from sale of investments	1,090,713,926	1,575,872,439
Payments for purchase of investments	(1,806,837,855)	(2,509,163,695)
Increase in other receivables	(39,005)	(30,706)
(Decrease)/increase in accruals and other payables	(484,275)	1,287,716
Interest received on bank deposits	2,209,364	2,355,959
<b>Net cash used in operating activities</b>	<u>(739,347,903)</u>	<u>(952,761,440)</u>
<b>Cash flows from financing activities</b>		
Contributions and transfers in received	1,585,462,694	1,637,521,405
Benefits paid, transfers out, long service payments and severance payments	(843,750,606)	(709,141,100)
<b>Net cash generated from financing activities</b>	<u>741,712,088</u>	<u>928,380,305</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	2,364,185	(24,381,135)
<b>Cash and cash equivalents at the beginning of the year</b>	<u>22,811,397</u>	<u>47,192,532</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>25,175,582</u>	<u>22,811,397</u>
<b>Analysis of balance of cash and cash equivalents</b>		
Bank balances	<u>25,175,582</u>	<u>22,811,397</u>

The notes on pages 85 to 134 form part of these financial statements.

## Statement of comprehensive income - Constituent funds for the year ended 31 March 2019

		2019											
	Note	BEA (Industry Scheme) MPF Conservative Fund HK\$	BEA (Industry Scheme) Growth Fund HK\$	BEA (Industry Scheme) Balanced Fund HK\$	BEA (Industry Scheme) Stable Fund HK\$	BEA (Industry Scheme) Greater China Equity Fund HK\$	BEA (Industry Scheme) Hong Kong Equity Fund HK\$	BEA (Industry Scheme) Asian Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (Industry Scheme) RMB & HKD Money Market Fund HK\$	BEA (Industry Scheme) Age 65 Plus Fund HK\$	BEA (Industry Scheme) Core Accumulation Fund HK\$
Income													
Net (loss)/gain on investments	8	-	(63,140,578)	(21,948,689)	(12,503,884)	(19,029,351)	(12,103,487)	(12,578,005)	(3,331,680)	(1,795,850)	-	13,098,821	20,834,535
Dividend income		-	31,906,308	13,757,777	13,818,521	366,925	2,119,230	118,620	2,013,660	2,529,720	-	-	-
Interest income	9(d)	89,365	1,364,971	828,092	2,596,863	5,135	2,486	2,132	110	116	4,847	495	802
Interest income from financial assets at fair value through profit or loss	9(e)	47,617,757	-	-	-	-	-	-	-	-	2,352,298	-	-
Exchange (loss)/gain		-	(762,321)	(531,303)	(839,519)	423	-	(29,920)	-	-	(3,628,805)	-	-
Total investment income/(loss)		47,707,122	(30,631,620)	(7,894,123)	3,071,981	(18,656,868)	(9,981,771)	(12,487,173)	(1,317,910)	733,986	(1,271,660)	13,099,316	20,835,337
Expenses													
Sponsor's fees	9(a)	-	31,330,249	19,350,285	29,975,830	4,392,036	4,215,359	1,730,449	451,882	465,312	731,572	2,678,654	4,359,578
Professional indemnity insurance		-	83,670	51,234	78,327	11,539	10,849	-	-	-	-	10,184	14,710
Safe custody and bank charges		7,010	157,030	78,617	77,121	9,346	10,341	-	3,818	3,749	-	-	-
Auditor's remuneration		-	83,468	82,856	83,465	10,175	10,175	-	-	-	-	54,509	54,510
Printing and postage expenses		-	754,834	463,936	713,275	107,598	102,654	-	-	-	-	99,342	155,149
Fund price publication expenses		-	14,594	14,594	14,594	14,594	14,594	-	-	-	-	14,594	14,594
Transaction costs		-	1,445,655	585,873	696,361	9,508	64,337	22,839	33,689	41,878	-	-	-
Miscellaneous expenses		-	584,648	284,860	240,246	4,531	4,531	49,258	18,725	19,286	-	5,487	5,487
Total operating expenses		7,010	34,454,148	20,912,255	31,879,219	4,559,327	4,432,840	1,802,546	508,114	530,225	731,572	2,862,770	4,604,028
Profit/(loss) before taxation		47,700,112	(65,085,768)	(28,806,378)	(28,807,238)	(23,216,195)	(14,414,611)	(14,289,719)	(1,826,024)	203,761	(2,003,232)	10,236,546	16,231,309
Overseas withholding tax	14	-	(4,451,504)	(2,002,310)	(1,933,774)	(30,807)	-	-	-	-	-	-	-
Changes in net assets attributable to members from operations		47,700,112	(69,537,272)	(30,808,688)	(30,741,012)	(23,247,002)	(14,414,611)	(14,289,719)	(1,826,024)	203,761	(2,003,232)	10,236,546	16,231,309

The notes on pages 85 to 134 form part of these financial statements.

## Statement of comprehensive income - Constituent funds for the year ended 31 March 2019 (continued)

		2018											
	Note	BEA (Industry Scheme) MPF Conservative Fund HK\$	BEA (Industry Scheme) Growth Fund HK\$	BEA (Industry Scheme) Balanced Fund HK\$	BEA (Industry Scheme) Stable Fund HK\$	BEA (Industry Scheme) Greater China Equity Fund HK\$	BEA (Industry Scheme) Hong Kong Equity Fund HK\$	BEA (Industry Scheme) Asian Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (Industry Scheme) RMB & HKD Money Market Fund HK\$	BEA (Industry Scheme) Age 65 Plus Fund HK\$	BEA (Industry Scheme) Core Accumulation Fund HK\$
Income													
Net gain on investments	8	-	369,487,269	193,651,411	264,598,732	87,371,460	72,783,599	29,201,347	9,762,740	12,628,350	-	6,895,240	24,974,447
Dividend income		-	23,059,877	10,047,010	10,766,448	519,522	1,457,790	1,936	1,463,640	2,044,005	-	-	-
Interest income	9(d)	10,726	349,402	214,025	862,554	1,081	719	201	18	18	566	52	94
Interest income from financial assets at fair value through profit or loss	9(e)	24,734,884	-	-	-	-	-	-	-	-	1,700,377	-	-
Exchange gain/(loss)		-	192,198	237,506	855,661	963	-	(65,760)	-	-	4,331,317	-	-
Total investment income		24,745,610	393,088,746	204,149,952	277,083,395	87,893,026	74,242,108	29,137,724	11,226,398	14,672,373	6,032,260	6,895,292	24,974,541
Expenses													
Sponsor's fees	9(a)	-	30,640,763	18,863,999	30,908,854	4,131,528	3,836,973	1,501,319	391,495	378,953	552,606	1,273,908	2,345,590
Professional indemnity insurance		-	81,627	51,576	91,954	9,931	9,279	-	-	-	-	2,460	3,312
Safe custody and bank charges		3,710	142,142	73,159	78,129	6,677	7,534	-	3,124	3,576	-	-	-
Auditor's remuneration		-	81,867	81,265	81,866	9,992	9,992	-	-	-	-	9,500	9,500
Printing and postage expenses		-	647,288	398,959	683,841	85,459	79,871	-	-	-	-	35,844	51,967
Fund price publication expenses		-	14,597	14,597	14,597	14,597	14,597	-	-	-	-	14,178	14,178
Transaction costs		-	615,671	323,579	521,617	6,951	24,362	9,196	41,838	47,151	-	-	-
Miscellaneous expenses		-	150,124	72,000	72,611	4,530	4,528	46,052	16,386	15,866	-	-	-
Total operating expenses		3,710	32,374,079	19,879,134	32,453,469	4,269,665	3,987,136	1,556,567	452,843	445,546	552,606	1,335,890	2,424,547
Profit before taxation		24,741,900	360,714,667	184,270,818	244,629,926	83,623,361	70,254,972	27,581,157	10,773,555	14,226,827	5,479,654	5,559,402	22,549,994
Overseas withholding tax	14	-	(5,765,445)	(2,578,980)	(2,737,877)	(34,898)	-	-	-	-	-	-	-
Changes in net assets attributable to members from operations		24,741,900	354,949,222	181,691,838	241,892,049	83,588,463	70,254,972	27,581,157	10,773,555	14,226,827	5,479,654	5,559,402	22,549,994

The notes on pages 85 to 134 form part of these financial statements.



## Statement of assets and liabilities - Constituent funds as at 31 March 2019

		2019											
	Note	BEA (Industry Scheme) MPF Conservative Fund HK\$	BEA (Industry Scheme) Growth Fund HK\$	BEA (Industry Scheme) Balanced Fund HK\$	BEA (Industry Scheme) Stable Fund HK\$	BEA (Industry Scheme) Greater China Equity Fund HK\$	BEA (Industry Scheme) Hong Kong Equity Fund HK\$	BEA (Industry Scheme) Asian Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (Industry Scheme) RMB & HKD Money Market Fund HK\$	BEA (Industry Scheme) Age 65 Plus Fund HK\$	BEA (Industry Scheme) Core Accumulation Fund HK\$
<b>Assets</b>													
Investments	6,9(e)	2,739,967,284	2,442,509,338	1,536,977,507	2,391,147,669	388,253,706	380,784,293	156,956,754	83,720,000	87,479,700	95,236,352	390,989,427	706,946,164
Amounts receivable on sale of investments		-	96,014,124	41,186,471	35,958,835	-	-	-	91,837	72,625	-	35,527	-
Amounts receivable on subscriptions		722,736	-	-	-	-	3,079	-	-	-	-	-	324,433
Interest, dividend and other receivables		5,504,054	2,621,248	1,131,314	1,039,883	793	1,416	356	48	46	310,429	184	337
Prepayments		-	59,203	36,739	57,443	8,131	7,934	-	-	-	-	-	-
Bank balances	9(d)	135,239,302	145,626,116	79,706,125	155,060,778	3,338,308	5,116,305	1,550,515	269,762	133,881	7,118,823	521,260	732,814
<b>Total assets</b>		<u>2,881,433,376</u>	<u>2,686,830,029</u>	<u>1,659,038,156</u>	<u>2,583,264,608</u>	<u>391,600,938</u>	<u>385,913,027</u>	<u>158,507,625</u>	<u>84,081,647</u>	<u>87,686,252</u>	<u>102,665,604</u>	<u>391,546,398</u>	<u>708,003,748</u>
<b>Liabilities</b>													
Amounts payable on purchase of investments		-	-	-	-	-	-	-	22,860	59,034	-	215,809	575,105
Amounts payable on redemptions		1,862,577	1,790,963	555,604	1,525,859	149,136	546,299	478,901	280,320	101,542	29,743	340,945	157,773
Accruals and other payables	9(a)	-	3,375,702	2,026,857	2,961,133	410,367	404,724	165,845	47,827	49,341	68,206	300,639	510,708
<b>Total liabilities (excluding net assets attributable to members)</b>		<u>1,862,577</u>	<u>5,166,665</u>	<u>2,582,461</u>	<u>4,486,992</u>	<u>559,503</u>	<u>951,023</u>	<u>644,746</u>	<u>351,007</u>	<u>209,917</u>	<u>97,949</u>	<u>857,393</u>	<u>1,243,586</u>
<b>Net assets attributable to members</b>	2(c), 4	<u>2,879,570,799</u>	<u>2,681,663,364</u>	<u>1,656,455,695</u>	<u>2,578,777,616</u>	<u>391,041,435</u>	<u>384,962,004</u>	<u>157,862,879</u>	<u>83,730,640</u>	<u>87,476,335</u>	<u>102,567,655</u>	<u>390,689,005</u>	<u>706,760,162</u>

# Statement of assets and liabilities - Constituent funds as at 31 March 2019 (continued)

		2019											
		BEA (Industry Scheme) MPF Conservative Fund HK\$	BEA (Industry Scheme) Growth Fund HK\$	BEA (Industry Scheme) Balanced Fund HK\$	BEA (Industry Scheme) Stable Fund HK\$	BEA (Industry Scheme) Greater China Equity Fund HK\$	BEA (Industry Scheme) Hong Kong Equity Fund HK\$	BEA (Industry Scheme) Asian Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (Industry Scheme) RMB & HKD Money Market Fund HK\$	BEA (Industry Scheme) Age 65 Plus Fund HK\$	BEA (Industry Scheme) Core Accumulation Fund HK\$
<b>Represented by:</b>	Note												
Number of units outstanding	4	214,145,385.656	120,519,221.814	83,438,487.006	138,335,033.297	26,387,941.029	27,518,566.288	11,782,186.526	7,358,152.649	5,435,797.388	9,762,058.449	36,375,563.931	63,094,038.296
Net asset value per unit	4	13.4468	22.2509	19.8524	18.6415	14.8189	13.9892	13.3984	11.3793	16.0926	10.5068	10.7404	11.2017

Approved and authorised for issue by the Trustee on 9 September 2019



 )  
 ) For and on behalf of  
 ) Bank of East Asia (Trustees) Limited  
 ) 東亞銀行 (信託) 有限公司  
 )

The notes on pages 85 to 134 form part of these financial statements.

## Statement of assets and liabilities - Constituent funds as at 31 March 2019 (continued)

		2018											
	Note	BEA (Industry Scheme) MPF Conservative Fund HK\$	BEA (Industry Scheme) Growth Fund HK\$	BEA (Industry Scheme) Balanced Fund HK\$	BEA (Industry Scheme) Stable Fund HK\$	BEA (Industry Scheme) Greater China Equity Fund HK\$	BEA (Industry Scheme) Hong Kong Equity Fund HK\$	BEA (Industry Scheme) Asian Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (Industry Scheme) RMB & HKD Money Market Fund HK\$	BEA (Industry Scheme) Age 65 Plus Fund HK\$	BEA (Industry Scheme) Core Accumulation Fund HK\$
<b>Assets</b>													
Investments	6,9(e)	2,537,594,956	2,520,159,694	1,538,258,532	2,217,074,448	383,459,417	354,791,387	147,875,728	75,313,680	74,616,800	81,386,732	332,484,932	479,582,135
Amounts receivable on sale of investments		-	-	-	-	-	-	-	242,400	-	-	-	-
Amounts receivable on subscriptions		166,118	11,169	-	312	32,633	172,285	65,502	-	-	159,770	40,594	123,342
Interest, dividend and other receivables		5,857,032	1,422,722	648,875	691,887	99	106	48	5	4	371,825	18	25
Prepayments		-	63,935	38,988	59,179	8,829	8,205	-	-	-	-	-	-
Bank balances	9(d)	119,571,123	178,946,005	122,559,541	325,734,237	3,606,838	3,789,782	1,390,323	179,437	490,786	5,533,542	555,091	1,080,064
<b>Total assets</b>		<u>2,663,189,229</u>	<u>2,700,603,525</u>	<u>1,661,505,936</u>	<u>2,543,560,063</u>	<u>387,107,816</u>	<u>358,761,765</u>	<u>149,331,601</u>	<u>75,735,522</u>	<u>75,107,590</u>	<u>87,451,869</u>	<u>333,080,635</u>	<u>480,785,566</u>
<b>Liabilities</b>													
Amounts payable on purchase of investments		-	-	-	-	-	-	-	72,820	440,868	-	366,466	688,984
Amounts payable on redemptions		1,602,048	1,285,059	1,054,994	1,276,566	283,163	144,685	74,169	287,990	4,365	128,690	188,700	390,666
Accruals and other payables	9(a)	-	3,384,727	2,028,389	2,904,309	421,987	391,475	162,703	44,327	43,365	57,422	232,224	330,464
<b>Total liabilities (excluding net assets attributable to members)</b>		<u>1,602,048</u>	<u>4,669,786</u>	<u>3,083,383</u>	<u>4,180,875</u>	<u>705,150</u>	<u>536,160</u>	<u>236,872</u>	<u>405,137</u>	<u>488,598</u>	<u>186,112</u>	<u>787,390</u>	<u>1,410,114</u>
<b>Net assets attributable to members</b>	2(c), 4	<u>2,661,587,181</u>	<u>2,695,933,739</u>	<u>1,658,422,553</u>	<u>2,539,379,188</u>	<u>386,402,666</u>	<u>358,225,605</u>	<u>149,094,729</u>	<u>75,330,385</u>	<u>74,618,992</u>	<u>87,265,757</u>	<u>332,293,245</u>	<u>479,375,452</u>

# Statement of assets and liabilities - Constituent funds as at 31 March 2019 (continued)

		2018											
		BEA (Industry Scheme) MPF Conservative Fund HK\$	BEA (Industry Scheme) Growth Fund HK\$	BEA (Industry Scheme) Balanced Fund HK\$	BEA (Industry Scheme) Stable Fund HK\$	BEA (Industry Scheme) Greater China Equity Fund HK\$	BEA (Industry Scheme) Hong Kong Equity Fund HK\$	BEA (Industry Scheme) Asian Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (Industry Scheme) RMB & HKD Money Market Fund HK\$	BEA (Industry Scheme) Age 65 Plus Fund HK\$	BEA (Industry Scheme) Core Accumulation Fund HK\$
Represented by:	Note												
Number of units outstanding	4	201,366,040.467	117,969,522.305	81,946,837.782	134,491,932.589	24,432,987.252	24,447,755.076	10,031,186.257	6,416,602.703	4,606,294.973	8,103,319.180	31,769,228.904	43,786,062.714
Net asset value per unit	4	13.2177	22.8528	20.2378	18.8813	15.8148	14.6527	14.8631	11.7399	16.1994	10.7691	10.4596	10.9481

Approved and authorised for issue by the Trustee on 9 September 2019



 ) For and on behalf of  
 ) Bank of East Asia (Trustees) Limited  
 ) 東亞銀行 (信託) 有限公司  
 )

The notes on pages 85 to 134 form part of these financial statements.

## Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 March 2019

	2019											
	<i>BEA (Industry Scheme) MPF Conservative Fund</i> HK\$	<i>BEA (Industry Scheme) Growth Fund</i> HK\$	<i>BEA (Industry Scheme) Balanced Fund</i> HK\$	<i>BEA (Industry Scheme) Stable Fund</i> HK\$	<i>BEA (Industry Scheme) Greater China Equity Fund</i> HK\$	<i>BEA (Industry Scheme) Hong Kong Equity Fund</i> HK\$	<i>BEA (Industry Scheme) Asian Equity Fund</i> HK\$	<i>BEA China Tracker Fund</i> HK\$	<i>BEA Hong Kong Tracker Fund</i> HK\$	<i>BEA (Industry Scheme) RMB &amp; HKD Money Market Fund</i> HK\$	<i>BEA (Industry Scheme) Age 65 Plus Fund</i> HK\$	<i>BEA (Industry Scheme) Core Accumulation Fund</i> HK\$
<b>Net assets attributable to members at the beginning of the year</b>	<u>2,661,587,181</u>	<u>2,695,933,739</u>	<u>1,658,422,553</u>	<u>2,539,379,188</u>	<u>386,402,666</u>	<u>358,225,605</u>	<u>149,094,729</u>	<u>75,330,385</u>	<u>74,618,992</u>	<u>87,265,757</u>	<u>332,293,245</u>	<u>479,375,452</u>
Proceeds on subscription of units	462,970,406	257,193,662	153,545,472	285,321,625	69,038,288	96,843,436	40,118,234	21,787,315	27,355,137	28,900,150	119,321,854	244,442,276
Payments on redemption of units	<u>(292,686,900)</u>	<u>(201,926,765)</u>	<u>(124,703,642)</u>	<u>(215,182,185)</u>	<u>(41,152,517)</u>	<u>(55,692,426)</u>	<u>(17,060,365)</u>	<u>(11,561,036)</u>	<u>(14,701,555)</u>	<u>(11,595,020)</u>	<u>(71,162,640)</u>	<u>(33,288,875)</u>
<b>Net subscription</b>	<u>170,283,506</u>	<u>55,266,897</u>	<u>28,841,830</u>	<u>70,139,440</u>	<u>27,885,771</u>	<u>41,151,010</u>	<u>23,057,869</u>	<u>10,226,279</u>	<u>12,653,582</u>	<u>17,305,130</u>	<u>48,159,214</u>	<u>211,153,401</u>
<b>Change in net assets attributable to members from operations</b>	<u>47,700,112</u>	<u>(69,537,272)</u>	<u>(30,808,688)</u>	<u>(30,741,012)</u>	<u>(23,247,002)</u>	<u>(14,414,611)</u>	<u>(14,289,719)</u>	<u>(1,826,024)</u>	<u>203,761</u>	<u>(2,003,232)</u>	<u>10,236,546</u>	<u>16,231,309</u>
<b>Net assets attributable to members at the end of the year</b>	<u>2,879,570,799</u>	<u>2,681,663,364</u>	<u>1,656,455,695</u>	<u>2,578,777,616</u>	<u>391,041,435</u>	<u>384,962,004</u>	<u>157,862,879</u>	<u>83,730,640</u>	<u>87,476,335</u>	<u>102,567,655</u>	<u>390,689,005</u>	<u>706,760,162</u>

The notes on pages 85 to 134 form part of these financial statements.

## Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 March 2019 (continued)

	2018											
	<i>BEA (Industry Scheme) MPF Conservative Fund</i> HK\$	<i>BEA (Industry Scheme) Growth Fund</i> HK\$	<i>BEA (Industry Scheme) Balanced Fund</i> HK\$	<i>BEA (Industry Scheme) Stable Fund</i> HK\$	<i>BEA (Industry Scheme) Greater China Equity Fund</i> HK\$	<i>BEA (Industry Scheme) Hong Kong Equity Fund</i> HK\$	<i>BEA (Industry Scheme) Asian Equity Fund</i> HK\$	<i>BEA China Tracker Fund</i> HK\$	<i>BEA Hong Kong Tracker Fund</i> HK\$	<i>BEA (Industry Scheme) RMB &amp; HKD Money Market Fund</i> HK\$	<i>BEA (Industry Scheme) Age 65 Plus Fund</i> HK\$	<i>BEA (Industry Scheme) Core Accumulation Fund</i> HK\$
<b>Net assets attributable to members at the beginning of the year</b>	<u>2,361,715,171</u>	<u>2,266,898,890</u>	<u>1,422,661,437</u>	<u>2,692,821,551</u>	<u>273,239,584</u>	<u>256,963,007</u>	<u>91,328,173</u>	<u>52,303,970</u>	<u>47,299,793</u>	<u>56,117,627</u>	<u>-</u>	<u>-</u>
Proceeds on subscription of units	521,714,309	290,167,254	170,287,210	384,565,252	72,344,246	97,210,261	44,887,100	25,896,885	29,140,827	33,112,008	363,921,416	475,916,928
Payments on redemption of units	<u>(246,584,199)</u>	<u>(216,081,627)</u>	<u>(116,217,932)</u>	<u>(779,899,664)</u>	<u>(42,769,627)</u>	<u>(66,202,635)</u>	<u>(14,701,701)</u>	<u>(13,644,025)</u>	<u>(16,048,455)</u>	<u>(7,443,532)</u>	<u>(37,187,573)</u>	<u>(19,091,470)</u>
<b>Net subscription</b>	<u>275,130,110</u>	<u>74,085,627</u>	<u>54,069,278</u>	<u>(395,334,412)</u>	<u>29,574,619</u>	<u>31,007,626</u>	<u>30,185,399</u>	<u>12,252,860</u>	<u>13,092,372</u>	<u>25,668,476</u>	<u>326,733,843</u>	<u>456,825,458</u>
<b>Changes in net assets attributable to members from operations</b>	<u>24,741,900</u>	<u>354,949,222</u>	<u>181,691,838</u>	<u>241,892,049</u>	<u>83,588,463</u>	<u>70,254,972</u>	<u>27,581,157</u>	<u>10,773,555</u>	<u>14,226,827</u>	<u>5,479,654</u>	<u>5,559,402</u>	<u>22,549,994</u>
<b>Net assets attributable to members at the end of the year</b>	<u>2,661,587,181</u>	<u>2,695,933,739</u>	<u>1,658,422,553</u>	<u>2,539,379,188</u>	<u>386,402,666</u>	<u>358,225,605</u>	<u>149,094,729</u>	<u>75,330,385</u>	<u>74,618,992</u>	<u>87,265,757</u>	<u>332,293,245</u>	<u>479,375,452</u>

The notes on pages 85 to 134 form part of these financial statements.

# Notes to the financial statements

(Expressed in Hong Kong dollars)

## 1 The Scheme

BEA (MPF) Industry Scheme (“the Scheme”) is established and governed by its trust deed dated 12 April 2000, as amended (“the Trust Deed”). The Scheme is registered under section 21A of the Mandatory Provident Fund Schemes Ordinance (“the MPF Ordinance”) and is required to comply with the MPF Ordinance and the relevant regulations, guidelines and codes issued by the Mandatory Provident Fund Schemes Authority (“the MPFA”).

Under the Trust Deed, Bank of East Asia (Trustees) Limited (“the Trustee”) is required to establish and maintain separate constituent funds into which contributions may be invested. The constituent funds established within the Scheme are only available for investment by members of the Scheme.

The Scheme had 12 constituent funds as at 31 March 2019:

- BEA (Industry Scheme) MPF Conservative Fund
- BEA (Industry Scheme) Growth Fund
- BEA (Industry Scheme) Balanced Fund
- BEA (Industry Scheme) Stable Fund
- BEA (Industry Scheme) Greater China Equity Fund
- BEA (Industry Scheme) Hong Kong Equity Fund
- BEA (Industry Scheme) Asian Equity Fund
- BEA China Tracker Fund
- BEA Hong Kong Tracker Fund
- BEA (Industry Scheme) RMB & HKD Money Market Fund
- BEA (Industry Scheme) Age 65 Plus Fund
- BEA (Industry Scheme) Core Accumulation Fund

## 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently and are consistent with those used in the previous year, unless otherwise stated.

This is the first set of the Scheme and its constituent funds' annual financial statements in which HKFRS 9 *Financial Instruments* has been applied. Changes to significant accounting policies are described in note 3.

### (a) **Statement of compliance**

The financial statements for the Scheme and its constituent funds 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 ("the HKICPA"), accounting principles generally accepted in Hong Kong, the relevant provisions of the Trust Deed, and sections 80, 81, 83 and 84 of the Mandatory Provident Fund Schemes (General) Regulation ("the General Regulation") and the requirements of the MPF Ordinance. A summary of the significant accounting policies adopted by the Scheme and its constituent 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 Scheme and its constituent funds for the current and prior accounting periods reflected in these financial statements.

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

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investments 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.



## 2 Summary of significant accounting policies (continued)

### (c) Investments

#### (i) Classification of financial assets

##### (A) Policy applicable from 1 April 2018

On initial recognition, the Scheme and its constituent funds classify financial assets as measured at amortised cost or fair value through profit or loss ("FVTPL").

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

All other financial assets of the Scheme and its constituent funds are measured at FVTPL.

##### *Business model assessment*

In making an assessment of the objective of the business model in which a financial asset is held, the Scheme and its constituent funds consider all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Scheme's and its constituent funds' management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

#### (i) Classification of financial assets (continued)

##### (A) Policy applicable from 1 April 2018 (continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Scheme and its constituent funds' continuing recognition of the assets.

The Scheme and its constituent funds have determined that they have two business models.

- Held-to-collect business model: this includes contributions receivables, interest receivables, other receivables, bank balances, amounts receivable on sales of investments, amounts receivable on subscriptions, interest, dividend and other receivables. These financial assets are held to collect contractual cash flow.
- Other business model: this includes approved pooled investment funds and approved index-tracking funds. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

##### *Assessment whether contractual cash flows are SPPI*

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Scheme and its constituent funds consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Scheme and its constituent funds consider:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Scheme and its constituent funds' claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration for of the time value of money (e.g. periodical reset of interest rates).

## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

#### (i) Classification of financial assets (continued)

##### (A) Policy applicable from 1 April 2018 (continued)

###### *Assessment whether contractual cash flows are SPPI (continued)*

The Scheme and its constituent funds classify their investments based on the business model and contractual cash flows assessment. Accordingly, the Scheme and its constituent funds classify all their approved pooled investment funds, approved index-tracking funds and short-term deposits into financial assets at FVTPL category. Financial assets measured at amortised cost include contributions receivables, interest receivables, other receivables, bank balances, amounts receivable on sales of investments, amounts receivable on subscriptions, interest, dividend and other receivables.

###### *Reclassifications*

Financial assets are not reclassified subsequent to their initial recognition unless the Scheme and its constituent funds were to change their business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

##### (B) Policy applicable prior to 1 April 2018

All investments have been designated by the Trustee as “financial assets at fair value through profit or loss” at inception.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the documented investment strategy of the Scheme and its constituent funds.

Regular way purchases and sales of investments are accounted for on the trade date basis. Investments are initially recognised at fair value, excluding transaction costs which are expensed as incurred, and are subsequently re-measured at fair value. Realised and unrealised gain and loss on investments are included in the statement of changes in net assets available for benefits of the Scheme and the statement of comprehensive income of the constituent funds in the year in which they arise. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Scheme and its constituent funds have transferred substantially all risks and rewards of ownership.

## 2 Summary of significant accounting policies (continued)

### (c) *Investments (continued)*

#### (ii) Classification of financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is a derivative. Financial liabilities at FVTPL are measured at fair value and net gains and losses are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities measured at amortised cost include amounts payable on purchase of investments, amounts payable on redemption, benefits payable, accruals and other payables.

#### (iii) Recognition

The Scheme and its constituent funds recognise financial assets and financial liabilities on the date they become a party to the contractual provisions of the instruments.

A regular way purchase or sale of financial assets or financial liabilities at fair value through profit or loss is recognised on a trade date basis. From this date, any gains or losses arising from changes in fair value of the financial assets or financial liabilities at fair value through profit or loss are recorded.

Financial liabilities are not recognised unless one of the parties has performed their obligations under the contract or the contract is a derivative contract not exempted from the scope of HKFRS 9.

#### (iv) Measurement

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial assets and 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 values recognised in profit or loss.

Financial assets classified as financial assets measured at amortised cost are carried at amortised cost using the effective interest rate 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 rate method.

## 2 Summary of significant accounting policies (continued)

### (c) *Investments (continued)*

#### (v) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Scheme and its constituent funds have access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Scheme and its constituent funds measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Investments in constituent funds, approved pooled investment funds and approved index-tracking funds are valued at their respective closing net asset value per unit or quoted last-traded prices, if any.

If there is no quoted price in an active market, then the Scheme and its constituent funds use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Scheme and its constituent funds recognise transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

Net gains or losses on investments are included in profit or loss. Net realised gains or losses from financial instruments at fair value through profit or loss is calculated using the average cost method.

#### (vi) Amortised cost measurement

The “amortised cost” of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

#### (vii) Impairment

##### (A) Policy applicable from 1 April 2018

The Scheme and its constituent funds recognise loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost.

The Scheme and its constituent funds measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

#### (vii) Impairment (continued)

##### (A) Policy applicable from 1 April 2018 (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Scheme and its constituent funds consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Scheme and its constituent funds' historical experience and informed credit assessment and including forward-looking information.

The Scheme and its constituent funds assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Scheme and its constituent funds consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Scheme and its constituent funds in full, without recourse by the Scheme and its constituent funds to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Scheme and its constituent funds consider a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of "investment grade". The Scheme and its constituent funds consider this to be Baa3 or higher per Moody's or BBB- or higher per Standard & Poor's.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Scheme and its constituent funds are exposed to credit risk.

#### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Scheme and its constituent funds in accordance with the contract and the cash flows that the Scheme and its constituent funds expect to receive). ECLs are discounted at the effective interest rate of the financial asset.

## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

#### (vii) Impairment (continued)

##### (A) Policy applicable from 1 April 2018 (continued)

###### *Credit-impaired financial assets*

At each reporting date, the Scheme and its constituent funds assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

###### Presentation of allowance for ECLs in the statement of assets and liabilities

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

###### Write-off

The gross carrying amount of a financial asset is written off when the Scheme and its constituent funds have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

##### (B) Policy applicable prior to 1 April 2018

Financial assets that were stated at cost or amortised cost are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication existed, an impairment loss was recognised in profit or loss 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 decreased and the decrease could be linked objectively to an event occurring after the write-down, the write-down was reversed through profit or loss.

## **2 Summary of significant accounting policies (continued)**

### **(c) Investments (continued)**

#### **(viii) Derecognition**

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

Financial assets measured at FVTPL that are sold are derecognised and corresponding receivables from brokers are recognised as of the date the Scheme and its constituent funds commit to sell the assets.

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

On derecognition of a financial asset, the difference between the carrying value of the asset and the consideration received is recognised in profit or loss.

### **(d) Income and expenses**

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. 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 of the respective constituent funds. Interest income on bank deposits is disclosed separately on the face of the statement of changes in net assets available for benefits of the Scheme and the statement of comprehensive income of the constituent funds. All other income and expenses are accounted for on an accruals basis.

### **(e) Units in issue**

The Scheme and its constituent 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 Scheme and its constituent funds' net assets in the event of the Scheme and its constituent funds' 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 Scheme and its constituent funds' net assets.



## **2 Summary of significant accounting policies (continued)**

### **(e) Units in issue (continued)**

- 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 Scheme over the life of the instrument.

In addition to the instrument having all the above features, the Scheme and its constituent funds 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 Scheme; and
- The effect of substantially restricting or fixing the residual return to the puttable instrument holders.

The redeemable units do not provide the members with the right to require redemption for cash at a value proportionate to the members' share in the Scheme and its constituent funds' net assets in the event of the Scheme and its constituent funds' liquidation. Therefore, they do not meet the criteria for equity classification and are classified as financial liabilities. They are measured at the redemption amounts.

### **(f) Translation of foreign currencies**

#### **(i) Functional and presentation currency**

Items included in the financial statements of the Scheme and its constituent funds are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The financial statements are presented in Hong Kong dollar ("HKD"), which is the functional and presentation currency of the Scheme and its constituent funds.

#### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income of the constituent funds.

### **(g) Subscription and redemption of units**

The price at which units are subscribed or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day. Proceeds and payments for units subscribed and redeemed are included in the statement of changes in net assets attributable to members of the constituent funds.

## **2 Summary of significant accounting policies (continued)**

### **(h) Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand, net of bank overdrafts that are repayable on demand 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, if any.

### **(i) Financial assets and liabilities not at fair value**

Financial assets that are classified as financial assets measured at amortised cost include contributions receivables, interest receivables, other receivables, bank balances, amounts receivable on sales of investments, amounts receivable on subscriptions, interest, dividend and other receivables.

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

### **(j) Contributions**

Contributions are accounted for on an accruals basis.

### **(k) Benefits**

Benefits are accounted for on an accruals basis.

### **(l) Transfer values**

Transfer values are accounted for on the effective date of transfer.

### **(m) Related parties**

- (a) A person, or a close member of that person's family, is related to the Scheme and its constituent funds if that person:
  - (i) has control or joint control over the Scheme and its constituent funds;
  - (ii) has significant influence over the Scheme and its constituent funds; or
  - (iii) is a member of the key management personnel of the Scheme and its constituent funds or the Scheme and its constituent funds' parent.

## 2 Summary of significant accounting policies (continued)

### (m) *Related parties (continued)*

- (b) An entity is related to the Scheme and its constituent funds if any of the following conditions applies:
- (i) The entity and the Scheme and its constituent funds are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of an entity related to the Scheme and its constituent funds;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Scheme and its constituent funds or to the Scheme and its constituent funds' parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### (n) *Segment reporting*

An operating segment is a component of the Scheme and its constituent funds that engage in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Scheme and its constituent funds' other components, whose operating results are reviewed regularly by the chief operating decision maker ("the CODM") to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### 3 Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Scheme and its constituent funds. The following developments are relevant to the Scheme and its constituent funds' financial statements:

#### HKFRS 9, *Financial instruments*

The Scheme and its constituent funds have not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 24), except for the amendments to HKFRS 9, Prepayment features with negative compensation which have been adopted at the same time as HKFRS 9.

As permitted by the transition provisions of HKFRS 9, comparative information throughout these financial statements has not generally been restated to reflect the requirements of the standard.

Except for the changes below, the Scheme and its constituent funds have consistently applied the accounting policies as set out in note 2(c) to all periods presented in these financial statements.

#### **HKFRS 9, *Financial Instruments***

HKFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces HKAS 39 *Financial Instruments: Recognition and Measurement*.

As a result of the adoption of HKFRS 9, the Scheme and its constituent funds have adopted consequential amendments to HKAS 1 *Presentation of Financial Statements*, which require:

- impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. Under HKAS 39, impairment was recognised when losses were incurred. The Scheme and its constituent funds did not previously report any incurred losses; and
- separate presentation in the statement of comprehensive income of interest revenue from financial assets measured at amortised cost or fair value through other comprehensive income ("FVOCI") calculated using the effective interest method.

Additionally, the Scheme and its constituent funds have adopted consequential amendments to HKFRS 7 *Financial Instruments: Disclosures*, which are applied to disclosures about 2019 but have not generally been applied to comparative information.

The adoption of HKFRS 9 had no material impact on the net assets attributable to members of the Scheme and its constituent funds.

### 3 Changes in accounting policies (continued)

#### HKFRS 9, *Financial instruments* (continued)

##### i Classification and measurement of financial assets and financial liabilities

HKFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under HKFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. HKFRS 9 eliminates the previous HKAS 39 categories of held to maturity, loans and receivables and available for sale. Under HKFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

HKFRS 9 largely retains the existing requirements in HKAS 39 for the classification and measurement of financial liabilities.

The adoption of HKFRS 9 has not had a significant effect on the Scheme and its constituent funds' accounting policies related to financial liabilities and derivative financial instruments.

For an explanation of how the Scheme and its constituent funds classify and measure financial instruments and account for related gains and losses under HKFRS 9, see Note 2(c).

The following table and the accompanying notes explain the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Scheme and its constituent funds' financial assets and financial liabilities as at 1 April 2018.

	<i>Original classification under HKAS 39</i>	<i>New classification under HKFRS 9</i>
<b>Financial assets</b>		
Amounts receivable on sale of investments	Loans and receivables	Amortised cost
Amounts receivable on subscriptions	Loans and receivables	Amortised cost
Interest, dividend and other receivables	Loans and receivables	Amortised cost
Contributions receivables	Loans and receivables	Amortised cost
Interest receivables	Loans and receivables	Amortised cost
Other receivables	Loans and receivables	Amortised cost
Bank balances	Loans and receivables	Amortised cost
Investments	Designated as at FVTPL	Mandatorily at FVTPL
<b>Financial liabilities</b>		
Amounts payable on purchase of investments	Amortised cost	Amortised cost
Amounts payable on redemptions	Amortised cost	Amortised cost
Accruals and other payables	Amortised cost	Amortised cost
Net assets attributable to members	Amortised cost	Amortised cost
Benefits payables	Amortised cost	Amortised cost
Net assets available for benefits attributable to members	Amortised cost	Amortised cost

Note: Under HKAS 39, unit trust was designated as at FVTPL. They are classified as at FVTPL under HKFRS 9.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 April 2018 have not been impacted by the initial application of HKFRS 9.

### 3 Changes in accounting policies (continued)

#### HKFRS 9, *Financial instruments* (continued)

##### ii. Impairment of financial assets

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with an ECL model. The new impairment model applies to financial assets measured at amortised cost and debt instruments at FVOCI, but not to investments in equity instruments. Under HKFRS 9, credit losses are recognised earlier than under HKAS 39.

The effect of adopting HKFRS 9 on the carrying amounts of financial assets at 1 April 2018 relates solely to the new impairment requirements. The Investment Manager considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. There is no impairment allowance recognised on amounts receivable on contributions receivables, interest receivables, other receivables, bank balances, amounts receivable on sales of investments, amounts receivable on subscriptions, interest, dividend and other receivables on the initial application of HKFRS 9's impairment requirements as at 1 April 2018. Therefore, the carrying amounts of the financial assets remain the same.

##### iii. Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below.

- Comparative periods have not generally been restated. There is no difference in the carrying amounts of financial assets resulting from the adoption of HKFRS 9.
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
  - The determination of the business model within which a financial asset is held.
  - The revocation of previous designations of certain financial assets as measured at FVTPL.

## 4 Capital management and units in issue

### (a) Movement of units in issue

	<i>BEA (Industry Scheme) MPF Conservative Fund</i>		<i>BEA (Industry Scheme) Growth Fund</i>		<i>BEA (Industry Scheme) Balanced Fund</i>	
	2019 Units	2018 Units	2019 Units	2018 Units	2019 Units	2018 Units
Balance at the beginning of the year	201,366,040.467	180,449,715.748	117,969,522.305	114,440,925.514	81,946,837.782	79,130,847.896
Units issued	34,757,997.277	39,661,152.476	11,728,042.876	13,350,425.329	7,865,026.948	8,776,857.724
Units redeemed	(21,978,652.088)	(18,744,827.757)	(9,178,343.367)	(9,821,828.538)	(6,373,377.724)	(5,960,867.838)
Balance at the end of the year	<u>214,145,385.656</u>	<u>201,366,040.467</u>	<u>120,519,221.814</u>	<u>117,969,522.305</u>	<u>83,438,487.006</u>	<u>81,946,837.782</u>

  

	<i>BEA (Industry Scheme) Stable Fund</i>		<i>BEA (Industry Scheme) Greater China Equity Fund</i>		<i>BEA (Industry Scheme) Hong Kong Equity Fund</i>	
	2019 Units	2018 Units	2019 Units	2018 Units	2019 Units	2018 Units
Balance at the beginning of the year	134,491,932.589	156,503,927.412	24,432,987.252	22,320,638.961	24,447,755.076	22,108,205.907
Units issued	15,572,355.773	21,162,351.075	4,780,918.983	4,992,033.041	7,167,400.954	7,126,913.855
Units redeemed	(11,729,255.065)	(43,174,345.898)	(2,825,965.206)	(2,879,684.750)	(4,096,589.742)	(4,787,364.686)
Balance at the end of the year	<u>138,335,033.297</u>	<u>134,491,932.589</u>	<u>26,387,941.029</u>	<u>24,432,987.252</u>	<u>27,518,566.288</u>	<u>24,447,755.076</u>

#### 4 Capital management and units in issue (continued)

##### (a) Movement of units in issue (continued)

	<i>BEA (Industry Scheme) Asian Equity Fund</i>		<i>BEA China Tracker Fund</i>		<i>BEA Hong Kong Tracker Fund</i>	
	2019 Units	2018 Units	2019 Units	2018 Units	2019 Units	2018 Units
Balance at the beginning of the year	10,031,186.257	7,790,936.899	6,416,602.703	5,307,461.451	4,606,294.973	3,727,563.907
Units issued	3,011,515.161	3,287,376.992	1,985,396.325	2,331,398.109	1,778,611.102	1,936,049.614
Units redeemed	(1,260,514.892)	(1,047,127.634)	(1,043,846.379)	(1,222,256.857)	(949,108.687)	(1,057,318.548)
Balance at the end of the year	<u>11,782,186.526</u>	<u>10,031,186.257</u>	<u>7,358,152.649</u>	<u>6,416,602.703</u>	<u>5,435,797.388</u>	<u>4,606,294.973</u>
	<i>BEA (Industry Scheme) RMB &amp; HKD Money Market Fund</i>		<i>BEA (Industry Scheme) Age 65 Plus Fund</i>		<i>BEA (Industry Scheme) Core Accumulation Fund</i>	
	2019 Units	2018 Units	2019 Units	2018 Units	2019 Units	2018 Units
Balance at the beginning of the year	8,103,319.180	5,620,244.466	31,769,228.904	-	43,786,062.714	-
Units issued	2,769,659.058	3,202,287.741	11,433,819.049	35,343,692.155	22,349,127.563	45,566,073.244
Units redeemed	(1,110,919.789)	(719,213.027)	(6,827,484.022)	(3,574,463.251)	(3,041,151.981)	(1,780,010.530)
Balance at the end of the year	<u>9,762,058.449</u>	<u>8,103,319.180</u>	<u>36,375,563.931</u>	<u>31,769,228.904</u>	<u>63,094,038.296</u>	<u>43,786,062.714</u>



#### 4 Capital management and units in issue (continued)

##### (b) Net assets attributable to members and net assets attributable to members per unit as at 31 March

	<i>BEA (Industry Scheme) MPF Conservative Fund</i>		<i>BEA (Industry Scheme) Growth Fund</i>		<i>BEA (Industry Scheme) Balanced Fund</i>	
	2019	2018	2019	2018	2019	2018
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	<u>2,879,570,799</u>	<u>2,661,587,181</u>	<u>2,681,663,364</u>	<u>2,695,933,739</u>	<u>1,656,455,695</u>	<u>1,658,422,553</u>
Net assets attributable to members per unit	<u>13.4468</u>	<u>13.2177</u>	<u>22.2509</u>	<u>22.8528</u>	<u>19.8524</u>	<u>20.2378</u>
	<i>BEA (Industry Scheme) Stable Fund</i>		<i>BEA (Industry Scheme) Greater China Equity Fund</i>		<i>BEA (Industry Scheme) Hong Kong Equity Fund</i>	
	2019	2018	2019	2018	2019	2018
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	<u>2,578,777,616</u>	<u>2,539,379,188</u>	<u>391,041,435</u>	<u>386,402,666</u>	<u>384,962,004</u>	<u>358,225,605</u>
Net assets attributable to members per unit	<u>18.6415</u>	<u>18.8813</u>	<u>14.8189</u>	<u>15.8148</u>	<u>13.9892</u>	<u>14.6527</u>

#### 4 Capital management and units in issue (continued)

##### (b) Net assets attributable to members and net assets attributable to members per unit as at 31 March (continued)

	<i>BEA (Industry Scheme) Asian Equity Fund</i>		<i>BEA China Tracker Fund</i>		<i>BEA Hong Kong Tracker Fund</i>	
	2019	2018	2019	2018	2019	2018
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	<u>157,862,879</u>	<u>149,094,729</u>	<u>83,730,640</u>	<u>75,330,385</u>	<u>87,476,335</u>	<u>74,618,992</u>
Net assets attributable to members per unit	<u>13.3984</u>	<u>14.8631</u>	<u>11.3793</u>	<u>11.7399</u>	<u>16.0926</u>	<u>16.1994</u>
	<i>BEA (Industry Scheme) RMB &amp; HKD Money Market Fund</i>		<i>BEA (Industry Scheme) Age 65 Plus Fund</i>		<i>BEA (Industry Scheme) Core Accumulation Fund</i>	
	2019	2018	2019	2018	2019	2018
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	<u>102,567,655</u>	<u>87,265,757</u>	<u>390,689,005</u>	<u>332,293,245</u>	<u>706,760,162</u>	<u>479,375,452</u>
Net assets attributable to members per unit	<u>10.5068</u>	<u>10.7691</u>	<u>10.7404</u>	<u>10.4596</u>	<u>11.2017</u>	<u>10.9481</u>

## 4 Capital management and units in issue (continued)

The capital of the constituent funds is represented by the net assets attributable to members. Subscription and redemption of units during the year are shown in the statements of changes in net assets attributable to members of the respective constituent funds. The amount of net assets attributable to members can change significantly on a daily basis as the constituent funds are subject to daily subscriptions and redemptions at the discretion of members. The constituent funds' objective when managing capital is to safeguard their ability to continue as a going concern in order to provide retirement benefits to members and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the constituent funds.

In order to maintain or adjust the capital structure, the Scheme policy is to perform the following:

- monitor the level of daily subscriptions and redemptions relative to the liquid assets; and
- redeem and issue units of the constituent funds in accordance with the Trust Deed.

The Trustee monitors capital on the basis of the value of net assets attributable to members.

## 5 Financial risk management

### *Strategy in using financial instruments*

The investment objective of BEA (Industry Scheme) MPF Conservative Fund is to achieve a minimum rate of return while maintaining stability of the principal amount invested.

The investment objective of BEA (Industry Scheme) Growth Fund is to achieve long-term capital appreciation with a controlled risk-return framework through investing mainly in global equities with some exposure in global debt securities/money market instruments.

The investment objective of BEA (Industry Scheme) Balanced Fund is to achieve a stable rate of return with an opportunity of capital appreciation through a balanced weighting of investments in global equities and debt securities.

The investment objective of BEA (Industry Scheme) Stable Fund is to minimise short-term capital risk with moderate capital growth over the long term through a higher weighting of investments in global debt securities to provide steady income and lower exposure to global equities to provide modest potential for capital appreciation.

The investment objective of BEA (Industry Scheme) Greater China Equity Fund is to provide investors with long-term capital growth within a controlled risk-return framework through investing mainly in listed securities of companies that derive or are expected to derive a significant portion of their revenues from goods produced or sold, investments made or services performed in Greater China, which includes the People's Republic of China ("PRC"), the Special Administrative Regions of Hong Kong and Macau and Taiwan ("the Greater China Securities").

The investment objective of BEA (Industry Scheme) Hong Kong Equity Fund is to achieve long-term capital appreciation within a controlled risk-return framework through investing mainly in Hong Kong equities, with some exposure in debt securities/money market instruments.

## 5 Financial risk management (continued)

### ***Strategy in using financial instruments (continued)***

The investment objective of BEA (Industry Scheme) Asian Equity Fund is to achieve long-term capital appreciation within a controlled risk-return framework through investing mainly in Asian ex-Japan equities, with some exposure in debt securities/money market instruments.

The investment objective of BEA China Tracker Fund is to provide investment returns that match the performance of the Hang Seng China Enterprises Index as closely as practicable.

The investment objective of BEA Hong Kong Tracker Fund is to provide investment results that closely correspond to the performance of the Hang Seng Index.

The investment objective of BEA (Industry Scheme) RMB & HKD Money Market Fund is to achieve a rate of return over the long term in line with the interest rate offered by authorised financial institutions in Hong Kong on HKD and RMB savings accounts while maintaining stability of the principal amount invested.

The investment objective of BEA (Industry Scheme) Age 65 Plus Fund is to provide stable growth to scheme members by investing in a globally diversified manner.

The investment objective of BEA (Industry Scheme) Core Accumulation Fund is to provide capital growth to scheme members by investing in a globally diversified manner.

The activities of the constituent funds expose them to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Scheme and its constituent funds are exposed to various risks which are discussed below.

#### **(a) Market risk**

Market risk embodies the potential for both gains and losses and includes currency risk, interest rate risk and other price risk. The Scheme's strategy on the management of market risk is driven by the Scheme's investment objective.

The Scheme's market risk is managed on a regular basis by BEA Union Investment Management Limited ("the Investment Manager") in accordance with policies and procedures in place. The Scheme's overall market position is monitored on a regular basis by the Trustee. Details of the nature of the Scheme's investment portfolio at the reporting date are disclosed in the investment report.

##### **(i) Currency risk**

The Scheme and its constituent funds may hold assets and liabilities denominated in currencies other than their functional currency. The Scheme and its constituent funds may also be exposed to currency risk indirectly via the investment funds held by them as the investment funds may invest in financial instruments denominated in currencies other than their reporting currencies. Therefore, the Scheme and its constituent funds are exposed to currency risk that the exchange rate may change in a manner that has an adverse effect on the value of their assets and liabilities.

## 5 Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

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 Investment Manager monitors all the Scheme's foreign currency positions on a daily basis. Except for BEA (Industry Scheme) Growth Fund, BEA (Industry Scheme) Balanced Fund, BEA (Industry Scheme) Stable Fund, BEA (Industry Scheme) Asian Equity Fund and BEA (Industry Scheme) RMB & HKD Money Market Fund, all other constituent funds are not subject to direct currency risk as their assets and liabilities are denominated in HKD which is their functional currency, or United States dollars ("USD") which is pegged to HKD.

#### *Sensitivity analysis*

BEA (Industry Scheme) Growth Fund's, BEA (Industry Scheme) Balanced Fund's, BEA (Industry Scheme) Stable Fund's, BEA (Industry Scheme) Asian Equity Fund's and BEA (Industry Scheme) RMB & HKD Money Market Fund's net direct exposure to each currency other than HKD or USD as at the reporting date and the estimated change to net assets attributable to members and the changes in net assets attributable to members from operations had the HKD weakened by 5% (2018: 5%) are illustrated below. The analysis is performed on the same basis as 2018.

#### **As at 31 March**

	2019		2018	
	Net direct exposure HK\$	Estimated change had the HKD weakened by 5% HK\$	Net direct exposure HK\$	Estimated change had the HKD weakened by 5% HK\$
<b>BEA (Industry Scheme) Growth Fund</b>				
British Pound	182,493,126	9,124,656	92,195,792	4,609,790
<b>BEA (Industry Scheme) Balanced Fund</b>				
British Pound	72,143,079	3,607,154	38,594,345	1,929,717
<b>BEA (Industry Scheme) Stable Fund</b>				
British Pound	66,860,515	3,343,026	38,327,923	1,916,396
<b>BEA (Industry Scheme) Asian Equity Fund</b>				
British Pound	2,866,569	143,328	905,925	45,296
<b>BEA (Industry Scheme) RMB &amp; HKD Money Market Fund</b>				
Renminbi	59,704,434	2,985,222	51,410,964	2,570,548

## 5 Financial risk management (continued)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

##### *Sensitivity analysis (continued)*

As HKD is pegged to USD, BEA (Industry Scheme) Growth Fund, BEA (Industry Scheme) Balanced Fund, BEA (Industry Scheme) Stable Fund, BEA (Industry Scheme) Asian Equity Fund and BEA (Industry Scheme) RMB & HKD Money Market Fund do not expect any significant movement in USD/HKD exchange rate. A 5% appreciation of HKD 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.

#### (ii) Interest rate risk

Interest rate risk arises from changes in interest rates which may inversely affect the value of a financial instrument and therefore result in a potential gain or loss to the Scheme and its constituent funds.

All constituent funds did not have any interest bearing liabilities as at year end and their interest bearing assets were limited to bank deposits only; accordingly it is considered that they did not have significant direct interest rate risk exposure.

The Investment Manager monitors the Scheme's direct exposure to interest rate risk on a regular basis.

#### (iii) Other price risk

Other price risk is the risk that the 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 factors affecting all instruments traded in the market.

The breakdown of investments held by the Scheme and its constituent funds is shown in investment report.

The Scheme's market risk is managed through (i) deliberate securities selection and (ii) diversification of the investment portfolio. The Investment Manager monitors the Scheme's market position on a daily basis.

## 5 Financial risk management (continued)

### (a) Market risk (continued)

#### (iii) Other price risk (continued)

##### *Sensitivity analysis*

The Investment Manager projects the possible movement of the underlying benchmark indices ("the potential movement") based on historical experience. If the underlying benchmark indices had changed by the following percentages, which are based on the Investment Manager's best estimate of the potential movement as at the reporting date, with all other variables held constant, it is estimated that the net assets attributable to members and the changes in net assets attributable to members from operations would have changed accordingly as shown below. An equal change in the opposite direction would have changed the net assets attributable to members and the changes in net assets attributable to members from operations, by an equal but opposite amount. The analysis is performed on the same basis as 2018.

For BEA (Industry Scheme) MPF Conservative Fund and BEA (Industry Scheme) RMB & HKD Money Market Fund, as they only invest in short-term deposits which are not subject to other price risk, no sensitivity analysis is performed.

	<i>% of possible reasonable shift</i>	<i>Estimated increase 2019 HK\$</i>	<i>Estimated increase 2018 HK\$</i>
BEA (Industry Scheme) Growth Fund (note (a))	5%	121,105,978	125,665,621
BEA (Industry Scheme) Balanced Fund (note (b))	5%	75,574,736	77,935,792
BEA (Industry Scheme) Stable Fund (note (c))	5%	114,556,662	110,206,669
BEA (Industry Scheme) Greater China Equity Fund (note (d))	5%	19,740,074	19,248,455
BEA (Industry Scheme) Hong Kong Equity Fund (note (e))	5%	17,978,785	16,586,817
BEA (Industry Scheme) Asian Equity Fund (note (f))	5%	7,253,503	7,193,637
BEA China Tracker Fund (note (g))	5%	4,184,097	3,776,834
BEA Hong Kong Tracker Fund (note (h))	5%	4,384,439	3,738,872
BEA (Industry Scheme) Age 65 Plus Fund (note (i))	5%	19,591,782	17,292,841
BEA (Industry Scheme) Core Accumulation Fund (note (j))	5%	34,367,517	27,393,156

## 5 Financial risk management (continued)

### (a) Market risk (continued)

#### (iii) Other price risk (continued)

##### *Sensitivity analysis (continued)*

Notes:

- (a) **Before 1 October 2018:** 25% (70% Citi WGBI HKD + 30% Citi WGBI HKD-Hedged) + 22.08% MSCI Zhong Hua ex ADRs Index (NR) + 14% MSCI Europe Index (NR) + 14% MSCI North America Index (NR) + 9% MSCI AC Far East ex Japan ex HK Index (NR) + 9% MSCI Japan Index (NR) + 5% HK MPF Prescribed Savings Rate + 1.92% HSBC Holdings

**Since 1 October 2018:** 25% (75% Citi WGBI HKD + 25% Citi WGBI HKD-Hedged) + 24% FTSE MPF Hong Kong Index + 14% FTSE MPF Europe Index + 14% FTSE MPF North America Index + 9% FTSE MPF AP ex Japan ex Hong Kong + 9% FTSE MPF Japan Index + 5% HK MPF Prescribed Savings Rate

The benchmark composition was changed from 1 October 2018 for better estimation of potential movement of BEA (Industry Scheme) Growth Fund.

- (b) **Before 1 October 2018:** 45% (70% Citi WGBI HKD + 30% Citi WGBI HKD-Hedged) + 15.64% MSCI Zhong Hua ex ADRs Index (NR) + 10% MSCI Europe Index (NR) + 10% MSCI North America Index (NR) + 6.5% MSCI Japan Index (NR) + 6.5% MSCI AC Far East ex Japan ex HK Index (NR) + 5% HK MPF Prescribed Savings Rate + 1.36% HSBC Holdings

**Since 1 October 2018:** 45% (75% Citi WGBI HKD + 25% Citi WGBI HKD-Hedged) + 17% FTSE MPF Hong Kong Index + 10% FTSE MPF Europe Index + 10% FTSE MPF North America Index + 6.5% FTSE MPF AP ex Japan ex Hong Kong + 6.5% FTSE MPF Japan Index + 5% HK MPF Prescribed Savings Rate

The benchmark composition was changed from 1 October 2018 for better estimation of potential movement of BEA (Industry Scheme) Balanced Fund.

- (c) **Before 1 October 2018:** 65% (70% Citi WGBI HKD + 30% Citi WGBI HKD-Hedged) + 9.2% MSCI Zhong Hua ex ADRs Index (NR) + 6% MSCI Europe Index (NR) + 6% MSCI North America Index (NR) + 5% HK MPF Prescribed Savings Rate + 4% MSCI Japan Index (NR) + 4% MSCI AC Far East ex Japan ex HK Index (NR) + 0.8% HSBC Holdings

**Since 1 October 2018:** 60% (75% Citi WGBI HKD + 25% Citi WGBI HKD-Hedged) + 10% FTSE MPF HK + 6% FTSE MPF Europe Index + 6% FTSE MPF North America Index + 10% HK MPF Prescribed Savings Rate + 4% FTSE MPF Japan Index + 4% FTSE MPF Asia Pacific ex Japan ex HK

The benchmark composition was changed from 1 October 2018 for better estimation of potential movement of BEA (Industry Scheme) Stable Fund.



## 5 Financial risk management (continued)

### (a) Market risk (continued)

#### (iii) Other price risk (continued)

##### *Sensitivity analysis (continued)*

- (d) 100% MSCI Golden Dragon ex ADRs Index (NR) was used from 1 April 2018 to 30 September 2018 and FTSE MPF Greater China Index was used from 1 October 2018 to 31 March 2019 for better estimation of potential movement of BEA (Industry Scheme) Greater China Equity Fund.
- (e) The composite of 92% of MSCI Zhong Hua ex ADRs Index (NR) and 8% HSBC Holdings was used from 1 April 2018 to 30 September 2018 and FTSE MPF Hong Kong Index was used from 1 October 2018 to 31 March 2019 for better estimation of potential movement of BEA (Industry Scheme) Hong Kong Equity Fund.
- (f) 100% MSCI AC Far East ex Japan ex ADRs Index (NR) was used from 1 April 2018 to 30 September 2018 and FTSE MPF Asia Pacific ex JP, AU & NZ Hedged Index was used from 1 October 2018 to 31 March 2019 for better estimation of potential movement of BEA (Industry Scheme) Asian Equity Fund.
- (g) 100% Hang Seng China Enterprise Total Return Index
- (h) 100% Hang Seng Total Return Index
- (i) 20% FTSE MPF All-World Index (HKD unhedged total return) + 77% Citi MPF World Government Bond Index (HKD hedged total return) + 3% cash or money market instruments providing a return at MPF Prescribed Savings Rate (HKD unhedged total return)\*
- (j) 60% FTSE MPF All-World Index (HKD unhedged total return) + 37% Citi MPF World Government Bond Index (HKD hedged total return) + 3% cash or money market instruments providing a return at MPF Prescribed Savings Rate (HKD unhedged total return)\*

\* Inclusive of re-investment of dividends/coupons/other incomes

Changes in market index % are revised annually depending on the Investment Manager's current view of market volatility and other relevant factors.

## 5 Financial risk management (continued)

### (b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. All sales of investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of investments sold is only made when the Scheme's custodians have received payments.

For purchase, payments are made once investments have been received by the Scheme's custodians. The trade will fail if either party fails to meet their obligation.

The Investment Manager monitors the Scheme and its constituent funds' credit position on a regular basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of assets and liabilities.

#### Amounts arising from ECL

Impairment on contributions receivables, interest receivables, other receivables, bank balances, amounts receivable on sales of investments, amounts receivable on subscriptions, interest, dividend and other receivables has been measured on a 12-month expected loss basis and reflected the short maturities of the exposures. The Scheme and its constituent funds consider that these exposures have low credit risk based on the external credit ratings of the counterparties.

The Scheme and its constituent funds monitor changes in credit risk on these exposures by tracking published external credit ratings of the counterparties and perform on-going review of the counterparties.

On initial application of HKFRS 9 as at 1 April 2018, the Investment Manager considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. There is no impairment allowance recognized on contributions receivables, interest receivables, other receivables, bank balances, amounts receivable on sales of investments, amounts receivable on subscriptions, interest, dividend and other receivables. The amount of the loss allowance did not change during 2019.

## 5 Financial risk management (continued)

### (b) Credit risk (continued)

At the reporting date, only BEA (Industry Scheme) MPF Conservative Fund and BEA (Industry Scheme) RMB & HKD Money Market Fund held short-term deposits as investments. The credit quality of these short-term deposits are expressed as a percentage of investments below:

#### *BEA (Industry Scheme) MPF Conservative Fund*

##### Portfolio by rating category of the issuer of short-term deposits

	2019	2018
Rating (S&P/Moody's)		
AA-/Aa3	14.92%	9.37%
A+/A1	8.52%	7.25%
A/A2	41.57%	26.84%
A-/A3	21.84%	29.81%
BBB+/Baa1	13.14%	18.13%
BBB/Baa2	0.00%	8.60%
Total	<u>100.00%</u>	<u>100.00%</u>

#### *BEA (Industry Scheme) RMB & HKD Money Market Fund*

##### Portfolio by rating category of the issuer of short-term deposits

	2019	2018
Rating (S&P/Moody's)		
AA-/Aa3	9.02%	6.19%
A+/A1	18.26%	8.11%
A/A2	35.91%	36.05%
A-/A3	18.56%	25.60%
BBB+/Baa1	18.25%	15.34%
BBB/Baa2	0.00%	8.71%
Total	<u>100.00%</u>	<u>100.00%</u>

## **5 Financial risk management (continued)**

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

The Scheme and its constituent funds' investments are held by the custodians and the majority of the Scheme and its constituent 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 Scheme and its constituent funds' execution of their rights with respect to the assets held by the custodians and the Banks to be delayed or limited.

The Investment Manager monitors the credit quality of the custodians and the Banks on an on-going basis.

Other than the outlined above, there were no significant concentrations of credit risk at both 31 March 2019 and 2018.

### **(c) Liquidity risk**

Liquidity risk is the risk that the Scheme and its constituent funds will encounter difficulty in meeting obligations associated with financial liabilities.

The Scheme and its constituent funds' policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and readily realisable investments to meet benefit payments and other liquidity requirements in the short and longer term.

The Scheme and its constituent funds invest the majority of assets in constituent funds, approved pooled investment funds and/or approved index-tracking funds that could be readily converted into cash to meet its liquidity requirement.

As at 31 March 2019 and 2018, all the financial liabilities of the Scheme and its constituent funds are repayable on demand or due within three months.

## 6 Investments

### (a) The Scheme

	2019 HK\$	2018 HK\$
BEA (Industry Scheme) MPF Conservative Fund	2,879,570,799	2,661,587,181
BEA (Industry Scheme) Growth Fund	2,681,663,364	2,695,933,739
BEA (Industry Scheme) Balanced Fund	1,656,455,695	1,658,422,553
BEA (Industry Scheme) Stable Fund	2,578,777,616	2,539,379,188
BEA (Industry Scheme) Greater China Equity Fund	391,041,435	386,402,666
BEA (Industry Scheme) Hong Kong Equity Fund	384,962,004	358,225,605
BEA (Industry Scheme) Asian Equity Fund	157,862,879	149,094,729
BEA China Tracker Fund	83,730,640	75,330,385
BEA Hong Kong Tracker Fund	87,476,335	74,618,992
BEA (Industry Scheme) RMB & HKD Money Market Fund	102,567,655	87,265,757
BEA (Industry Scheme) Age 65 Plus Fund	390,689,005	332,293,245
BEA (Industry Scheme) Core Accumulation Fund	706,760,162	479,375,452
Investments at fair value	<u>12,101,557,589</u>	<u>11,497,929,492</u>
Investments at cost	<u>10,297,496,435</u>	<u>9,434,569,116</u>

### (b) Constituent funds

#### *BEA (Industry Scheme) MPF Conservative Fund*

	2019 HK\$	2018 HK\$
Short-term deposits	<u>2,739,967,284</u>	<u>2,537,594,956</u>

#### *BEA (Industry Scheme) Growth Fund*

	2019 HK\$	2018 HK\$
Approved Pooled Investment Funds	1,453,365,789	1,525,115,083
Approved Index-Tracking Funds	989,143,549	995,044,611
Investments	<u>2,442,509,338</u>	<u>2,520,159,694</u>

## 6 Investments (continued)

### (b) Constituent funds (continued)

#### *BEA (Industry Scheme) Balanced Fund*

	2019 HK\$	2018 HK\$
Approved Pooled Investment Funds	1,109,414,981	1,102,993,585
Approved Index-Tracking Funds	427,562,526	435,264,947
Investments	<u>1,536,977,507</u>	<u>1,538,258,532</u>

#### *BEA (Industry Scheme) Stable Fund*

	2019 HK\$	2018 HK\$
Approved Pooled Investment Funds	2,014,345,700	1,801,871,927
Approved Index-Tracking Funds	376,801,969	415,202,521
Investments	<u>2,391,147,669</u>	<u>2,217,074,448</u>

#### *BEA (Industry Scheme) Greater China Equity Fund*

	2019 HK\$	2018 HK\$
Approved Pooled Investment Funds	375,592,198	375,679,036
Approved Index-Tracking Funds	12,661,508	7,780,381
Investments	<u>388,253,706</u>	<u>383,459,417</u>

#### *BEA (Industry Scheme) Hong Kong Equity Fund*

	2019 HK\$	2018 HK\$
Approved Pooled Investment Fund	305,593,793	306,468,507
Approved Index-Tracking Fund	75,190,500	48,322,880
Investments	<u>380,784,293</u>	<u>354,791,387</u>

## 6 Investments (continued)

### (b) Constituent funds (continued)

#### *BEA (Industry Scheme) Asian Equity Fund*

	2019 HK\$	2018 HK\$
Approved Pooled Investment Funds	154,090,197	146,969,803
Approved Index-Tracking Fund	2,866,557	905,925
Investments	<u>156,956,754</u>	<u>147,875,728</u>

#### *BEA China Tracker Fund*

	2019 HK\$	2018 HK\$
Approved Index-Tracking Fund	<u>83,720,000</u>	<u>75,313,680</u>

#### *BEA Hong Kong Tracker Fund*

	2019 HK\$	2018 HK\$
Approved Index-Tracking Fund	<u>87,479,700</u>	<u>74,616,800</u>

#### *BEA (Industry Scheme) RMB & HKD Money Market Fund*

	2019 HK\$	2018 HK\$
Short-term deposits	<u>95,236,352</u>	<u>81,386,732</u>

#### *BEA (Industry Scheme) Age 65 Plus Fund*

	2019 HK\$	2018 HK\$
Approved Pooled Investment Fund	<u>390,989,427</u>	<u>332,484,932</u>

## 6 Investments (continued)

### (b) Constituent funds (continued)

#### BEA (Industry Scheme) Core Accumulation Fund

	2019 HK\$	2018 HK\$
Approved Pooled Investment Fund	706,946,164	479,582,135
Total investments at fair value	11,400,968,194	10,742,598,441
Total investments at cost	10,457,417,288	9,418,173,003

## 7 Bank balances

As at 31 March 2019, the Scheme placed bank deposits amounted to HK\$25,175,582 (2018: HK\$22,811,397).

#### Reconciliation of liability arising from financing activities

The table below details changes in the Scheme's liability from financing activities, including both cash and non-cash changes. Liability arising from financing activities are liability for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities.

	<i>Benefits payable</i> 2019 HK\$	2018 HK\$
As at beginning of the year	13,962,669	8,754,391
Benefits	398,635,060	330,471,397
Transfers out	410,597,044	345,081,628
Long service payments and severance payments	32,502,842	38,796,353
Benefits paid, transfer outs, long service payments and severance payments paid	(843,750,606)	(709,141,100)
As at end of the year	11,947,009	13,962,669



## 8 Net (loss)/gain on constituent funds/investments

### (a) The Scheme

	2019 HK\$	2018 HK\$
Change in unrealised (loss)/gain in value of constituent funds	(259,299,222)	790,846,290
Realised gain on sale of constituent funds	146,803,390	252,442,743
Net (loss)/gain on constituent funds	<u>(112,495,832)</u>	<u>1,043,289,033</u>

### (b) Constituent funds

	<i>BEA (Industry Scheme) MPF Conservative Fund</i>		<i>BEA (Industry Scheme) Growth Fund</i>		<i>BEA (Industry Scheme) Balanced Fund</i>	
	2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$
Change in unrealised (loss)/gain in value of investments	-	-	(213,838,066)	201,741,637	(84,014,730)	106,071,678
Realised gain on sale of investments	-	-	150,697,488	167,745,632	62,066,041	87,579,733
Net (loss)/gain on investments	<u>-</u>	<u>-</u>	<u>(63,140,578)</u>	<u>369,487,269</u>	<u>(21,948,689)</u>	<u>193,651,411</u>

	<i>BEA (Industry Scheme) Stable Fund</i>		<i>BEA (Industry Scheme) Greater China Equity Fund</i>		<i>BEA (Industry Scheme) Hong Kong Equity Fund</i>	
	2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$
Change in unrealised (loss)/gain in value of investments	(65,352,904)	95,432,642	(19,029,351)	85,025,332	(13,653,679)	70,887,402
Realised gain on sale of investments	52,849,020	169,166,090	-	2,346,128	1,550,192	1,896,197
Net (loss)/gain on investments	<u>(12,503,884)</u>	<u>264,598,732</u>	<u>(19,029,351)</u>	<u>87,371,460</u>	<u>(12,103,487)</u>	<u>72,783,599</u>

	<i>BEA (Industry Scheme) Asian Equity Fund</i>		<i>BEA China Tracker Fund</i>		<i>BEA Hong Kong Tracker Fund</i>	
	2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$
Change in unrealised (loss)/gain in value of investments	(11,612,037)	27,875,605	(3,586,721)	9,238,496	(2,420,374)	11,576,539
Realised (loss)/gain on sale of investments	(965,968)	1,325,742	255,041	524,244	624,524	1,051,811
Net (loss)/gain on investments	<u>(12,578,005)</u>	<u>29,201,347</u>	<u>(3,331,680)</u>	<u>9,762,740</u>	<u>(1,795,850)</u>	<u>12,628,350</u>

	<i>BEA (Industry Scheme) RMB &amp; HKD Money Market Fund</i>		<i>BEA (Industry Scheme) Age 65 Plus Fund</i>		<i>BEA (Industry Scheme) Core Accumulation Fund</i>	
	2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$
Change in unrealised gain in value of investments	-	-	12,723,863	6,806,863	20,640,602	24,879,099
Realised gain on sale of investments	-	-	374,958	88,377	193,933	95,348
Net (loss)/gain on investments	<u>-</u>	<u>-</u>	<u>13,098,821</u>	<u>6,895,240</u>	<u>20,834,535</u>	<u>24,974,447</u>

## 9 Transactions with related parties

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

### (a) Sponsor's fees

The Sponsor, The Bank of East Asia, Limited, is entitled to receive a fee equal to 1.2% per annum of the net asset value of the respective constituent funds except for BEA (Industry Scheme) MPF Conservative Fund, BEA China Tracker Fund, BEA Hong Kong Tracker Fund and BEA (Industry Scheme) RMB & HKD Money Market Fund. This fee is calculated and accrued on each valuation day and payable monthly in arrears.

For BEA (Industry Scheme) MPF Conservative Fund, the sponsor's fee is only deducted when the net investment return exceeds the prescribed savings rate. The maximum amount deducted must not exceed the excess between the net investment return and the prescribed savings rate subject to a maximum fee equal to 0.79% per annum of the net asset value of the constituent fund.

For BEA China Tracker Fund and BEA Hong Kong Tracker Fund, the Sponsor is entitled to receive a fee equal to 0.60% per annum of the net asset value of the respective constituent funds.

For BEA (Industry Scheme) RMB & HKD Money Market Fund, the Sponsor is entitled to receive a fee equal to 0.79% per annum of the net asset value of the constituent fund.

For BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund, the Sponsor is entitled to receive a fee equal to 0.75% per annum of the net asset value of the respective constituent funds. The fee is inclusive of the fees payable to the Trustee and the Investment Manager and the Sponsor will pay the fees of the Trustee and the Investment Manager out of its own fee. The fee breakdown is as follows:

Fees payable to	Current level (p.a.)
Sponsor	0.295%
Trustee and Administrator	0.295%
Investment Manager	0.16%

## 9 Transactions with related parties (continued)

### (a) Sponsor's fees (continued)

The sponsor's fees charged for the year are disclosed in the statement of comprehensive income. As at 31 March, the sponsor's fee payable were as follows:

	2019 HK\$	2018 HK\$
BEA (Industry Scheme) Growth Fund	<u>2,714,923</u>	<u>2,778,147</u>
BEA (Industry Scheme) Balanced Fund	<u>1,676,333</u>	<u>1,701,891</u>
BEA (Industry Scheme) Stable Fund	<u>2,611,959</u>	<u>2,594,501</u>
BEA (Industry Scheme) Greater China Equity Fund	<u>393,604</u>	<u>403,719</u>
BEA (Industry Scheme) Hong Kong Equity Fund	<u>388,103</u>	<u>373,883</u>
BEA (Industry Scheme) Asian Equity Fund	<u>158,243</u>	<u>154,062</u>
BEA China Tracker Fund	<u>42,874</u>	<u>39,418</u>
BEA Hong Kong Tracker Fund	<u>44,203</u>	<u>38,622</u>
BEA (Industry Scheme) RMB & HKD Money Market Fund	<u>68,206</u>	<u>57,422</u>
BEA (Industry Scheme) Age 65 Plus Fund	<u>245,627</u>	<u>210,250</u>
BEA (Industry Scheme) Core Accumulation Fund	<u>442,167</u>	<u>304,286</u>

## 9 Transactions with related parties (continued)

### (b) *Investment management fees*

No separate investment management fees are charged as they are paid out of the sponsor's fees.

### (c) *Trustee's fees*

No separate trustee fees are charged as they are paid out of the sponsor's fees.

### (d) *Bank balances*

As at 31 March 2019, the Scheme and its constituent funds placed bank deposits amounted to HK\$25,175,582 (2018: HK\$22,811,397) and HK\$426,240,729 (2018: HK\$302,305,768) respectively with The Bank of East Asia, Limited, the holding company of the Trustee. The interest income arising from these accounts during the year amounted to HK\$2,215,637 (2018: HK\$ 2,307,188) and HK\$201,178 (2018: HK\$33,478) respectively. Bank charges incurred are not disclosed as the Trustee considers the amounts immaterial.

### (e) *Investments*

As at year end, the following constituent funds of the Scheme invested in approved-pooled investment funds, managed by the Investment Manager and entrusted by the Trustee:

	<i>BEA (Industry Scheme) Growth Fund</i>	
	<i>2019</i>	<i>2018</i>
	<i>HK\$</i>	<i>HK\$</i>
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	84,101,992	78,918,356
BEA Union Investment Asia Strategic Growth Fund - Class A	256,885,508	266,301,219
BEA Union Investment Global Bond Fund - Class A	443,526,552	487,216,871
BEA Union Investment Global Equity Fund - Class A	83,144,793	81,129,369
BEA Union Investment Greater China Growth Fund - Class A	41,062,439	43,408,694
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	9,988,362	9,568,375
BEA Union Investment Hong Kong Growth Fund - Class A	346,012,919	411,931,757
BEA Union Investment Money Market Fund - Class A	75,242,735	-

## 9 Transactions with related parties (continued)

### (e) Investments (continued)

	<i>BEA (Industry Scheme) Balanced Fund</i>		<i>BEA (Industry Scheme) Stable Fund</i>	
	2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	94,842,414	88,996,790	152,520,785	143,120,148
BEA Union Investment Asia Strategic Growth Fund - Class A	118,707,819	124,409,654	115,297,302	116,219,333
BEA Union Investment Global Bond Fund - Class A	570,955,334	578,164,800	1,283,544,634	1,242,532,995
BEA Union Investment Global Equity Fund - Class A	35,128,888	34,277,366	35,096,292	34,245,560
BEA Union Investment Greater China Growth Fund - Class A	18,981,698	20,066,288	18,586,905	19,648,937
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	12,180,227	11,668,077	12,371,779	11,851,574
BEA Union Investment Hong Kong Growth Fund - Class A	160,294,942	171,699,233	189,621,648	154,290,451
BEA Union Investment Money Market Fund - Class A	47,118,775	-	173,792,923	-
	<i>BEA (Industry Scheme) Greater China Equity Fund</i>		<i>BEA (Industry Scheme) Hong Kong Equity Fund</i>	
	2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$
BEA Union Investment Greater China Growth Fund - Class A	342,617,473	342,531,511	-	-
BEA Union Investment Hong Kong Growth Fund - Class A	32,974,725	33,147,525	305,593,793	306,468,507
	<i>BEA (Industry Scheme) Asian Equity Fund</i>		<i>BEA (Industry Scheme) Age 65 Plus Fund</i>	
	2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$
BEA Union Investment Asia Strategic Growth Fund - Class A	138,974,415	131,366,199	-	-
BEA Union Investment Age 65 Plus Fund - Class I	-	-	390,989,427	332,484,932

## 9 Transactions with related parties (continued)

### (e) Investments (continued)

	<i>BEA (Industry Scheme) Core Accumulation Fund</i>	
	<i>2019</i>	<i>2018</i>
	<i>HK\$</i>	<i>HK\$</i>
BEA Union Investment Core Accumulation Fund - Class I	706,946,164	479,582,135

As at year end, BEA (Industry Scheme) MPF Conservative Fund held short-term deposits with The Bank of East Asia, Limited, the ultimate controlling party of the Trustee, as follows:

	<i>2019</i>		<i>2018</i>	
	<i>Nominal value HK\$</i>	<i>Fair value HK\$</i>	<i>Nominal value HK\$</i>	<i>Fair value HK\$</i>
Bank of East Asia, Limited F/D 1.53% 15 May 2019	53,199,852	53,199,852	-	-
Bank of East Asia, Limited F/D 1.66% 12 June 2019	10,527,680	10,527,680	-	-
Bank of East Asia, Limited F/D 1.75% 19 June 2019	28,523,245	28,523,245	-	-
Bank of East Asia, Limited F/D 1.07% 23 May 2018	-	-	6,663,006	6,663,006
Bank of East Asia, Limited F/D 1.06% 30 May 2018	-	-	52,200,250	52,200,250
Bank of East Asia, Limited F/D 1.16% 27 June 2018	-	-	30,725,491	30,725,491
	<u>92,250,777</u>	<u>92,250,777</u>	<u>89,588,747</u>	<u>89,588,747</u>

Interest income derived from short-term deposits during the year ended 31 March 2019 amounted to HK\$1,967,827 (2018: 909,078).

## **9 Transactions with related parties (continued)**

### **(f) Brokerage commission**

No brokerage commission was paid to brokers who are associates or delegates of the Trustee or Investment Manager during the years ended 31 March 2019 and 2018.

## **10 Transactions with associates**

All the transactions with associates as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance and the “Guidelines on Annual Statements of Registered Schemes” Annex C section I(D)(2) issued by the MPFA have been included in transaction with related parties as set out in note 9.

## **11 Contributions received and receivable**

Mandatory contributions for both the employers and members are equal to 5% of the members’ relevant income up to HK\$30,000 per month but in respect of members earning less than HK\$7,100 per month, the members’ mandatory contribution is nil.

Self-employed persons must contribute 5% of their relevant income subject to a maximum contribution of HK\$1,500 per month to the Scheme unless their relevant income is less than HK\$7,100 per month.

Any contributions made to the Scheme by the employers or members in excess of their mandatory contributions are voluntary contributions.

The Employee Choice Arrangement (“the ECA”) has been launched by the MPFA with effect from 1 November 2012. The ECA allows members to opt to transfer the member’s portion of the mandatory contributions and investment returns (i.e. the accrued benefits) in their contribution accounts to an MPF trustee and scheme of their own choice once a year. Alternatively, members do not have to make any change. They can retain the accrued benefits in the original MPF scheme selected by their employers.

## **12 Benefits paid and payable**

Members will become entitled to benefits in respect of mandatory contributions to the Scheme in the circumstances set out in the MPF Ordinance. Currently, these circumstances include where the members (i) reach the age of 65; (ii) permanently cease employment or self-employment, after reaching the age of 60 or cease employment or self-employment as a result of total incapacity; (iii) have a terminal illness; (iv) permanently depart from Hong Kong; (v) die or (vi) have the right to claim a small balance pursuant to the MPF Ordinance.

Members will become entitled to benefits in respect of contractual voluntary contributions to the Scheme in the circumstances set out in the Trust Deed and the relevant participation agreement.

### **13 Bank loans, overdrafts and other borrowings**

The Scheme and its constituent funds had no bank loans, overdrafts and other borrowings as at 31 March 2019 and 2018.

### **14 Taxation**

The Scheme is registered under the MPF Ordinance and is therefore a recognised scheme for the purposes of Hong Kong Profits Tax. The policy of the Hong Kong Inland Revenue Department (“IRD”), as set out in IRD Practice Note No. 23 is that “recognised retirement schemes and their trustees are not considered to be subject to profits tax on their investment income”. Accordingly, no provision for Hong Kong Profits Tax has been made in the Scheme’s financial statements.

Non-recoverable overseas withholding tax was charged on certain dividend received during the year.

### **15 Soft commission arrangements**

During the year ended 31 March 2019, the Investment Manager and its delegates did not enter into any soft commission arrangements with brokers relating to dealings in the assets of the Scheme and its constituent funds (2018: HK\$Nil).

### **16 Security lending arrangements**

During the year ended 31 March 2019, the Scheme and its constituent funds did not enter into any security lending arrangements (2018: HK\$Nil).

### **17 Negotiability of assets**

As at 31 March 2019, there were no statutory or contractual requirements restricting the negotiability of the assets of the Scheme and its constituent funds (2018: HK\$Nil).

### **18 Commitments**

As at 31 March 2019, the Scheme and its constituent funds had no commitments (2018: HK\$Nil).

### **19 Contingent liabilities and capital commitment**

As at 31 March 2019, there were no contingent liabilities or capital commitments outstanding for the Scheme and its constituent funds (2018: HK\$Nil).

### **20 Marketing expenses**

During the year ended 31 March 2019, there have been no advertising expenses, promotional expenses or commissions or brokerage fees paid and payable to the MPF intermediaries deducted from the Scheme and its constituent funds (2018: HK\$Nil).



## 21 Segment information

The CODM makes the strategic resource allocation on behalf of the Scheme and determines the operating segments based on the internal reporting used to make strategic decisions. The CODM's asset allocation decisions for the Scheme are based on the investment objective, investment strategy and the performance of each constituent fund. Accordingly the CODM considers that the Scheme has 12 operating segments. The investment objectives and the investment portfolios of the constituent funds are presented in the investment report. Other segmental information of the constituent funds are presented in these financial statements.

The internal reporting provided to the CODM is the same as that disclosed in these financial statements.

## 22 Involvement with unconsolidated structured entities

The Scheme has concluded that approved pooled investment funds and approved index-tracking funds in which its constituent funds invest but are not consolidated by the constituent funds meet the definition of structured entities because:

- the voting rights in the investment funds are not dominant rights in deciding who controls them as they relate to administrative tasks only;
- each investment fund's activities are restricted by its prospectus; and
- the investment funds have narrow and well-defined objectives to provide investment opportunities to investors.

The table below describes the types of structured entities that the constituent funds do not consolidate but in which they hold an interest.

<i>Type of structured entity</i>	<i>Nature and purpose</i>	<i>Interest held by the constituent funds</i>
Investment funds	To invest on behalf of third party investors  These vehicles are financed through the issues of units to investors	Investments in units issued by the investment funds

The table below sets out interests held by the constituent funds in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the financial assets held by the constituent funds.

## 22 Involvement with unconsolidated structured entities (continued)

As at 31 March 2019

	Number of investee funds	Total net assets HK\$ (in millions)	Carrying amount included in "Investments" HK\$ (in millions)
<b>BEA (Industry Scheme) Growth Fund</b>			
– Approved Pooled Investment Funds	10	18,501	1,453
– Approved Index-Tracking Funds	6	2,309,661	989
<b>BEA (Industry Scheme) Balanced Fund</b>			
– Approved Pooled Investment Funds	10	18,501	1,109
– Approved Index-Tracking Funds	6	2,309,661	428
<b>BEA (Industry Scheme) Stable Fund</b>			
– Approved Pooled Investment Funds	10	18,501	2,014
– Approved Index-Tracking Funds	6	2,309,661	377
<b>BEA (Industry Scheme) Greater China Equity Fund</b>			
– Approved Pooled Investment Funds	2	4,701	376
– Approved Index-Tracking Funds	2	116,868	13
<b>BEA (Industry Scheme) Hong Kong Equity Fund</b>			
– Approved Pooled Investment Fund	1	2,864	306
– Approved Index-Tracking Fund	1	90,525	75

## 22 Involvement with unconsolidated structured entities (continued)

*As at 31 March 2019 (continued)*

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "Investments" HK\$ (in millions)</i>
<b>BEA (Industry Scheme) Asian Equity Fund</b>			
– Approved Pooled Investment Funds	2	2,286	154
– Approved Index-Tracking Fund	1	19,791	3
<b>BEA China Tracker Fund</b>			
– Approved Index-Tracking Fund	1	27,293	84
<b>BEA Hong Kong Tracker Fund</b>			
– Approved Index-Tracking Fund	1	90,525	87
<b>BEA (Industry Scheme) Age 65 Plus Fund</b>			
– Approved Pooled Investment Fund	1	455	391
<b>BEA (Industry Scheme) Core Accumulation Fund</b>			
– Approved Pooled Investment Fund	1	860	707

## 22 Involvement with unconsolidated structured entities (continued)

As at 31 March 2018

	Number of investee funds	Total net assets HK\$ (in millions)	Carrying amount included in "Investments" HK\$ (in millions)
<b>BEA (Industry Scheme) Growth Fund</b>			
– Approved Pooled Investment Funds	10	23,904	1,525
– Approved Index-Tracking Funds	6	2,311,985	995
<b>BEA (Industry Scheme) Balanced Fund</b>			
– Approved Pooled Investment Funds	10	23,904	1,103
– Approved Index-Tracking Funds	6	2,311,985	435
<b>BEA (Industry Scheme) Stable Fund</b>			
– Approved Pooled Investment Funds	10	23,904	1,802
– Approved Index-Tracking Funds	6	2,311,985	415
<b>BEA (Industry Scheme) Greater China Equity Fund</b>			
– Approved Pooled Investment Funds	2	5,158	376
– Approved Index-Tracking Funds	2	127,364	8
<b>BEA (Industry Scheme) Hong Kong Equity Fund</b>			
– Approved Pooled Investment Fund	1	3,152	306
– Approved Index-Tracking Funds	2	132,470	48

## 22 Involvement with unconsolidated structured entities (continued)

*As at 31 March 2018 (continued)*

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "Investments" HK\$ (in millions)</i>
<b>BEA (Industry Scheme) Asian Equity Fund</b>			
– Approved Pooled Investment Funds	2	2,532	147
– Approved Index-Tracking Fund	1	20,746	1
<b>BEA China Tracker Fund</b>			
– Approved Index-Tracking Fund	1	36,641	75
<b>BEA Hong Kong Tracker Fund</b>			
– Approved Index-Tracking Fund	1	95,829	75
<b>BEA (Industry Scheme) Age 65 Plus Fund</b>			
– Approved Pooled Investment Fund	1	367	332
<b>BEA (Industry Scheme) Core Accumulation Fund</b>			
– Approved Pooled Investment Fund	1	557	480

During the year, the constituent funds did not provide financial support to unconsolidated structured entities and have no intention of providing financial or other support.

The constituent funds can redeem units in their investment funds on a daily basis.

## 23 Payments charged to default investments strategy constituent funds or scheme members who invest in the constituent funds

BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund are designated as default investment strategy ("DIS") constituent funds with effect from 1 April 2017. Payments for services, out-of-pocket expenses and other payments charged to the DIS constituent funds are disclosed below. Payments for services and out-of-pocket expenses are those defined in the MPF Ordinance.

**During the year ended 31 March 2019**

	<i>BEA (Industry Scheme) Age 65 Plus Fund HK\$</i>	<i>BEA (Industry Scheme) Core Accumulation Fund HK\$</i>
<b>(a) Payments for services</b>		
Sponsor's fees	2,678,654	4,359,578
<b>Total payments for services</b>	<u>2,678,654</u>	<u>4,359,578</u>
<b>(b) Out-of-pocket expenses</b>		
Professional indemnity insurance	10,184	14,710
Auditor's remuneration	54,509	54,510
Printing and postage expenses	99,342	155,149
Fund price publication expenses	14,594	14,594
Miscellaneous expenses	5,487	5,487
<b>Total out-of-pocket expenses</b>	<u>184,116</u>	<u>244,450</u>
<b>(c) Payments other than (a) and (b) above</b>	<u>-</u>	<u>-</u>
<b>Total payments</b>	<u>2,862,770</u>	<u>4,604,028</u>
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	<u>0.051%</u>	<u>0.041%</u>

The net asset value used for calculating the percentage is the average of the net asset value of the DIS constituent funds as at the last dealing day of each month during the year ended 31 March 2019.

**23 Payments charged to default investments strategy constituent funds or scheme members who invest in the constituent funds (continued)**

**During the year ended 31 March 2018**

	<i>BEA (Industry Scheme) Age 65 Plus Fund</i> \$	<i>BEA (Industry Scheme) Core Accumulation Fund</i> \$
<b>(a) Payments for services</b>		
Sponsor's fees	1,273,908	2,345,590
<b>Total payments for services</b>	1,273,908	2,345,590
<b>(b) Out-of-pocket expenses</b>		
Professional indemnity insurance	2,460	3,312
Auditor's remuneration	9,500	9,500
Printing and postage expenses	35,844	51,967
Fund price publication expenses	14,178	14,178
Miscellaneous expenses	-	-
<b>Total out-of-pocket expenses</b>	61,982	78,957
<b>(c) Payments other than (a) and (b) above</b>	-	-
<b>Total payments</b>	1,335,890	2,424,547
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	0.035%	0.024%

The net asset value used for calculating the percentage is the average of the net asset value of the DIS constituent funds as at the last dealing day of each month during the period from 1 April 2017 to 31 March 2018.

## **24 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2019**

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 March 2019 and which have not been adopted in these financial statements. These include the following which may be relevant to the Scheme and its constituent funds.

*Effective for  
accounting periods  
beginning on or after*

HK(IFRIC) 23, *Uncertainty over income tax treatments*

1 January 2019

The Trustee is in the process of making an assessment of what the impact of these amendments, new standard and interpretations is expected to be in the period of initial application. So far the Trustee has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.