



## BEA (MPF) Industry Scheme

31 March 2023

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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 2023.

## 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 between The Bank of East Asia, Limited as sponsor and Bank of East Asia (Trustees) Limited as trustee (the “Trustee”). There have been no amendments to the trust deed other than the variations made on 23 October 2000, 13 November 2001, 11 July 2002, 11 October 2004, 21 December 2005, 6 July 2009, 31 January 2012, 1 November 2012, 18 December 2015, 12 December 2016, 10 January 2018, 18 April 2019 and 9 April 2020 (“as amended”). 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 service and severance payments and other payments during the year were HK\$1,776.8 million (2022: HK\$1,624.5 million) and HK\$1,007.2 million (2022: HK\$1,245.2 million) respectively. The net asset value as at 31 March 2023 was HK\$14,527.0 million (2022: HK\$14,619.6 million).

## Changes to the governing rules

The MPF Scheme Brochure was amended during the year to reflect the changes associated with:

- Change of the fees and charges deduction method for the BEA (Industry Scheme) MPF Conservative Fund from member level deduction to fund level deduction effective from 1 April 2022.

## 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 2023 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 Taikoo 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***

Adrian David Li Man Kiu

Tong Hon Shing

Joseph Pang Yuk Wing

Ng Kai Man

(Appointed on 1 August 2023)

Wan Chi Tak

(Resigned on 30 December 2022)

Henry Chan Cho Yip

Cheung Man Kok

Winnie Cheung Chi Woon

#### ***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  
Gunter Karl HAUEISEN  
Samson Li Kai Cheong  
Eleanor Wan Yuen Yung  
André HAAGMANN

#### *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  
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  
Delman Lee  
William Junior Guilherme DOO  
David Mong Tak Yeung  
Francisco Javier SERRADO TREPAT

#### *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 2023

## Investment analysis

### United States

- The US market was dominated by inflation, rate hikes and recessionary worries in 2022. To curb a 40-year high inflation fuelled by the pandemic, the Fed pledged to lower it by raising interest rates. Last year alone, the central bank hiked rates seven times. After hitting a peak of 9.1% in June, US inflation closed out in 2022 at 6.5%. Back-to-back cumulative increase in rates stoked market fear that the Fed might have gone too far, choking economic growth and pushing the country into a recession. Lingering recession worries pushed short-term US treasury yields higher, leaving the yield curve inverted most of the time. Higher interest rates, on the other hand, pushed the greenback substantially higher, rising 12% in 2022.
- Following a year of volatility, the S&P 500 ended the year 2022 by 19.44% lower. Rate-sensitive growth stocks took the biggest hit with the tech-heavy NASDAQ plunging about 33%. Second-quarter corporate results came in better than expected, while third-quarter earnings were relatively flattish. Select sectors started to show pressure in profitability towards the end of the year and recession worries replaced inflation as the market's biggest unknown. The series of bank failure including US Silicon Valley Bank and Credit Suisse headline have triggered huge market volatility in March 2023, and is also likely to have a dampening impact on credit lending and financial condition in the US. With the announcement of the Bank Term Funding Program, the Fed will provide liquidity to stabilize the market confidence.

### Europe

- European equities were bruised in 2022. The pan-European Stoxx 600 index ended the year down about 13%, hammered by elevated inflation, the Russia-Ukraine war, high commodities prices and tightening monetary policy that buoyed recessionary concerns. Russia's invasion of Ukraine pushed food and energy prices through the roof. Russia has cut off most gas supplies to Europe, severely disrupting global oil & gas supplies and sending inflation to new highs. Headline inflation for the eurozone ended at 9.2% in December, easing from the peak of 10.6% in October. Germany, the eurozone's largest economy, also saw consumer prices easing during the period as a result of weaker-than-expected energy demand, thanks to a milder-than-anticipated winter.
- To rein in inflation, the European Central Bank lifted rates four times last year, narrowing a rate differential between Europe and the US. This lent some support to the euro after the currency was battered for most of the year of 2022, tanking to a 20-year low of \$0.95 against the USD in September 2022 when market expected the worst of an energy crisis from the fallout of the Russia-Ukraine war. The series of bank failure including US Silicon Valley Bank and Credit Suisse headline have triggered huge market volatility in March 2023. With Credit Suisse's takeover deal by UBS being announced, the market concerns on financial sector continued to ease, driving the stock market to rebound strongly in the second half of March.

# Investment report for the year ended 31 March 2023 (continued)

## Investment analysis (continued)

### Japan

- Japan had been one of the outliers to continue with an ultra-loose monetary policy in 2022, when world central banks were busy unwinding the liquidity that flooded markets during the pandemic. To support a sluggish economy, the Bank of Japan had been keeping interest rates low when the Fed was aggressively hiking rates. The widening rate differential prompted the yen to tank drastically. In October, the yen depreciated below the psychological key level of 150 to the dollar, a new 32-year low, prompting interventions from the Bank of Japan to prop up the yen. Partly contributed by the currency weakness, Japan's inflation rose to 4% in December, the highest since January 1991. In the same month, to combat inflation, the Bank of Japan surprised the market by raising its 10-year bond yield cap to 0.5% from 0.25%. Some investors interpreted the move as a normalisation of the country's monetary policy.
- While weaker yen had benefited corporate earnings, especially exporters, the Nikkei 225 finished the year lower by 9.4%, weighed down by the Russia-Ukraine war and global recession worries.

### Asia

- Asia Pacific equities ended lower in 2022, with MSCI Asia Pacific ex Japan tumbling 17.19% over the year. North Asia was besieged by an array of concerns ranging from heightened inflationary pressure, slower economic growth, the pandemic and geopolitical tensions. During the year, China's stringent pandemic restrictions and lockdowns dampened consumer demand and economic growth in the region, battering Chinese and Hong Kong equities. Sentiment was further crippled by China's property crisis. The tide only turned towards the end of the year after the government launched favourable policies towards the property sector and lifted mobility curbs. Taiwan and Korea, two major semiconductor hubs, posted heavy losses in their stock markets last year. Hit by aggressive global monetary tightening, demand for consumer electronics was subdued. As tech firms destocked chips and electronics, semiconductor manufacturers saw a build-up of inventory levels. TAIEX, Taiwan's benchmark index, fell 22% while the benchmark KOSPI plunged nearly 25% during the year. India bucked the downtrend while Australian equities remained relatively resilient in comparison to global markets, supported by energy and mining companies that benefited from soaring commodities prices. Both economies and financial markets were relatively immune from global volatilities as a result. In 2022, India's domestic benchmarks Nifty50 and Sensex gained more than 4% while Australia's S&P/ASX 200 Index lost 5.5% in the year.
- The month of March 2023 started weak on a broader risk off sentiment amidst Fed rate repricing path and concerns of contagion from banking sector turmoil. Equities moved higher in the second half as fear of an imminent credit crunch dissipated, coupled with positive news flow out of positive news of China's state-owned enterprise reform bolstered the energy, telecom and construction-related sectors. Singapore, China and South Korea led returns during the month in the region.



# Investment report for the year ended 31 March 2023 (continued)

## Investment analysis (continued)

### Mainland China & Hong Kong

- The pandemic took a toll on Chinese and Hong Kong equities for most of 2022, but stocks staged a comeback towards the end of the year after China made an abrupt U-turn on its policies by lifting restrictions on mobility curbs and rolled out favourable policies to support its beleaguered property sector. The MSCI China Index fell nearly 15% last year while CSI300 index lost 22%. Hong Kong's Hang Seng Index trailed a similar trend, recovering some losses in the final quarter to close the year down more than 15%.
- During the year, lockdowns in major Chinese cities and travel restrictions sapped consumer demand, subsequently putting lids on economic growth. Pandemic aside, the country was also embroiled in a property crisis where buyers refused to pay their mortgages for stalled incomplete housing projects, aggravating the financial woes of developers which many were already facing liquidity crunches. The tide finally turned only after the 20th Communist Party Congress when the authorities announced the country's earlier-than-expected reopening and measures to stabilise the property sector. Investors' interests towards the technology sector also remerged on subsiding regulatory risks. These positive policy directions helped markets to rebound and recouped part of the losses. The government is conservatively aiming for around 5% GDP growth for China in 2023, upside surprise is likely in the first and second quarter. Geopolitical stress between the US and China remains the key factor to monitor.

### Global Bonds

- As global central banks embarked on aggressive rate hike cycles to combat inflations, investors shunned most Asian bonds for most of 2022. Opportunities were still found in certain sectors such as Indonesia's energy and property, India's renewable energy and new issuances of South Korean financial institutions, but the region's fixed income space took a beating in general. A net outflow of US\$4.89 billion in bonds across Malaysia, Indonesia, India, South Korea and Thailand was recorded last year.
- China bonds were in the epicenter of the woes. Weak property sales, growing mortgage boycotts and a spate of defaults sent many Chinese property bonds into distress. Lest of a spillover effect, investors also avoided Chinese financial bonds such as banks and asset management companies. China's stringent zero-covid policy restricted outbound travels, cutting off revenue streams of Macau gaming operators. The watershed moment arrived in November after China launched its three arrow rescue package, facilitating property developers to raise funds via loans, guaranteed bond issuance and equities financing. Developers were able to gain access to funds to complete unfinished projects. Chinese property bonds started to gain grounds late last year. Macau gaming bonds also staged a comeback after China's earlier reopening. As travel restrictions were lifted, Macau saw a revival in tourism and gaming revenues.

## Investment report for the year ended 31 March 2023 (continued)

### Investment analysis (continued)

#### Global Bonds (continued)

- In 2023, the series of bank failure including US Silicon Valley Bank and Credit Suisse headline have triggered huge market volatility in March. Daily volatility of 20 to 50 basis points were seen in US Treasury curve. The banking crisis is likely to have a dampening impact on credit lending and financial condition in the US. With the announcement of the Bank Term Funding Program, the Fed will provide liquidity to stabilize the market confidence. With receding headline inflation and falling job openings as well as wage growth, in addition to risk of shrinking credit growth ahead, the Fed stance and statement are likely to turn less hawkish in the second quarter of 2023.

## Investment report for the year ended 31 March 2023 (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>	1.20 <sup>1</sup>	0.79 <sup>1</sup>	0.63 <sup>1</sup>	1.24 <sup>1</sup>
Benchmark/Performance Target (MPFA Prescribed Savings Rate)	0.24	0.08	0.04	0.38 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	+0.96	+0.71	+0.59	+0.86 <sup>3</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>	-7.52	0.32	2.97	3.84
Benchmark/Performance Target (Lipper MPF Lifestyle (>60-80% Equity) Fund Category Median)	-6.01	0.71	3.15	3.70 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-1.51	-0.39	-0.18	+0.14 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was below the benchmark/performance target because portfolio positioning was more defensive relative to the peers during the sudden change in the market sentiment in the last two months in 2022.</li> <li>The 5-year annualized return was below the benchmark/performance target because portfolio positioning was more defensive relative to the peers during the sudden change in the market sentiment in the last two months in 2022.</li> <li>The 10-year annualized return was below the benchmark/performance target because asset allocation was relatively defensive during the rising markets in 2012, 2020 and last two months in 2022.</li> </ul> <p>The Trustee will continue to closely monitor the fund performance and discuss with the Investment Manager for the action to improve the fund performance, if necessary.</p>			

## Investment report for the year ended 31 March 2023 (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>	-7.66	-0.18	2.13	3.16
Benchmark/Performance Target (Lipper MPF Lifestyle (>40-60% Equity) Fund Category Median)	-7.13	-0.16	1.98	3.21 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-0.53	-0.02	+0.15	-0.05 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was below the benchmark/performance target because portfolio positioning was more defensive relative to the peers during the sudden change in the market sentiment in the last two months in 2022.</li> <li>The 5-year annualized return was below the benchmark/performance target due to not defensive enough positioning during falling markets.</li> <li>The 10-year annualized return was above the benchmark/performance target due to underweight in bonds and more defensive positioning during falling markets.</li> </ul>			
BEA (Industry Scheme) Stable Fund <i>Launch date: 01/12/2000</i>	-7.60	-0.80	1.14	2.70
Benchmark/Performance Target (Lipper MPF Lifestyle (>20-40% Equity) Fund Category Median)	-7.21	-0.85	1.05	2.56 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-0.39	+0.05	+0.09	+0.14 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was below the benchmark/performance target because portfolio positioning was more defensive relative to the peers during the sudden change in the market sentiment in the last two months in 2022.</li> <li>The 5-year annualized return was above the benchmark/performance target due to underweight in bonds and more defensive positioning during falling markets.</li> <li>The 10-year annualized return was above the benchmark/performance target due to underweight in bonds and more defensive positioning during falling markets.</li> </ul>			

## Investment report for the year ended 31 March 2023 (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>	-13.34	-0.28	4.32	3.41
Benchmark/Performance Target (Lipper MPF Greater China Equity Fund Category Median)	-9.31	-0.55	4.26	4.39 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-4.03	+0.27	+0.06	-0.98 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was below the benchmark/performance target because the performance of the fund was affected by China equities.</li> <li>The 5-year annualized return was above the benchmark/performance target due to more exposure in Taiwan equities which outperformed.</li> <li>The 10-year annualized return was above the benchmark/performance target due to more exposure in Taiwan equities which outperformed and less exposure in Hong Kong equities which underperformed.</li> </ul>			
BEA (Industry Scheme) Hong Kong Equity Fund <i>Launch date: 04/01/2010</i>	-12.00	-6.60	0.09	0.31
Benchmark/Performance Target (Lipper MPF Hong Kong Equity Fund Category Median)	-6.67	-3.96	1.69	3.48 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-5.33	-2.64	-1.60	-3.17 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was below the benchmark/performance target due to overweighting in China A-Share and consumption sector in 2022, which were hard hit by the lockdown in China in the first quarter of 2022.</li> <li>The 5-year annualized return was below the benchmark/performance target due to overweighting in China A-Share and consumption sector in 2022, which were hard hit by the lockdown in China in the first quarter of 2022.</li> <li>The 10-year annualized return was below the benchmark/performance target due to overweighting in China A-Share and consumption sector in 2022, which were hard hit by the lockdown in China in the first quarter of 2022.</li> </ul> <p>The Trustee will continue to closely monitor the fund performance and discuss with the Investment Manager for the action to improve the fund performance, if necessary.</p>			

## Investment report for the year ended 31 March 2023 (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>	-15.98	-0.65	3.10	3.31
Benchmark/Performance Target (Lipper MPF Asia ex Japan Equity Fund Category Median)	-11.83	-0.82	3.12	4.30 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-4.15	+0.17	-0.02	-0.99 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was below the benchmark/performance target because the performance of the fund was affected by China equities.</li> <li>The 5-year annualized return was above the benchmark/performance target due to stable asset allocation and positive security selection.</li> <li>The 10-year annualized return was below the benchmark/performance target because the performance of the fund was affected by the asset allocation and security selection.</li> </ul>			
BEA China Tracker Fund <i>Launch date: 31/01/2012</i>	-5.42	-8.47	-2.39	-2.50
Benchmark/Performance Target (Hang Seng China Enterprises Index)	-4.03	-7.01	-0.71	-0.61 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-1.39	-1.46	-1.68	-1.89 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year, 5-year and 10-year annualized returns corresponded to the return of the Hang Seng China Enterprises Index through investing in a single approved index-tracking collective investment scheme, 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 2023 (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>	-5.04	-5.17	1.55	1.96
Benchmark/Performance Target (Hang Seng Index)	-4.05	-4.42	2.63	3.55 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-0.99	-0.75	-1.08	-1.59 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year, 5-year and 10-year annualized returns corresponded to the return of the Hang Seng Index through investing in a single approved index-tracking collective investment scheme, 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>	-3.36	0.25	0.77	0.79
Benchmark/Performance Target (Lipper MPF RMB and HKD Money Market Fund Category Median)	-3.43	0.22	0.77	0.80 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	+0.07	+0.03	0.00	-0.01 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark/performance target due to re-position gain during inflow.</li> <li>The 5-year annualized return was above the benchmark/performance target due to similar RMB exposure to the peers.</li> <li>The 10-year annualized return was in line with the benchmark/performance target due to similar RMB exposure to the peers</li> </ul>			

## Investment report for the year ended 31 March 2023 (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>	-7.05	0.99	N/A	1.58
Benchmark/Performance Target (Willis Towers Watson – MPF DIS Reference Portfolios – Age 65 Plus Fund)	-7.24	0.72	N/A	1.20
Deviation from the Benchmark/Performance Target <sup>4</sup>	+0.19	+0.27	N/A	+0.38
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 stock selection.</li> <li>The 5-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection.</li> <li>The since launch annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection.</li> </ul>			
BEA (Industry Scheme) Core Accumulation Fund <i>Launch date: 01/04/2017</i>	-7.34	3.93	N/A	4.83
Benchmark/Performance Target (Willis Towers Watson – MPF DIS Reference Portfolios – Core Accumulation Fund)	-7.21	3.70	N/A	4.61
Deviation from the Benchmark/Performance Target <sup>4</sup>	-0.13	+0.23	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 stock selection.</li> <li>The 5-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection.</li> <li>The since launch annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection.</li> </ul>			



## Investment report for the year ended 31 March 2023 (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.

For the financial year ended 31 March, 2023, the following CF triggered the performance monitoring threshold in various time intervals based on the existing fund performance monitoring mechanism:

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

In this regard, BEA Trustees requested the investment manager to provide explanation and take immediate remedial action for improvement on fund performance.

The investment manager has taken the following actions to drive improvement in performance:

- enhancing risk control measure;
- stock selection is focused on quality growth names in consumption which will benefit from China reopening;
- quantitative analysis to avoid unintentional style tilt in stock pick; and
- strengthening the resources in the Quantitative Analysis team in order to supporting the Investment team in asset allocation, competitive analysis and risk control.

As at 30 June, 2023, it was observed that there was an improvement for the past 1-month and 3-month fund performance when compared with the performance as at 31 March, 2023.

BEA Trustees would continue to monitor the fund performance of CFs according to the existing fund performance monitoring mechanism.

## Investment report for the year ended 31 March 2023 (continued)

### Trustee's Commentary (continued)

#### Note:

- <sup>1</sup> Fees and charges of MPF conservative fund can be deducted from either (i) the assets of such fund or (ii) Member's account by way of unit deduction. From 1 April, 2022, the fees and charges deduction method of the BEA (Industry Scheme) MPF Conservative Fund has been changed from (ii) to (i).  
Before 1 April, 2022, BEA (Industry Scheme) MPF Conservative Fund uses method (ii) and fund performance quoted in this Trustee's Commentary has already reflected the impact of fees and charges.
- <sup>2</sup> The benchmark/performance target may not be meaningful as different funds may have different launch dates.
- <sup>3</sup> The deviation from the benchmark/performance target may not be meaningful due to different funds may have different launch dates.
- <sup>4</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.

## Investment report for the year ended 31 March 2023 (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, 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 (“APIFs”) and/or Approved Index-Tracking Collective Investment Schemes (“ITCISs”) except for the BEA China Tracker Fund and the BEA Hong Kong Tracker Fund which invest in a single approved ITCIS, the BEA (Industry Scheme) Age 65 Plus Fund and the BEA (Industry Scheme) Core Accumulation Fund which invest in a single APIF, 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 engage in security lending and will not enter into repurchase agreements. The BEA (Industry Scheme) MPF Conservative Fund will not enter into financial futures and options contracts for any purposes.

## Investment report for the year ended 31 March 2023 (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 within 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 will invest primarily in global equity and bond markets. The BEA (Industry Scheme) Growth Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to such markets, selected by the Investment Manager having regard to the investment objective and investment policy. 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 not engage in security lending and will not enter into repurchase agreements. The BEA (Industry Scheme) Growth Fund will enter into financial futures and options contracts for hedging purposes only.

## Investment report for the year ended 31 March 2023 (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 will invest primarily in global equity and bond markets. The BEA (Industry Scheme) Balanced Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to such markets, selected by the Investment Manager having regard to the investment objective and investment policy. 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 not engage in security lending and will not enter into repurchase agreements. The BEA (Industry Scheme) Balanced Fund will enter into financial futures and options contracts for hedging purposes only.

## Investment report for the year ended 31 March 2023 (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 modest capital growth over the long term through a higher weighting of investments in global debt securities to provide steady income and a lower exposure to global equities to provide modest potential for capital appreciation.

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

The BEA (Industry Scheme) Stable Fund will invest primarily in the global equity and bond markets. The BEA (Industry Scheme) Stable Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to such markets, selected by the Investment Manager having regard to the investment objective and investment policy. 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 not engage in security lending and will not enter into repurchase agreements. The BEA (Industry Scheme) Stable Fund will enter into financial futures and options contracts for hedging purposes only.

## Investment report for the year ended 31 March 2023 (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 (the “Greater China Securities”).

***Investment policy:***

The BEA (Industry Scheme) Greater China Equity Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to the Greater China Securities, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA (Industry Scheme) Greater China Equity Fund are expected normally to be invested 70% to 100% in Greater China Securities and up to 30% in cash, debt securities and/or money market instruments for cash management purposes. The BEA (Industry Scheme) Greater China Equity Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (Industry Scheme) Greater China Equity Fund will enter into financial futures and options contracts for hedging purposes only.

## Investment report for the year ended 31 March 2023 (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 and/or money market instruments.

***Investment policy:***

The BEA (Industry Scheme) Hong Kong Equity Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to the Hong Kong equity market, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA (Industry Scheme) Hong Kong Equity Fund are expected normally to be invested 70% to 100% 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% in cash, debt securities and/or money market instruments for cash management purposes. The BEA (Industry Scheme) Hong Kong Equity Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (Industry Scheme) Hong Kong Equity Fund will enter into financial futures and options contracts for hedging purposes only.



## Investment report for the year ended 31 March 2023 (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 and/or money market instruments.

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

The BEA (Industry Scheme) Asian Equity Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to the Asian (ex-Japan) equity markets, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA (Industry Scheme) Asian Equity Fund are expected normally to be invested at least 70% 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% in cash, debt securities and/or money market instruments for cash management purposes. The BEA (Industry Scheme) Asian Equity Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (Industry Scheme) Asian Equity Fund will enter into financial futures and options contracts for hedging purposes only.

## Investment report for the year ended 31 March 2023 (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 will invest directly in a single approved ITCIS, namely the Hang Seng China Enterprises Index ETF. The Hang Seng China Enterprises Index ETF aims to provide investment returns that match the performance of the Hang Seng China Enterprises Index as closely as practicable. There can, however, be no assurance that the performance of the BEA China Tracker Fund and the approved ITCIS will at any time be identical to that of the Hang Seng China Enterprises Index. 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 and the Hang Seng China Enterprises Index ETF will not engage in security lending and will not enter into repurchase agreements. The BEA China Tracker Fund will not enter into financial futures and options contracts for any purposes. However, the Hang Seng China Enterprises Index ETF may use futures contracts, warrants and options for hedging purposes or to achieve its investment objective.

## Investment report for the year ended 31 March 2023 (continued)

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

#### BEA Hong Kong Tracker Fund

***Investment objective:***

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

***Investment policy:***

The BEA Hong Kong Tracker Fund will invest directly in a single approved ITCIS, namely the Tracker Fund of Hong Kong. The underlying approved ITCIS aims to provide investment results that closely correspond to the performance of the Hang Seng Index. There can, however, be no assurance that the performance of the BEA Hong Kong Tracker Fund and the underlying approved ITCIS will at any time be identical to that of the Hang Seng Index. 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 and the underlying approved ITCIS will not engage in security lending and will not enter into repurchase agreements. The BEA Hong Kong Tracker Fund will not enter into financial futures and options contracts for any purposes. However, the underlying approved ITCIS may use futures contracts and options for hedging purposes or to achieve its investment objective.

## Investment report for the year ended 31 March 2023 (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 will primarily invest in HKD and RMB denominated instruments, namely short-term deposits (including 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. The BEA (Industry Scheme) RMB & HKD Money Market Fund will not invest in securities issued within mainland China through any qualified foreign institutional investor quota. 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 is denominated in HKD only and not in RMB. However, the BEA (Industry Scheme) RMB & HKD Money Market Fund is expected under normal circumstances 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. In addition, the BEA (Industry Scheme) RMB & HKD Money Market 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 2023 (continued)

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

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

##### *Investment policy: (continued)*

Variations to this may occur due to the timing of cashflows to and from the BEA (Industry Scheme) RMB & HKD Money Market Fund. Further, the Investment Manager may, in its discretion, vary the percentage of the BEA (Industry Scheme) RMB & HKD Money Market Fund's holding in RMB and HKD should the Investment Manager determine, in its opinion, that variation is warranted due to market or other conditions such as changes in the exchange policy, currency control or a significant downturn in the economy. The BEA (Industry Scheme) RMB & HKD Money Market Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (Industry Scheme) RMB & HKD Money Market Fund will not enter into financial futures and options contracts for any purposes.

## Investment report for the year ended 31 March 2023 (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 by investing in a globally diversified manner.

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

The BEA (Industry Scheme) Age 65 Plus Fund will invest in a single APIF, namely the BEA Union Investment Age 65 Plus Fund under the BEA Union Investment Capital Growth Fund, which in turn invests in two APIFs as allowed under the Mandatory Provident Fund Schemes (General) Regulation ("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 APIFs.

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 APIFs (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, with the remainder investing in Lower Risk Assets. 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. Through the BEA (Industry Scheme) Age 65 Plus Fund's investment in the BEA Union Investment Age 65 Plus Fund, at least 30% of the assets of the BEA (Industry Scheme) Age 65 Plus Fund will be held in HK dollar currency investments as measured by effective currency exposure (determined in accordance with Schedule 1 to the General Regulation). The BEA (Industry Scheme) Age 65 Plus Fund adopts an active investment strategy. With this strategy, the investment manager of the BEA Union Investment Age 65 Plus Fund may allocate the assets among the two underlying APIF(s) at its discretion.

The BEA (Industry Scheme) Age 65 Plus Fund will not engage in security lending and will not enter into repurchase agreements. The BEA Union Investment Age 65 Plus Fund will not invest in any structured deposits or products, and will not enter into any security lending, repurchase transactions or other similar transactions. 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.

## Investment report for the year ended 31 March 2023 (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 by investing in a globally diversified manner.

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

The BEA (Industry Scheme) Core Accumulation Fund will invest in a single APIF, namely the BEA Union Investment Core Accumulation Fund under the BEA Union Investment Capital Growth Fund, which in turn invests in two APIFs 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 APIFs.

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 APIFs (which in turn adopt relevant active investment 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, with the remainder investing in Lower Risk Assets. 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. Through the BEA (Industry Scheme) Core Accumulation Fund's investment in the BEA Union Investment Core Accumulation Fund, at least 30% of the assets of the BEA (Industry Scheme) Core Accumulation Fund will be held in HK dollar currency investments as measured by effective currency exposure (determined in accordance with Schedule 1 to the General Regulation). The BEA (Industry Scheme) Core Accumulation Fund adopts an active investment strategy. With this strategy, the investment manager of the BEA Union Investment Core Accumulation Fund may allocate the assets among the two underlying APIF(s) at its discretion.

The BEA (Industry Scheme) Core Accumulation Fund will not engage in security lending and will not enter into repurchase agreements. The BEA Union Investment Core Accumulation Fund will not invest in any structured deposits or products, and will not enter into any security lending, repurchase transactions or other similar transactions. 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.

## Investment report for the year ended 31 March 2023 (continued)

### Investment income and performance

	<u>BEA (Industry Scheme) MPF Conservative Fund</u>			<u>BEA (Industry Scheme) Growth Fund</u>			<u>BEA (Industry Scheme) Balanced Fund</u>		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net income/(loss) excluding capital (depreciation)/appreciation	39,724,989	8,256,963	29,122,829	(15,877,542)	(21,733,463)	(25,577,203)	(12,456,691)	(15,797,838)	(17,111,546)
Capital (depreciation)/appreciation of investments - realised and unrealised	-	-	-	(209,804,315)	(199,274,051)	845,033,826	(122,500,481)	(109,275,580)	392,955,645
Value of scheme assets derived from investments as at 31 March	<u>3,129,696,501</u>	<u>2,994,243,530</u>	<u>2,984,930,728</u>	<u>2,818,221,568</u>	<u>2,792,910,875</u>	<u>3,058,980,791</u>	<u>1,610,685,993</u>	<u>1,622,540,505</u>	<u>1,796,157,276</u>
	<u>BEA (Industry Scheme) Stable Fund</u>			<u>BEA (Industry Scheme) Greater China Equity Fund</u>			<u>BEA (Industry Scheme) Hong Kong Equity Fund</u>		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net loss excluding capital (depreciation)/appreciation	(23,279,098)	(27,439,297)	(29,869,035)	(3,814,082)	(7,364,085)	(6,655,762)	(4,017,239)	(5,406,935)	(4,563,347)
Capital (depreciation)/appreciation of investments - realised and unrealised	(184,176,423)	(153,479,041)	409,114,206	(70,879,979)	(116,683,709)	239,098,984	(47,646,147)	(146,681,516)	133,318,581
Value of scheme assets derived from investments as at 31 March	<u>2,516,271,629</u>	<u>2,470,839,401</u>	<u>2,688,314,856</u>	<u>527,737,617</u>	<u>556,805,650</u>	<u>650,681,057</u>	<u>452,093,043</u>	<u>437,887,754</u>	<u>530,003,145</u>



## Investment report for the year ended 31 March 2023 (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>		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net (loss)/income excluding capital (depreciation)/appreciation	(2,611,663)	(3,472,081)	(2,721,126)	1,919,376	1,248,560	1,787,730	2,786,577	2,193,505	2,281,310
Capital (depreciation)/appreciation of investments - realised and unrealised	(40,577,882)	(21,634,526)	100,407,045	(6,043,156)	(35,953,893)	13,158,792	(7,271,660)	(27,336,900)	19,025,864
Value of scheme assets derived from investments as at 31 March	<u>236,873,775</u>	<u>237,005,315</u>	<u>270,934,846</u>	<u>93,719,520</u>	<u>84,677,740</u>	<u>107,226,420</u>	<u>117,779,340</u>	<u>107,902,040</u>	<u>114,109,790</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>		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net (loss)/income excluding capital appreciation/(depreciation)	(5,287,407)	5,086,765	7,196,793	(4,648,287)	(4,576,114)	(3,882,566)	(11,992,810)	(11,705,566)	(8,984,949)
Capital appreciation/(depreciation) of investments - realised and unrealised	21,295	-	-	(37,525,511)	(7,949,002)	43,703,958	(96,335,350)	54,891,287	285,111,632
Value of scheme assets derived from investments as at 31 March	<u>160,436,241</u>	<u>149,289,996</u>	<u>130,172,964</u>	<u>639,866,250</u>	<u>605,807,121</u>	<u>535,542,003</u>	<u>1,731,992,660</u>	<u>1,586,680,324</u>	<u>1,345,959,139</u>

## Investment report for the year ended 31 March 2023 (continued)

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

*For the year ended 31 March 2023*

	<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	-	593,896	77,301,768	77,895,664
BEA (Industry Scheme) Growth Fund	23,838,422	297,999	-	24,136,421
BEA (Industry Scheme) Balanced Fund	9,771,454	136,172	-	9,907,626
BEA (Industry Scheme) Stable Fund	10,277,633	308,840	-	10,586,473
BEA (Industry Scheme) Greater China Equity Fund	2,631,860	8,525	-	2,640,385
BEA (Industry Scheme) Hong Kong Equity Fund	1,188,160	6,388	-	1,194,548
BEA (Industry Scheme) Asian Equity Fund	186,781	18,840	-	205,621
BEA China Tracker Fund	2,396,490	278	-	2,396,768
BEA Hong Kong Tracker Fund	3,397,000	562	-	3,397,562
BEA (Industry Scheme) RMB & HKD Money Market Fund	-	35,995	3,832,828	3,868,823
BEA (Industry Scheme) Age 65 Plus Fund	-	2,025	-	2,025
BEA (Industry Scheme) Core Accumulation Fund	-	4,467	-	4,467

## Investment report for the year ended 31 March 2023 (continued)

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

*For the year ended 31 March 2022*

	<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	-	2,041	8,256,002	8,258,043
BEA (Industry Scheme) Growth Fund	26,910,812	3,677	-	26,914,489
BEA (Industry Scheme) Balanced Fund	11,207,441	2,409	-	11,209,850
BEA (Industry Scheme) Stable Fund	11,508,964	6,681	-	11,515,645
BEA (Industry Scheme) Greater China Equity Fund	626,825	50	-	626,875
BEA (Industry Scheme) Hong Kong Equity Fund	910,865	41	-	910,906
BEA (Industry Scheme) Asian Equity Fund	24,164	77	-	24,241
BEA China Tracker Fund	1,788,136	2	-	1,788,138
BEA Hong Kong Tracker Fund	2,834,400	2	-	2,834,402
BEA (Industry Scheme) RMB & HKD Money Market Fund	-	9,883	2,509,343	2,519,226
BEA (Industry Scheme) Age 65 Plus Fund	-	6	-	6
BEA (Industry Scheme) Core Accumulation Fund	-	17	-	17

## Investment report for the year ended 31 March 2023 (continued)

### Performance table

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

Name of constituent funds	As at 31 March 2023		As at 31 March 2022		As at 31 March 2021	
	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	3,376,201,926	14.0545	3,216,368,962	13.8880	3,183,098,472	13.8521
BEA (Industry Scheme) Growth Fund	2,831,230,710	23.2239	3,013,640,467	25.1117	3,257,428,276	26.9665
BEA (Industry Scheme) Balanced Fund	1,625,112,393	20.0535	1,756,670,206	21.7180	1,907,752,003	23.2727
BEA (Industry Scheme) Stable Fund	2,553,477,491	18.1353	2,731,162,609	19.6272	2,928,640,414	20.9303
BEA (Industry Scheme) Greater China Equity Fund	530,171,946	15.5938	560,516,269	17.9934	652,313,121	22.0415
BEA (Industry Scheme) Hong Kong Equity Fund	454,126,325	10.4155	440,134,683	11.8353	531,547,204	16.1635
BEA (Industry Scheme) Asian Equity Fund	252,280,462	14.3904	270,100,451	17.1272	273,926,901	18.7315
BEA China Tracker Fund	93,682,810	7.5406	84,652,830	7.9730	107,192,938	11.4766
BEA Hong Kong Tracker Fund	117,729,830	12.4266	107,864,600	13.0866	114,062,802	16.4950
BEA (Industry Scheme) RMB & HKD Money Market Fund	174,622,945	10.8785	160,722,109	11.2566	142,135,040	10.8802
BEA (Industry Scheme) Age 65 Plus Fund	639,425,056	10.9857	605,417,039	11.8188	535,126,307	12.0377
BEA (Industry Scheme) Core Accumulation Fund	1,731,076,239	13.2736	1,585,623,520	14.3256	1,345,005,865	13.8556
	<u>14,379,138,133</u>		<u>14,532,873,745</u>		<u>14,978,229,343</u>	

## Investment report for the year ended 31 March 2023 (continued)

### Performance table (continued)

#### (b) Highest and lowest prices

Highest issue price per unit (HK\$)	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 <sup>(1)</sup>	BEA (Industry Scheme) Core Accumulation Fund <sup>(1)</sup>
2023	14.0545	25.3617	21.8455	19.6669	18.3811	12.1423	17.3335	8.3884	13.7706	11.2500	11.8284	14.3960
2022	13.8880	28.3885	24.1869	21.5047	23.8444	17.5708	20.3842	11.6774	17.1987	11.2738	12.4789	15.0452
2021	13.8521	28.6123	24.4856	21.8169	25.1672	18.8174	21.0332	12.7690	17.9956	11.0054	12.2838	14.0464
2020	13.7219	23.8860	21.0922	19.5468	16.5557	14.5556	14.7415	11.8306	16.6915	10.5460	11.6011	12.3957
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	-	-

<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 2023 (continued)

### Performance table (continued)

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

Lowest redemption price per unit (HK\$)	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 <sup>(1)</sup>	BEA (Industry Scheme) Core Accumulation Fund <sup>(1)</sup>
2023	13.8880	20.2128	17.9213	16.6892	11.8248	7.8137	12.7312	5.3719	9.0399	10.4062	10.3861	11.8859
2022	13.8522	23.6539	20.8704	19.2298	15.7535	9.9349	16.0578	6.4738	10.9732	10.8655	11.7073	13.6780
2021	13.7226	19.8317	18.4630	18.0400	13.8289	11.9002	11.4330	9.5809	13.0822	10.2295	10.9744	10.4970
2020	13.4474	18.6557	17.6402	17.4495	12.6372	10.9771	10.4575	8.7971	12.3948	10.1824	10.6278	9.8606
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	-	-

<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 2023 (continued)

### Performance table (continued)

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

	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	BEA China Tracker Fund	BEA Hong Kong Tracker Fund	BEA (Industry Scheme) RMB & HKD Money Market Fund	BEA (Industry Scheme) Age 65 Plus Fund <sup>(2)</sup>	BEA (Industry Scheme) Core Accumulation Fund <sup>(2)</sup>
Net annualised investment return (%)												
2023	1.20	(7.52)	(7.66)	(7.60)	(13.34)	(12.00)	(15.98)	(5.42)	(5.04)	(3.36)	(7.05)	(7.34)
2022	0.26	(6.88)	(6.68)	(6.23)	(18.37)	(26.78)	(8.56)	(30.53)	(20.66)	3.46	(1.82)	3.39
2021	0.95	33.23	24.13	14.86	57.71	33.47	60.61	17.49	22.76	5.78	9.04	29.28
2020	2.05	(9.04)	(5.56)	(2.25)	(5.69)	(13.43)	(12.96)	(14.16)	(16.50)	(2.10)	2.78	(4.32)
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	-	-

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

<sup>(3)</sup> From 1 April, 2022, the fees and charges deduction method of the BEA (Industry Scheme) MPF Conservative Fund has been changed from member level deduction to fund level deduction. The impact of fees and charges has been reflected in the unit price.

## Investment report for the year ended 31 March 2023 (continued)

### Performance table (continued)

(d) **Fund Expense Ratio (“FER”)**

Name of constituent funds	2023	
	Transaction costs for the year ended 31 March HK\$	FER for the year ended 31 March
BEA (Industry Scheme) MPF Conservative Fund	-	1.16%
BEA (Industry Scheme) Growth Fund	965,789	1.38%
BEA (Industry Scheme) Balanced Fund	499,949	1.36%
BEA (Industry Scheme) Stable Fund	729,206	1.32%
BEA (Industry Scheme) Greater China Equity Fund	-	1.32%
BEA (Industry Scheme) Hong Kong Equity Fund	23,548	1.28%
BEA (Industry Scheme) Asian Equity Fund	126,332	1.29%
BEA China Tracker Fund	32,912	1.20%
BEA Hong Kong Tracker Fund	59,004	0.61%
BEA (Industry Scheme) RMB & HKD Money Market Fund	-	0.79%
BEA (Industry Scheme) Age 65 Plus Fund	-	0.79%
BEA (Industry Scheme) Core Accumulation Fund	-	0.78%



## Investment report as at 31 March 2023 (continued)

### Investment portfolio

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

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits</b>				
<i>Hong Kong Dollar</i>				
Bank of East Asia, Limited (The) F/D 3.85% 05 July 2023	56,454,123	56,454,123	56,454,123	1.67
China CITIC Bank International Limited F/D 3.53% 10 May 2023	30,327,675	30,327,675	30,327,675	0.90
China CITIC Bank International Limited F/D 4.31% 19 July 2023	47,425,564	47,425,564	47,425,564	1.40
China CITIC Bank International Limited F/D 4.31% 19 July 2023	105,185,427	105,185,427	105,185,427	3.12
China CITIC Bank International Limited F/D 5.20% 16 August 2023	92,724,851	92,724,851	92,724,851	2.75
China Construction Bank Corporation F/D 5.45% 24 May 2023	91,700,065	91,700,065	91,700,065	2.72
China Construction Bank Corporation F/D 3.59% 31 May 2023	45,045,404	45,045,404	45,045,404	1.33
China Construction Bank Corporation F/D 3.51% 05 July 2023	43,038,957	43,038,957	43,038,957	1.27
China Construction Bank Corporation F/D 3.51% 05 July 2023	74,827,008	74,827,008	74,827,008	2.22
China Everbright Bank Co., Ltd. F/D 3.48% 12 April 2023	32,496,158	32,496,158	32,496,158	0.96
China Everbright Bank Co., Ltd. F/D 3.63% 03 May 2023	51,948,711	51,948,711	51,948,711	1.54
China Everbright Bank Co., Ltd. F/D 3.80% 31 May 2023	24,415,578	24,415,578	24,415,578	0.72
China Everbright Bank Co., Ltd. F/D 3.80% 31 May 2023	89,079,549	89,079,549	89,079,549	2.64
China Everbright Bank Co., Ltd. F/D 3.80% 31 May 2023	98,172,813	98,172,813	98,172,813	2.91
Chong Hing Bank Limited F/D 4.20% 03 May 2023	37,553,722	37,553,722	37,553,722	1.11
Chong Hing Bank Limited F/D 4.20% 03 May 2023	86,320,791	86,320,791	86,320,791	2.56
Chong Hing Bank Limited F/D 5.30% 17 May 2023	71,361,712	71,361,712	71,361,712	2.11
Chong Hing Bank Limited F/D 4.60% 19 July 2023	72,705,721	72,705,721	72,705,721	2.15
CMB Wing Lung Bank Limited F/D 3.24% 12 April 2023	88,596,712	88,596,712	88,596,712	2.62
CMB Wing Lung Bank Limited F/D 3.24% 12 April 2023	89,615,096	89,615,096	89,615,096	2.65
Credit Agricole Corporate and Investment Bank F/D 3.50% 31 May 2023	99,301,322	99,301,322	99,301,322	2.94

## Investment report as at 31 March 2023 (continued)

### Investment portfolio (continued)

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

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits (continued)</b>				
<i>Hong Kong Dollar (continued)</i>				
Credit Agricole Corporate and Investment Bank F/D 5.20% 14 June 2023	75,547,569	75,547,569	75,547,569	2.24
Dah Sing Bank, Limited F/D 4.35% 19 July 2023	9,664,682	9,664,682	9,664,682	0.29
Dah Sing Bank, Limited F/D 5.10% 16 August 2023	72,621,259	72,621,259	72,621,259	2.15
Dah Sing Bank, Limited F/D 5.22% 20 September 2023	40,171,529	40,171,529	40,171,529	1.19
Dah Sing Bank, Limited F/D 5.22% 20 September 2023	45,101,453	45,101,453	45,101,453	1.34
DBS Bank (Hong Kong) Limited F/D 3.62% 03 May 2023	49,866,521	49,866,521	49,866,521	1.48
DBS Bank (Hong Kong) Limited F/D 3.62% 03 May 2023	51,260,560	51,260,560	51,260,560	1.52
DBS Bank (Hong Kong) Limited F/D 3.62% 03 May 2023	58,557,148	58,557,148	58,557,148	1.74
DBS Bank (Hong Kong) Limited F/D 4.20% 19 July 2023	32,865,384	32,865,384	32,865,384	0.97
DBS Bank (Hong Kong) Limited F/D 4.20% 19 July 2023	79,894,346	79,894,346	79,894,346	2.37
Fubon Bank (Hong Kong) Limited F/D 3.51% 05 July 2023	39,376,156	39,376,156	39,376,156	1.17
Fubon Bank (Hong Kong) Limited F/D 3.51% 05 July 2023	61,797,946	61,797,946	61,797,946	1.83
Fubon Bank (Hong Kong) Limited F/D 3.51% 05 July 2023	78,260,072	78,260,072	78,260,072	2.32
Fubon Bank (Hong Kong) Limited F/D 3.51% 05 July 2023	86,232,572	86,232,572	86,232,572	2.55
Industrial and Commercial Bank of China (Asia) Limited F/D 3.60% 21 June 2023	50,075,592	50,075,592	50,075,592	1.48
MUFG Bank, Ltd. F/D 3.31% 17 May 2023	62,138,822	62,138,822	62,138,822	1.84
MUFG Bank, Ltd. F/D 5.12% 17 May 2023	59,425,977	59,425,977	59,425,977	1.76
MUFG Bank, Ltd. F/D 5.12% 17 May 2023	76,793,355	76,793,355	76,793,355	2.28
MUFG Bank, Ltd. F/D 5.12% 17 May 2023	86,706,929	86,706,929	86,706,929	2.57
OCBC Wing Hang Bank Limited F/D 5.12% 17 May 2023	36,905,554	36,905,554	36,905,554	1.09
OCBC Wing Hang Bank Limited F/D 5.15% 24 May 2023	72,722,787	72,722,787	72,722,787	2.15
OCBC Wing Hang Bank Limited F/D 3.60% 21 June 2023	94,974,777	94,974,777	94,974,777	2.81

## Investment report as at 31 March 2023 (continued)

### Investment portfolio (continued)

#### BEA (Industry Scheme) MPF Conservative 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 5.22% 20 September 2023	78,816,088	78,816,088	78,816,088	2.34
Sumitomo Mitsui Banking Corporation F/D 3.38% 17 May 2023	55,080,062	55,080,062	55,080,062	1.63
Sumitomo Mitsui Banking Corporation F/D 3.38% 17 May 2023	63,166,639	63,166,639	63,166,639	1.87
Sumitomo Mitsui Banking Corporation F/D 5.38% 14 June 2023	24,165,666	24,165,666	24,165,666	0.72
Sumitomo Mitsui Banking Corporation F/D 3.83% 21 June 2023	73,372,047	73,372,047	73,372,047	2.17
Sumitomo Mitsui Banking Corporation F/D 3.83% 21 June 2023	85,838,050	85,838,050	85,838,050	2.54
<b>Total investments</b>		<u>3,129,696,501</u>	<u>3,129,696,501</u>	<u>92.70</u>

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

## Investment report as at 31 March 2023 (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	1,183,449.9180	159,588,221	140,034,155	5.64
BEA Union Investment Asia Strategic Growth Fund - Class A	755,403.1590	301,995,075	238,973,994	10.67
BEA Union Investment Global Bond Fund - Class A	4,665,467.0080	543,386,942	580,705,329	19.19
BEA Union Investment Global Equity Fund - Class A	1,068,013.2180	252,894,850	184,163,940	8.93
BEA Union Investment Greater China Growth Fund - Class A	287,245.1960	89,468,261	67,768,581	3.16
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	92,068.6500	13,411,640	11,293,732	0.47
BEA Union Investment Hong Kong Growth Fund - Class A	945,214.7330	246,341,864	297,779,487	8.70
BEA Union Investment Money Market Fund - Class A	314,009.6040	33,372,941	31,402,018	1.18
Fidelity Global Investment Fund - Japanese Equity Fund - Class B	705,753.4900	14,072,725	13,917,459	0.50
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	224,787.7660	16,790,342	17,273,729	0.59
Schroder Institutional Pooled Funds - European Equity Fund - Class B	1,898,835.4412	72,235,498	64,992,946	2.55
<b>Approved Index-Tracking Collective Investment Schemes</b>				
<i>Hong Kong</i>				
Hang Seng China Enterprises Index ETF	449,600.0000	31,633,856	30,715,543	1.12
iShares Core MSCI Asia ex Japan ETF	886,161.0000	45,176,488	45,243,028	1.60
iShares Hang Seng TECH ETF	1,929,100.0000	17,352,255	16,985,747	0.61
Premia CSI Caixin China New Economy ETF	937,250.0000	8,430,564	8,769,938	0.30
Tracker Fund of Hong Kong	9,062,500.0000	186,506,250	182,086,340	6.59

## Investment report as at 31 March 2023 (continued)

### Investment portfolio (continued)

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

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
<b>Approved Index-Tracking Collective Investment Schemes (continued)</b>				
<i>The United States of America</i>				
Invesco QQQ Trust, Series 1	15,437.0000	38,889,946	37,315,971	1.37
iShares Core MSCI Europe ETF	296,588.0000	121,950,390	115,703,203	4.31
iShares Europe ETF	251,712.0000	98,835,220	89,419,908	3.49
iShares Global Energy ETF	13,706.0000	4,062,626	2,890,960	0.14
iShares Global Tech ETF	70,849.0000	30,232,725	28,444,464	1.07
iShares MSCI Eurozone ETF	122,134.0000	43,219,985	41,187,311	1.53
iShares MSCI Japan ETF	509,827.0000	234,882,719	236,250,673	8.30
iShares MSCI Taiwan ETF	79,888.0000	28,427,024	28,203,579	1.00
iShares Russell 2000 ETF	1,242.0000	1,739,324	2,142,065	0.06
SPDR S&P 500 ETF Trust	57,045.0000	183,323,837	176,833,054	6.47
<b>Total investments</b>		<u>2,818,221,568</u>	<u>2,690,497,154</u>	<u>99.54</u>

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

## Investment report as at 31 March 2023 (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	963,701.7960	129,955,187	107,228,806	8.00
BEA Union Investment Asia Strategic Growth Fund - Class A	334,237.9760	133,621,658	109,203,790	8.22
BEA Union Investment Global Bond Fund - Class A	5,075,886.4610	591,188,496	618,431,898	36.38
BEA Union Investment Global Equity Fund - Class A	498,922.1460	118,139,775	86,015,420	7.27
BEA Union Investment Greater China Growth Fund - Class A	148,744.7030	46,329,513	36,052,914	2.85
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	87,696.9350	12,774,813	10,337,462	0.79
BEA Union Investment Hong Kong Growth Fund - Class A	333,593.3910	86,941,110	102,556,917	5.35
BEA Union Investment Money Market Fund - Class A	198,787.8030	21,127,168	19,879,448	1.30
Fidelity Global Investment Fund - Japanese Equity Fund - Class B	408,062.5050	8,136,766	8,046,993	0.50
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	64,402.0157	4,810,457	4,848,746	0.30
Schroder Institutional Pooled Funds - European Equity Fund - Class B	819,581.0260	31,178,501	28,044,994	1.92
<b>Approved Index-Tracking Collective Investment Schemes</b>				
<i>Hong Kong</i>				
Hang Seng China Enterprises Index ETF	283,200.0000	19,925,952	19,298,029	1.23
iShares Core MSCI Asia ex Japan ETF	448,433.0000	22,861,114	22,679,017	1.41
iShares Hang Seng TECH ETF	1,114,100.0000	10,021,330	9,809,303	0.62
Premia CSI Caixin China New Economy ETF	542,250.0000	4,877,539	5,073,092	0.30
Tracker Fund of Hong Kong	3,336,500.0000	68,665,170	66,561,690	4.22

## Investment report as at 31 March 2023 (continued)

### Investment portfolio (continued)

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

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
<b>Approved Index-Tracking Collective Investment Schemes (continued)</b>				
<i>The United States of America</i>				
Invesco QQQ Trust, Series 1	8,928.0000	22,492,028	21,583,149	1.38
iShares Core MSCI Europe ETF	93,715.0000	38,533,524	36,598,586	2.37
iShares Europe ETF	85,658.0000	33,633,785	31,044,695	2.07
iShares Global Energy ETF	5,505.0000	1,631,749	1,159,707	0.10
iShares Global Tech ETF	32,833.0000	14,010,516	13,246,074	0.86
iShares MSCI Eurozone ETF	70,395.0000	24,910,925	23,728,210	1.53
iShares MSCI Japan ETF	202,586.0000	93,333,524	95,417,928	5.74
iShares MSCI Taiwan ETF	32,029.0000	11,397,070	11,320,030	0.70
iShares Russell 2000 ETF	851.0000	1,191,759	1,467,697	0.07
SPDR S&P 500 ETF Trust	18,358.0000	58,996,564	58,530,886	3.63
<b>Total investments</b>		<u>1,610,685,993</u>	<u>1,548,165,481</u>	<u>99.11</u>

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

## Investment report as at 31 March 2023 (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	1,543,171.3830	208,096,661	179,390,193	8.15
BEA Union Investment Asia Strategic Growth Fund - Class A	296,694.1270	118,612,378	102,327,163	4.64
BEA Union Investment Global Bond Fund - Class A	11,269,375.2850	1,312,544,139	1,367,137,558	51.40
BEA Union Investment Global Equity Fund - Class A	459,463.8420	108,796,443	83,735,353	4.26
BEA Union Investment Greater China Growth Fund - Class A	234,676.4710	73,094,680	61,659,457	2.86
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	108,185.0140	15,759,311	13,452,614	0.62
BEA Union Investment Hong Kong Growth Fund - Class A	166,961.3260	43,513,461	48,255,591	1.70
BEA Union Investment Money Market Fund - Class A	1,200,431.2340	127,581,832	120,048,286	5.00
Fidelity Global Investment Fund - Japanese Equity Fund - Class B	645,006.9840	12,861,439	12,719,538	0.50
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	101,115.3069	7,552,727	7,609,385	0.30
Schroder Institutional Pooled Funds - European Equity Fund - Class B	757,360.7221	28,811,517	25,896,815	1.13
<b>Approved Index-Tracking Collective Investment Schemes</b>				
<i>Hong Kong</i>				
Hang Seng China Enterprises Index ETF	633,400.0000	44,566,024	43,254,805	1.75
iShares Hang Seng TECH ETF	1,758,800.0000	15,820,406	15,485,121	0.62
iShares Core MSCI Asia ex Japan ETF	653,238.0000	33,302,073	33,025,797	1.30
Premia CSI Caixin China New Economy ETF	828,500.0000	7,452,358	7,756,158	0.29
Tracker Fund of Hong Kong	2,564,000.0000	52,767,120	51,918,313	2.07



## Investment report as at 31 March 2023 (continued)

### Investment portfolio (continued)

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

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
<b>Approved Index-Tracking Collective Investment Schemes (continued)</b>				
<i>The United States of America</i>				
Invesco QQQ Trust, Series 1	10,811.0000	27,235,811	26,267,645	1.07
iShares Core MSCI Europe ETF	51,771.0000	21,287,084	19,915,585	0.83
iShares Europe ETF	60,734.0000	23,847,326	22,101,877	0.93
iShares MSCI Eurozone ETF	139,198.0000	49,258,482	47,154,571	1.93
iShares Global Energy ETF	10,110.0000	2,996,728	2,128,400	0.12
iShares Global Tech ETF	38,967.0000	16,628,020	15,698,722	0.65
iShares MSCI Japan ETF	179,502.0000	82,698,480	86,390,697	3.24
iShares MSCI Taiwan ETF	50,182.0000	17,856,561	17,735,498	0.70
iShares Russell 2000 ETF	1,415.0000	1,981,597	2,441,626	0.08
SPDR S&P 500 ETF Trust	19,090.0000	61,348,971	61,460,493	2.40
<b>Total investments</b>		<u>2,516,271,629</u>	<u>2,474,967,261</u>	<u>98.54</u>

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

## Investment report as at 31 March 2023 (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	1,515,230.7140	471,948,910	333,279,733	89.02
BEA Union Investment Hong Kong Growth Fund - Class A	151,437.4220	39,467,621	39,509,203	7.44
<b>Approved Index-Tracking Collective Investment Schemes</b>				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	23,046.0000	474,287	592,605	0.09
<i>The United States of America</i>				
iShares MSCI Taiwan ETF	44,534.0000	15,846,799	16,818,843	2.99
<b>Total investments</b>		<u>527,737,617</u>	<u>390,200,384</u>	<u>99.54</u>

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

## Investment report as at 31 March 2023 (continued)

### Investment portfolio (continued)

#### BEA (Industry Scheme) Hong Kong Equity 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 Greater China Growth Fund - Class A	26,739.2760	8,328,482	11,200,712	1.83
BEA Union Investment Hong Kong Growth Fund - Class A	1,537,135.6810	400,608,301	419,456,644	88.22
<b>Approved Index-Tracking Collective Investment Scheme</b>				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	2,097,000.0000	43,156,260	47,969,271	9.50
<b>Total investments</b>		<u>452,093,043</u>	<u>478,626,627</u>	<u>99.55</u>

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

## Investment report as at 31 March 2023 (continued)

### Investment portfolio (continued)

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

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Strategic Growth Fund - Class A	544,525.8540	217,690,546	193,752,676	86.29
<b>Approved Index-Tracking Collective Investment Schemes</b>				
<i>Hong Kong</i>				
iShares Hang Seng TECH ETF	138,500.0000	1,245,808	1,228,606	0.49
Tracker Fund of Hong Kong	129,500.0000	2,665,110	2,545,771	1.06
<i>The United Kingdom</i>				
iShares MSCI AC Far East ex-Japan UCITS ETF USD (Dist)	21,747.0000	8,757,628	8,800,783	3.47
<i>The United States of America</i>				
iShares MSCI Taiwan ETF	14,836.0000	5,279,182	5,179,242	2.09
iShares MSCI Singapore ETF	7,929.0000	1,235,501	1,184,870	0.49
<b>Total investments</b>		<u>236,873,775</u>	<u>212,691,948</u>	<u>93.89</u>

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

## Investment report as at 31 March 2023 (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 Collective Investment Scheme</b>				
<i>Hong Kong</i>				
Hang Seng China Enterprises Index ETF	1,332,000.0000	93,719,520	130,203,716	100.04
<b>Total investments</b>		93,719,520	130,203,716	100.04

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

## Investment report as at 31 March 2023 (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 Collective Investment Scheme</b>				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	5,723,000.0000	117,779,340	139,700,995	100.04
<b>Total investments</b>		<u>117,779,340</u>	<u>139,700,995</u>	<u>100.04</u>

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

## Investment report as at 31 March 2023 (continued)

### Investment portfolio (continued)

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

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
<b>Listed/quoted Investments</b>				
<b>Bond</b>				
<i>Denominated in Hong Kong Dollar</i>				
Australia and New Zealand Banking Group Limited 4.1% 26 September 2023	1,000,000	1,021,295	1,000,000	0.58
<b>Short-term deposits</b>				
<i>Hong Kong Dollar</i>				
China CITIC Bank International Limited F/D 3.48% 11 May 2023	1,604,690	1,604,690	1,604,690	0.92
China CITIC Bank International Limited F/D 5.38% 25 May 2023	2,479,288	2,479,288	2,479,288	1.42
China CITIC Bank International Limited F/D 5.49% 01 June 2023	1,645,427	1,645,427	1,645,427	0.94
China CITIC Bank International Limited F/D 5.42% 29 June 2023	2,274,457	2,274,457	2,274,457	1.30
China CITIC Bank International Limited F/D 5.39% 24 August 2023	2,518,378	2,518,378	2,518,378	1.44
China CITIC Bank International Limited F/D 5.43% 28 September 2023	3,757,584	3,757,584	3,757,584	2.15
China Construction Bank Corporation F/D 4.22% 13 April 2023	1,294,698	1,294,698	1,294,698	0.74
China Construction Bank Corporation F/D 5.47% 25 May 2023	3,056,753	3,056,753	3,056,753	1.75
China Construction Bank Corporation F/D 3.60% 01 June 2023	2,422,222	2,422,222	2,422,222	1.39
China Construction Bank Corporation F/D 3.60% 01 June 2023	3,437,607	3,437,607	3,437,607	1.97
China Construction Bank Corporation F/D 5.45% 24 August 2023	3,295,798	3,295,798	3,295,798	1.89
Chong Hing Bank Limited F/D 5.40% 01 June 2023	2,457,051	2,457,051	2,457,051	1.41
Chong Hing Bank Limited F/D 5.55% 24 August 2023	2,288,991	2,288,991	2,288,991	1.31
Credit Agricole Corporate and Investment Bank F/D 5.08% 25 May 2023	2,511,505	2,511,505	2,511,505	1.44
Credit Agricole Corporate and Investment Bank F/D 3.50% 01 June 2023	3,284,571	3,284,571	3,284,571	1.88
Credit Agricole Corporate and Investment Bank F/D 5.05% 29 June 2023	3,386,158	3,386,158	3,386,158	1.94
Dah Sing Bank, Limited F/D 5.18% 01 June 2023	4,874,378	4,874,378	4,874,378	2.79

## Investment report as at 31 March 2023 (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>				
Dah Sing Bank, Limited F/D 3.55% 06 July 2023	3,235,404	3,235,404	3,235,404	1.85
Dah Sing Bank, Limited F/D 3.55% 06 July 2023	4,138,056	4,138,056	4,138,056	2.37
Dah Sing Bank, Limited F/D 5.10% 28 September 2023	1,060,928	1,060,928	1,060,928	0.61
DBS Bank (Hong Kong) Limited F/D 4.02% 13 April 2023	3,558,832	3,558,832	3,558,832	2.04
Fubon Bank (Hong Kong) Limited F/D 3.20% 11 May 2023	2,385,260	2,385,260	2,385,260	1.37
MUFG Bank, Ltd. F/D 3.61% 29 June 2023	2,044,930	2,044,930	2,044,930	1.17
OCBC Wing Hang Bank Limited F/D 3.70% 16 June 2023	1,508,156	1,508,156	1,508,156	0.86
Sumitomo Mitsui Banking Corporation F/D 5.13% 23 June 2023	2,045,125	2,045,125	2,045,125	1.17
Sumitomo Mitsui Banking Corporation F/D 5.13% 23 June 2023	2,566,010	2,566,010	2,566,010	1.47
Sumitomo Mitsui Banking Corporation F/D 3.70% 06 July 2023	2,140,964	2,140,964	2,140,964	1.23
<i>Renminbi</i>				
China Everbright Bank Co., Ltd. F/D 2.70% 08 June 2023	472,776	539,437	539,958	0.31
China Everbright Bank Co., Ltd. F/D 2.69% 29 June 2023	3,126,910	3,567,804	3,567,335	2.04
China Everbright Bank Co., Ltd. F/D 2.69% 29 June 2023	4,517,318	5,154,260	5,153,582	2.95
China Everbright Bank Co., Ltd. F/D 2.69% 29 June 2023	4,652,247	5,308,213	5,307,516	3.04
China Everbright Bank Co., Ltd. F/D 2.69% 29 June 2023	464,317	529,786	529,716	0.30
CMB Wing Lung Bank Limited F/D 2.41% 08 June 2023	3,180,052	3,628,439	3,631,937	2.08
CMB Wing Lung Bank Limited F/D 2.12% 29 June 2023	3,457,351	3,944,837	3,944,319	2.26
CMB Wing Lung Bank Limited F/D 2.12% 29 June 2023	2,856,616	3,259,399	3,258,970	1.87
CMB Wing Lung Bank Limited F/D 2.12% 29 June 2023	2,592,323	2,957,841	2,957,452	1.69
DBS Bank (Hong Kong) Limited F/D 2.16% 11 May 2023	5,853,780	6,679,163	6,757,897	3.83
DBS Bank (Hong Kong) Limited F/D 2.16% 11 May 2023	3,662,098	4,178,454	4,227,709	2.39
Fubon Bank (Hong Kong) Limited F/D 2.30% 15 June 2023	2,401,168	2,739,732	2,709,117	1.57
Fubon Bank (Hong Kong) Limited F/D 2.25% 29 June 2023	3,881,894	4,429,240	4,428,658	2.54



## Investment report as at 31 March 2023 (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>				
Fubon Bank (Hong Kong) Limited F/D 2.25% 29 June 2023	2,532,853	2,889,986	2,889,606	1.65
Fubon Bank (Hong Kong) Limited F/D 2.30% 06 July 2023	83,708	95,511	95,381	0.06
Fubon Bank (Hong Kong) Limited F/D 2.30% 06 July 2023	1,957,942	2,234,012	2,230,977	1.28
Industrial and Commercial Bank of China (Asia) Limited F/D 2.10% 11 May 2023	3,965,309	4,524,418	4,577,751	2.59
Industrial and Commercial Bank of China (Asia) Limited F/D 2.10% 01 June 2023	1,238,216	1,412,804	1,405,189	0.81
MUFG Bank, Ltd. F/D 2.12% 29 June 2023	1,314,212	1,499,516	1,499,319	0.86
MUFG Bank, Ltd. F/D 2.12% 29 June 2023	7,061,381	8,057,036	8,055,977	4.61
OCBC Wing Hang Bank Limited F/D 2.30% 08 June 2023	2,833,859	3,233,433	3,236,550	1.85
OCBC Wing Hang Bank Limited F/D 2.30% 08 June 2023	4,479,988	5,111,667	5,116,595	2.93
OCBC Wing Hang Bank Limited F/D 2.30% 08 June 2023	4,154,363	4,740,129	4,744,698	2.72
Sumitomo Mitsui Banking Corporation F/D 2.30% 08 June 2023	4,253,131	4,852,822	4,857,501	2.78
Sumitomo Mitsui Banking Corporation F/D 2.30% 29 June 2023	2,255,728	2,573,786	2,572,658	1.47
<b>Total investments</b>		<u>160,436,241</u>	<u>160,569,589</u>	<u>91.88</u>

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

## Investment report as at 31 March 2023 (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	5,539,967.5290	639,866,250	612,728,959	100.07
<b>Total investments</b>		<u>639,866,250</u>	<u>612,728,959</u>	<u>100.07</u>

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

## Investment report as at 31 March 2023 (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	12,351,965.9120	<u>1,731,992,660</u>	<u>1,490,158,059</u>	<u>100.05</u>
<b>Total investments</b>		<u><u>1,731,992,660</u></u>	<u><u>1,490,158,059</u></u>	<u><u>100.05</u></u>

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

# Investment report for the year ended 31 March 2023 (continued)

## Statement of movements in investment portfolio

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

	% of net assets	
	As at	As at
	31 March 2023	31 March 2022
<b>Short-term deposits</b>		
Hong Kong Dollar	<u>92.70</u>	<u>93.09</u>

# Investment report for the year ended 31 March 2023 (continued)

## Statement of movements in investment portfolio (continued)

### BEA (Industry Scheme) Growth Fund

	Portfolio holdings			
	As at 31 March 2022 units	Additions units	Disposals units	As at 31 March 2023 units
Approved Pooled Investment Funds				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	976,395.8630	207,054.0550	-	1,183,449.9180
BEA Union Investment Asia Strategic Growth Fund - Class A	681,975.7300	163,791.3850	90,363.9560	755,403.1590
BEA Union Investment Global Bond Fund - Class A	3,587,879.8000	1,201,932.8870	124,345.6790	4,665,467.0080
BEA Union Investment Global Equity Fund - Class A	487,996.2030	592,340.9150	12,323.9000	1,068,013.2180
BEA Union Investment Greater China Growth Fund - Class A	149,442.9500	137,802.2460	-	287,245.1960
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	92,068.6500	-	-	92,068.6500
BEA Union Investment Hong Kong Growth Fund - Class A	1,212,748.2860	193,787.2150	461,320.7680	945,214.7330
BEA Union Investment Money Market Fund - Class A	449,618.9710	-	135,609.3670	314,009.6040
Fidelity Global Investment Fund - Japanese Equity Fund - Class B	-	705,753.4900	-	705,753.4900
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	13,022.5691	-	13,022.5691	-
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	95,791.7645	374,283.6658	245,287.6643	224,787.7660
Schroder Institutional Pooled Funds - European Equity Fund - Class B	1,543,484.3012	784,705.4764	429,354.3364	1,898,835.4412

# Investment report for the year ended 31 March 2023 (continued)

## Statement of movements in investment portfolio (continued)

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

Approved Index-Tracking Collective Investment Schemes	Portfolio holdings			
	As at 31 March 2022 units	Additions units	Disposals units	As at 31 March 2023 units
Hang Seng China Enterprises Index ETF	-	990,200.0000	540,600.0000	449,600.0000
Invesco QQQ Trust, Series 1	-	49,000.0000	33,563.0000	15,437.0000
iShares Core MSCI Asia ex Japan ETF	-	1,174,561.0000	288,400.0000	886,161.0000
iShares Core MSCI Europe ETF	483,981.0000	243,586.0000	430,979.0000	296,588.0000
iShares Europe ETF	238,178.0000	140,795.0000	127,261.0000	251,712.0000
iShares Global Energy ETF	13,706.0000	-	-	13,706.0000
iShares Global Financials ETF	8,662.0000	23,624.0000	32,286.0000	-
iShares Global Tech ETF	-	70,849.0000	-	70,849.0000
iShares Hang Seng TECH ETF	-	6,606,600.0000	4,677,500.0000	1,929,100.0000
iShares MSCI Australia ETF	314,668.0000	-	314,668.0000	-
iShares MSCI Eurozone ETF	-	122,134.0000	-	122,134.0000
iShares MSCI Japan ETF	494,646.0000	81,026.0000	65,845.0000	509,827.0000
iShares MSCI Taiwan ETF	-	79,888.0000	-	79,888.0000
iShares Russell 2000 ETF	1,242.0000	-	-	1,242.0000
iShares S&P 500 Growth ETF	-	55,900.0000	55,900.0000	-
iShares U.S. Financials ETF	-	23,300.0000	23,300.0000	-
Premia CSI Caixin China New Economy ETF	-	937,250.0000	-	937,250.0000
SPDR Dow Jones Industrial Average ETF Trust	-	9,919.0000	9,919.0000	-
SPDR S&P 500 ETF Trust	98,850.0000	63,859.0000	105,664.0000	57,045.0000
Tracker Fund of Hong Kong	11,038,000.0000	14,950,000.0000	16,925,500.0000	9,062,500.0000

# Investment report for the year ended 31 March 2023 (continued)

## Statement of movements in investment portfolio (continued)

### BEA (Industry Scheme) Balanced Fund

	Portfolio holdings			
	As at 31 March 2022 units	Additions units	Disposals units	As at 31 March 2023 units
Approved Pooled Investment Funds				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	820,652.4700	143,049.3260	-	963,701.7960
BEA Union Investment Asia Strategic Growth Fund - Class A	298,404.2990	84,189.0020	48,355.3250	334,237.9760
BEA Union Investment Global Bond Fund - Class A	4,557,087.6210	589,947.6740	71,148.8340	5,075,886.4610
BEA Union Investment Global Equity Fund - Class A	206,179.6440	314,182.6190	21,440.1170	498,922.1460
BEA Union Investment Greater China Growth Fund - Class A	69,082.1360	79,662.5670	-	148,744.7030
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	459,094.3570	112,608.9230	238,109.8890	333,593.3910
BEA Union Investment Money Market Fund - Class A	276,680.3430	-	77,892.5400	198,787.8030
Fidelity Global Investment Fund - Japanese Equity Fund - Class B	-	408,062.5050	-	408,062.5050
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	7,842.6490	-	7,842.6490	-
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	9,970.2300	153,210.3285	98,778.5428	64,402.0157
Schroder Institutional Pooled Funds - European Equity Fund - Class B	619,267.1140	455,372.1535	255,058.2415	819,581.0260

# Investment report for the year ended 31 March 2023 (continued)

## Statement of movements in investment portfolio (continued)

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

	Portfolio holdings			
	As at 31 March 2022 units	Additions units	Disposals units	As at 31 March 2023 units
<b>Approved Index-Tracking Collective Investment Schemes</b>				
Hang Seng China Enterprises Index ETF	-	573,800.0000	290,600.0000	283,200.0000
Invesco QQQ Trust, Series 1	-	27,358.0000	18,430.0000	8,928.0000
iShares Core MSCI Asia ex Japan ETF	-	596,133.0000	147,700.0000	448,433.0000
iShares Core MSCI Europe ETF	202,045.0000	143,727.0000	252,057.0000	93,715.0000
iShares Europe ETF	80,499.0000	86,899.0000	81,740.0000	85,658.0000
iShares Hang Seng TECH ETF	-	3,812,900.0000	2,698,800.0000	1,114,100.0000
iShares Global Energy ETF	5,505.0000	-	-	5,505.0000
iShares Global Financials ETF	5,153.0000	13,797.0000	18,950.0000	-
iShares Global Tech ETF	-	32,833.0000	-	32,833.0000
iShares MSCI Australia ETF	133,689.0000	-	133,689.0000	-
iShares MSCI Eurozone ETF	-	70,395.0000	-	70,395.0000
iShares MSCI Japan ETF	198,801.0000	47,645.0000	43,860.0000	202,586.0000
iShares MSCI Taiwan ETF	-	32,029.0000	-	32,029.0000
iShares Russell 2000 ETF	851.0000	-	-	851.0000
iShares S&P 500 Growth ETF	-	32,900.0000	32,900.0000	-
iShares U.S. Financials ETF	-	13,600.0000	13,600.0000	-
Premia CSI Caixin China New Economy ETF	-	542,250.0000	-	542,250.0000
SPDR Dow Jones Industrial Average ETF Trust	-	5,838.0000	5,838.0000	-
SPDR S&P 500 ETF Trust	42,153.0000	34,589.0000	58,384.0000	18,358.0000
Tracker Fund of Hong Kong	4,938,000.0000	7,269,000.0000	8,870,500.0000	3,336,500.0000



# Investment report for the year ended 31 March 2023 (continued)

## Statement of movements in investment portfolio (continued)

### BEA (Industry Scheme) Stable Fund

	Portfolio holdings			
	As at 31 March 2022 units	Additions units	Disposals units	As at 31 March 2023 units
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,355,332.7540	187,838.6290	-	1,543,171.3830
BEA Union Investment Asia Strategic Growth Fund - Class A	322,221.2990	126,982.5190	152,509.6910	296,694.1270
BEA Union Investment Global Bond Fund - Class A	10,190,715.1010	1,189,770.4420	111,110.2580	11,269,375.2850
BEA Union Investment Global Equity Fund - Class A	205,988.3300	444,854.7660	191,379.2540	459,463.8420
BEA Union Investment Greater China Growth Fund - Class A	67,645.3230	167,031.1480	-	234,676.4710
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	108,185.0140	-	-	108,185.0140
BEA Union Investment Hong Kong Growth Fund - Class A	254,022.2860	197,156.7940	284,217.7540	166,961.3260
BEA Union Investment Money Market Fund - Class A	1,322,024.5770	-	121,593.3430	1,200,431.2340
Fidelity Global Investment Fund - Japanese Equity Fund - Class B	-	645,006.9840	-	645,006.9840
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	13,968.1613	-	13,968.1613	-
Schroder IPF Asia ex Japan ex HK Equity Fund - Class B	14,642.5833	241,312.2955	154,839.5719	101,115.3069
Schroder Institutional Pooled Funds - European Equity Fund - Class B	37,944.0976	719,416.6245	-	757,360.7221

# Investment report for the year ended 31 March 2023 (continued)

## Statement of movements in investment portfolio (continued)

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

	Portfolio holdings			
	As at 31 March 2022 units	Additions units	Disposals units	As at 31 March 2023 units
<b>Approved Index-Tracking Collective Investment Schemes</b>				
Hang Seng China Enterprises Index ETF	-	962,000.0000	328,600.0000	633,400.0000
Invesco QQQ Trust, Series 1	-	36,628.0000	25,817.0000	10,811.0000
iShares Core MSCI Asia ex Japan ETF	-	930,738.0000	277,500.0000	653,238.0000
iShares Core MSCI Europe ETF	237,819.0000	237,727.0000	423,775.0000	51,771.0000
iShares Europe ETF	51,238.0000	134,178.0000	124,682.0000	60,734.0000
iShares MSCI Eurozone ETF	-	139,198.0000	-	139,198.0000
iShares FTSE China A50 ETF	-	-	-	-
iShares Global Energy ETF	10,110.0000	-	-	10,110.0000
iShares Global Financials ETF	8,012.0000	21,900.0000	29,912.0000	-
iShares Hang Seng TECH ETF	-	6,004,200.0000	4,245,400.0000	1,758,800.0000
iShares MSCI Australia ETF	109,002.0000	-	109,002.0000	-
iShares MSCI Japan ETF	166,460.0000	75,708.0000	62,666.0000	179,502.0000
iShares Global Tech ETF	-	38,967.0000	-	38,967.0000
iShares MSCI Taiwan ETF	-	50,182.0000	-	50,182.0000
iShares Russell 2000 ETF	1,415.0000	-	-	1,415.0000
iShares S&P 500 Growth ETF	-	26,000.0000	26,000.0000	-
iShares U.S. Financials ETF	-	21,500.0000	21,500.0000	-
Premia CSI Caixin China New Economy ETF	-	828,500.0000	-	828,500.0000
SPDR Dow Jones Industrial Average ETF Trust	-	9,327.0000	9,327.0000	-
SPDR S&P 500 ETF Trust	40,685.0000	52,954.0000	74,549.0000	19,090.0000
Tracker Fund of Hong Kong	6,537,500.0000	8,528,500.0000	12,502,000.0000	2,564,000.0000

# Investment report for the year ended 31 March 2023 (continued)

## Statement of movements in investment portfolio (continued)

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

	Portfolio holdings			
	As at 31 March 2022 units	Additions units	Disposals units	As at 31 March 2023 units
Approved Pooled Investment Funds				
BEA Union Investment Greater China Growth Fund - Class A	1,401,990.6620	113,240.0520	-	1,515,230.7140
BEA Union Investment Hong Kong Growth Fund - Class A	124,997.1410	26,440.2810	-	151,437.4220
Approved Index-Tracking Collective Investment Schemes				
iShares MSCI Taiwan ETF	44,534.0000	-	-	44,534.0000
Tracker Fund of Hong Kong	23,046.0000	-	-	23,046.0000

# Investment report for the year ended 31 March 2023 (continued)

## Statement of movements in investment portfolio (continued)

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

	Portfolio holdings			
	As at 31 March 2022 units	Additions units	Disposals units	As at 31 March 2023 units
Approved Pooled Investment Funds				
BEA Union Investment Greater China Growth Fund - Class A	54,215.3760	-	27,476.1000	26,739.2760
BEA Union Investment Hong Kong Growth Fund - Class A	1,317,922.9160	219,212.7650	-	1,537,135.6810
Approved Index-Tracking Collective Investment Scheme				
Tracker Fund of Hong Kong	1,359,500.0000	737,500.0000	-	2,097,000.0000

# Investment report for the year ended 31 March 2023 (continued)

## Statement of movements in investment portfolio (continued)

### BEA (Industry Scheme) Asian Equity Fund

	Portfolio holdings			
	As at 31 March 2022 units	Additions units	Disposals units	As at 31 March 2023 units
Approved Pooled Investment Funds				
BEA Union Investment Asia Strategic Growth Fund - Class A	410,876.0620	133,649.7920	-	544,525.8540
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	227,974.6699	-	227,974.6699	-
Approved Index-Tracking Collective Investment Schemes				
iShares Hang Seng TECH ETF	-	1,313,200.0000	1,174,700.0000	138,500.0000
Tracker Fund of Hong Kong	-	1,026,000.0000	896,500.0000	129,500.0000
iShares MSCI AC Far East ex-Japan UCITS ETF	553.0000	56,674.0000	35,480.0000	21,747.0000
iShares MSCI Taiwan ETF	-	14,836.0000	-	14,836.0000
iShares MSCI Singapore ETF	-	32,300.0000	24,371.0000	7,929.0000

# Investment report for the year ended 31 March 2023 (continued)

## Statement of movements in investment portfolio (continued)

### BEA China Tracker Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2023 units</i>
	<i>As at 31 March 2022 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Index-Tracking Collective Investment Scheme</b>				
Hang Seng China Enterprises Index ETF	1,109,800.0000	250,400.0000	28,200.0000	1,332,000.0000

# Investment report for the year ended 31 March 2023 (continued)

## Statement of movements in investment portfolio (continued)

### BEA Hong Kong Tracker Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2023 units</i>
	<i>As at 31 March 2022 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Index-Tracking Collective Investment Scheme</b>				
Tracker Fund of Hong Kong	4,843,000.0000	1,301,000.0000	421,000.0000	5,723,000.0000

## Investment report for the year ended 31 March 2023 (continued)

### Statement of movements in investment portfolio (continued)

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

	% of net assets	
	As at 31 March 2023	As at 31 March 2022
<b>Bonds</b>		
Hong Kong Dollar	0.58	-
<b>Short-term deposits</b>		
Hong Kong Dollar	40.82	33.61
Renminbi	50.48	59.28
	<u>91.88</u>	<u>92.89</u>



# Investment report for the year ended 31 March 2023 (continued)

## Statement of movements in investment portfolio (continued)

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

	Portfolio holdings			As at 31 March 2023 units
	As at 31 March 2022 units	Additions units	Disposals units	
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Age 65 Plus Fund - Class I	4,913,676.0600	694,286.3700	67,994.9010	5,539,967.5290

# Investment report for the year ended 31 March 2023 (continued)

## Statement of movements in investment portfolio (continued)

### BEA (Industry Scheme) Core Accumulation Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2022 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2023 units</i>
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Core Accumulation Fund - Class I	<u>10,567,301.5240</u>	<u>1,885,279.2460</u>	<u>100,614.8580</u>	<u>12,351,965.9120</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 80 to 137, 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 2023, 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 2023, 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 ("HKSA") 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.

### *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.

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

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

### *Responsibilities of Investment Manager and Trustee for the financial statements*

The Investment Manager and the Trustee of the Scheme 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 of the Scheme 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.

### *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.

## 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)*

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.
- 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.

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

### **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

14 September 2023

## 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 2023 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 14 September 2023.

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 management*

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 Management 1, which requires the firm to design, implement and operate a system of quality management including 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 audit 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 2023 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 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 29 July 2022, 30 December 2022 and 31 March 2023;
  - 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 29 July 2022, 30 December 2022 and 31 March 2023; and



## Independent auditor's assurance report (continued)

### *Opinion (continued)*

Based on the foregoing: (continued)

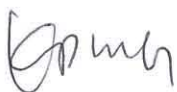
1. In our opinion: (continued)
  - d. the requirements specified in section 34DD(4)(b) of the MPFSO with respect to the controls of out-of-pocket expenses of the BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund have been complied with, in all material respects, as at 31 March 2023.
2. As at 31 March 2023, 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 2023 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

14 September 2023

# Statement of changes in net assets available for benefits - Industry Scheme for the year ended 31 March 2023

	Note	2023 HK\$	2022 HK\$
<b>Income</b>			
Net loss on investments in constituent funds	8	(862,293,486)	(844,086,517)
Interest on bank deposits	9(b)	3,639,043	2,908,035
<b>Total investment loss</b>		<u>(858,654,443)</u>	<u>(841,178,482)</u>
<b>Expenses</b>			
Administrative and other expenses		<u>3,639,045</u>	<u>2,908,035</u>
<b>Total operating expenses</b>		<u>3,639,045</u>	<u>2,908,035</u>
<b>Net loss</b>		<u>(862,293,488)</u>	<u>(844,086,517)</u>
<b>Contributions received and receivable</b>	11		
From employers			
- Mandatory		839,861,914	763,873,492
- Additional voluntary		1,806,765	1,435,216
From members			
- Mandatory		842,547,604	766,777,114
- Additional voluntary		2,746,800	2,190,000
		<u>1,686,963,083</u>	<u>1,534,275,822</u>
<b>Contribution surcharge</b>		<u>1,433,297</u>	<u>1,198,594</u>

# Statement of changes in net assets available for benefits - Industry Scheme for the year ended 31 March 2023 (continued)

	Note	2023 HK\$	2022 HK\$
<b>Transfers in</b>			
Group transfers in from other schemes		80,148,884	77,807,131
Individual transfers in from other schemes		8,266,310	11,224,862
		<u>88,415,194</u>	<u>89,031,993</u>
<b>Benefits paid and payable</b>	12		
Retirement		467,561,521	436,541,332
Early retirement		56,848,257	87,545,642
Terminal illness		4,413,472	2,752,194
Death		20,376,655	21,448,702
Permanent departure		24,290,803	23,491,370
Total incapacity		5,994,482	10,314,173
Small balance		9,627	18,049
Refund of contribution to leavers or employers		108,334	806,625
		<u>579,603,151</u>	<u>582,918,087</u>
<b>Transfers out</b>			
Group transfers out to other schemes		66,295,092	103,061,686
Individual transfers out to other schemes		332,298,393	515,303,844
		<u>398,593,485</u>	<u>618,365,530</u>

Statement of changes in net assets available for benefits  
- Industry Scheme  
for the year ended 31 March 2023 (continued)

	<i>Note</i>	2023 HK\$	2022 HK\$
<b>Long service and severance payments and other payments</b>		<u>28,971,487</u>	<u>43,886,583</u>
<b>Fees and expenses deduction for conservative fund</b>	21	<u>-</u>	<u>8,154,644</u>
<b>Changes in net assets available for benefits attributable to members</b>		<u>(92,650,037)</u>	<u>(472,904,952)</u>
<b>Net assets available for benefits attributable to members at the beginning of the year</b>		<u>14,619,644,907</u>	<u>15,092,549,859</u>
<b>Net assets available for benefits attributable to members at the end of the year</b>		<u>14,526,994,870</u>	<u>14,619,644,907</u>

The notes on pages 93 to 137 form part of these financial statements.

# Statement of net assets available for benefits - Industry Scheme as at 31 March 2023

	Note	2023 HK\$	2022 HK\$
<b>Assets</b>			
Investments	6	14,379,138,133	14,532,873,745
Contributions receivable			
- from employers		45,798,432	38,553,664
- from members		45,927,983	38,844,590
Interest receivable		262,605	184,419
Other receivables		95,989	75,283
Bank balances	7, 9(b)	70,296,167	28,293,233
<b>Total assets</b>		<u>14,541,519,309</u>	<u>14,638,824,934</u>
<b>Liabilities</b>			
Benefits payable	7	9,116,524	13,375,086
Accruals and other payables		<u>5,407,915</u>	<u>5,804,941</u>
<b>Total liabilities (excluding net assets available for benefits attributable to members)</b>		<u>14,524,439</u>	<u>19,180,027</u>
<b>Net assets available for benefits attributable to members</b>		<u>14,526,994,870</u>	<u>14,619,644,907</u>

Approved and authorised for issue by the Trustee on 14 September 2023.



  
 )  
 )  
 ) 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 93 to 137 form part of these financial statements.

## Cash flow statement - Industry Scheme for the year ended 31 March 2023

	Note	2023 HK\$	2022 HK\$
<b>Cash flows from operating activities</b>			
Net loss		(862,293,488)	(844,086,517)
Adjustments for:			
Net loss on investments in constituent funds		862,293,486	844,086,517
Interest on bank deposits		(3,639,043)	(2,908,035)
Fees and expenses deduction for conservative fund	21	-	(8,154,644)
		(3,639,045)	(11,062,679)
Payments on purchase of investments		(1,976,665,351)	(1,957,519,717)
Proceeds from sale of investments		1,268,107,477	1,558,788,798
(Increase)/decrease in other receivables		(20,706)	34,667
Decrease in accruals and other payables		(397,026)	(1,136,792)
Interest received on bank deposits		3,560,857	2,900,858
<b>Net cash used in operating activities</b>		<u>(709,053,794)</u>	<u>(407,994,865)</u>
<b>Cash flows from financing activities</b>			
Contributions and transfers in received		1,762,483,413	1,664,608,678
Benefits paid, transfers out, long service and severance payments and other payments		(1,011,426,685)	(1,247,451,068)
<b>Net cash generated from financing activities</b>		<u>751,056,728</u>	<u>417,157,610</u>
<b>Net increase in cash and cash equivalents</b>		42,002,934	9,162,745
<b>Cash and cash equivalents at the beginning of the year</b>		<u>28,293,233</u>	<u>19,130,488</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>70,296,167</u>	<u>28,293,233</u>
<b>Analysis of balance of cash and cash equivalents</b>			
Bank balances		<u>70,296,167</u>	<u>28,293,233</u>

The notes on pages 93 to 137 form part of these financial statements.

## Statement of comprehensive income – Constituent funds for the year ended 31 March 2023

		2023											
	Note	BEA (Industry Scheme) MPF Conservative Fund <sup>(1)</sup> 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	-	(209,804,315)	(122,500,481)	(184,176,423)	(70,879,979)	(47,646,147)	(40,577,882)	(6,043,156)	(7,271,660)	21,295	(37,525,511)	(96,335,350)
Dividend income		-	23,838,422	9,771,454	10,277,633	2,631,860	1,188,160	186,781	2,396,490	3,397,000	-	-	-
Interest income	9(b)	593,896	297,999	136,172	308,840	8,525	6,388	18,840	278	562	35,995	2,025	4,467
Interest income from financial assets at fair value through profit or loss	9(c)	77,301,768	-	-	-	-	-	-	-	-	3,832,828	-	-
Exchange gain/(loss)		-	128,622	3,299	(210,135)	1,901	-	232,079	-	-	(7,855,748)	-	-
Total investment income/(loss)		77,895,664	(185,539,272)	(112,589,556)	(173,800,085)	(68,237,693)	(46,451,599)	(40,140,182)	(3,646,388)	(3,874,098)	(3,965,630)	(37,523,486)	(96,330,883)
Expenses													
Trustee, administration and custodian fees	9(a)	21,280,010	12,291,713	7,172,747	11,304,197	2,268,886	1,895,323	1,088,623	217,319	275,730	734,074	1,754,293	4,562,571
Investment management fees	9(a)	10,163,659	8,472,571	4,943,923	7,790,987	1,564,626	1,306,563	750,362	167,295	212,181	505,714	951,746	2,475,201
Sponsor fees	9(a)	5,914,570	12,013,618	7,010,655	11,049,342	2,216,850	1,852,308	1,064,010	24,948	31,734	48,920	1,754,293	4,562,570
Auditor's remuneration		87,761	115,268	103,816	112,637	16,060	15,094	-	-	-	-	42,607	49,085
Safe custody and bank charges		7,470	160,138	79,587	87,430	9,836	6,282	6,067	4,664	5,824	11,774	-	-
License and registration fees		4,500	4,500	4,500	4,500	4,500	4,500	-	30,254	26,512	-	-	-
Printing and postage expenses		560,481	480,274	281,675	442,883	89,996	73,410	-	-	-	-	101,302	259,970
Fund price publication expenses		14,795	14,795	14,795	14,795	14,795	14,795	-	-	-	-	14,795	14,795
Professional indemnity insurance		137,096	130,096	75,524	117,022	24,810	19,932	-	-	-	-	25,730	67,446
Transaction costs		-	965,789	499,949	729,206	-	23,548	126,332	32,912	59,004	-	-	-
Miscellaneous expenses		333	347,039	130,450	69,985	39	32	10,175	-	-	-	5,546	5,639
Total operating expenses		38,170,675	34,995,801	20,317,621	31,722,984	6,210,398	5,211,787	3,045,569	477,392	610,985	1,300,482	4,650,312	11,997,277
Profit/(loss) before taxation		39,724,989	(220,535,073)	(132,907,177)	(205,523,069)	(74,448,091)	(51,663,386)	(43,185,751)	(4,123,780)	(4,485,083)	(5,266,112)	(42,173,798)	(108,328,160)
Overseas withholding tax	14	-	(5,146,784)	(2,049,995)	(1,932,452)	(245,970)	-	(3,794)	-	-	-	-	-
Changes in net assets attributable to members from operations		39,724,989	(225,681,857)	(134,957,172)	(207,455,521)	(74,694,061)	(51,663,386)	(43,189,545)	(4,123,780)	(4,485,083)	(5,266,112)	(42,173,798)	(108,328,160)

<sup>(1)</sup> Change of the fees and charges deduction method for the BEA (Industry Scheme) MPF Conservative Fund from member level deduction to fund level deduction effective from 1 April 2022.

The notes on pages 93 to 137 form part of these financial statements.

## Statement of comprehensive income - Constituent funds for the year ended 31 March 2023 (continued)

		2022											
	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	-	(199,274,051)	(109,275,580)	(153,479,041)	(116,683,709)	(146,681,516)	(21,634,526)	(35,953,893)	(27,336,900)	-	(7,949,002)	54,891,287
Dividend income		-	26,910,812	11,207,441	11,508,964	626,825	910,865	24,164	1,788,136	2,834,400	-	-	-
Interest income	9(b)	2,041	3,677	2,409	6,681	50	41	77	2	2	9,883	6	17
Interest income from financial assets at fair value through profit or loss	9(c)	8,256,002	-	-	-	-	-	-	-	-	2,509,343	-	-
Exchange gain		-	298,797	154,731	775,141	1,906	-	39,710	-	-	3,771,919	-	-
Total investment income/(loss)		8,258,043	(172,060,765)	(97,910,999)	(141,188,255)	(116,054,928)	(145,770,610)	(21,570,575)	(34,165,755)	(24,502,498)	6,291,145	(7,948,996)	54,891,304
Expenses													
Trustee, administration and custodian fees	9(a)	-	14,617,980	8,516,209	13,111,250	2,862,670	2,302,565	1,268,931	249,377	290,190	679,461	1,720,598	4,437,531
Investment management fees	9(a)	-	10,072,431	5,867,730	9,032,998	1,973,836	1,588,161	874,422	192,172	223,502	467,969	933,075	2,405,803
Sponsor fees	9(a)	-	14,290,869	8,325,952	12,819,084	2,797,280	2,249,448	1,240,463	28,430	33,205	45,402	1,720,598	4,437,530
Auditor's remuneration		-	89,689	89,036	89,691	10,900	10,900	-	-	-	-	38,536	38,536
Safe custody and bank charges		1,080	170,197	80,826	83,304	10,855	6,383	1,662	3,867	5,314	11,538	-	-
License and registration fees		-	4,500	4,500	4,500	4,500	4,500	-	26,528	27,903	-	-	-
Printing and postage expenses		-	749,442	436,131	666,639	152,166	124,114	-	-	-	-	124,840	320,210
Fund price publication expenses		-	14,712	14,712	14,712	14,712	14,712	-	-	-	-	14,712	14,712
Professional indemnity insurance		-	107,401	63,376	98,085	20,761	17,028	-	-	-	-	18,234	45,671
Transaction costs		-	663,535	370,302	555,254	-	-	2,354	39,198	60,776	-	-	-
Miscellaneous expenses		-	750,015	355,576	264,042	39	30	148,200	6	7	10	5,527	5,590
Total operating expenses		1,080	41,530,771	24,124,350	36,739,559	7,847,719	6,317,841	3,536,032	539,578	640,897	1,204,380	4,576,120	11,705,583
Profit/(loss) before taxation		8,256,963	(213,591,536)	(122,035,349)	(177,927,814)	(123,902,647)	(152,088,451)	(25,106,607)	(34,705,333)	(25,143,395)	5,086,765	(12,525,116)	43,185,721
Overseas withholding tax	14	-	(7,415,978)	(3,038,069)	(2,990,524)	(145,147)	-	-	-	-	-	-	-
Changes in net assets attributable to members from operations		8,256,963	(221,007,514)	(125,073,418)	(180,918,338)	(124,047,794)	(152,088,451)	(25,106,607)	(34,705,333)	(25,143,395)	5,086,765	(12,525,116)	43,185,721

The notes on pages 93 to 137 form part of these financial statements.



## Statement of assets and liabilities - Constituent funds as at 31 March 2023

		2023											
	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(c)	3,129,696,501	2,818,221,568	1,610,685,993	2,516,271,629	527,737,617	452,093,043	236,873,775	93,719,520	117,779,340	160,436,241	639,866,250	1,731,992,660
Amounts receivable on sale of investments		-	-	-	-	-	-	-	-	41,040	-	98,595	-
Amounts receivable on subscriptions		113,970	-	-	-	-	17,900	-	-	-	-	-	197,572
Interest, dividend and other receivables		25,965,798	775,536	272,704	322,423	5,514	4,470	11,974	186	377	913,922	1,417	3,140
Prepayments		-	101,205	58,598	92,364	18,604	16,333	-	-	-	-	-	-
Bank balances	9(b)	225,350,884	40,041,544	30,229,612	61,086,006	3,534,569	2,702,826	15,835,606	98,588	67,268	13,454,159	678,749	1,293,904
<b>Total assets</b>		<u>3,381,127,153</u>	<u>2,859,139,853</u>	<u>1,641,246,907</u>	<u>2,577,772,422</u>	<u>531,296,304</u>	<u>454,834,572</u>	<u>252,721,355</u>	<u>93,818,294</u>	<u>117,888,025</u>	<u>174,804,322</u>	<u>640,645,011</u>	<u>1,733,487,276</u>
<b>Liabilities</b>													
Amounts payable on purchase of investments		-	22,776,483	13,102,259	20,622,039	-	-	-	56,148	51,615	-	124,451	908,743
Amounts payable on redemptions		2,554,488	1,952,802	1,221,369	921,787	587,842	246,930	188,409	36,380	51,922	64,519	652,314	386,627
Accruals and other payables	9(a)	2,370,739	3,179,858	1,810,886	2,751,105	536,516	461,317	252,484	42,956	54,658	116,858	443,190	1,115,667
<b>Total liabilities (excluding net assets attributable to members)</b>		<u>4,925,227</u>	<u>27,909,143</u>	<u>16,134,514</u>	<u>24,294,931</u>	<u>1,124,358</u>	<u>708,247</u>	<u>440,893</u>	<u>135,484</u>	<u>158,195</u>	<u>181,377</u>	<u>1,219,955</u>	<u>2,411,037</u>
<b>Net assets attributable to members</b>	4(b)	<u>3,376,201,926</u>	<u>2,831,230,710</u>	<u>1,625,112,393</u>	<u>2,553,477,491</u>	<u>530,171,946</u>	<u>454,126,325</u>	<u>252,280,462</u>	<u>93,682,810</u>	<u>117,729,830</u>	<u>174,622,945</u>	<u>639,425,056</u>	<u>1,731,076,239</u>

## Statement of assets and liabilities - Constituent funds as at 31 March 2023 (continued)

		2023											
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>Represented by:</b>													
Number of units outstanding	4(a)	240,222,340.309	121,910,097.944	81,038,894.698	140,801,124.539	33,998,889.828	43,600,936.298	17,531,128.862	12,423,835.180	9,474,031.203	16,052,099.194	58,204,962.138	130,414,721.418
Net asset value per unit	4(b)	14.0545	23.2239	20.0535	18.1353	15.5938	10.4155	14.3904	7.5406	12.4266	10.8785	10.9857	13.2736

Approved and authorised for issue by the Trustee on 14 September 2023.



 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 93 to 137 form part of these financial statements.

## Statement of assets and liabilities - Constituent funds as at 31 March 2023 (continued)

		2022											
	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(c)	2,994,243,530	2,792,910,875	1,622,540,505	2,470,839,401	556,805,650	437,887,754	237,005,315	84,677,740	107,902,040	149,289,996	605,807,121	1,586,680,324
Amounts receivable on sale of investments		-	-	-	-	-	-	-	-	66,840	-	-	-
Amounts receivable on subscriptions		525,626	-	-	-	414,653	268,301	-	-	-	-	45,472	-
Interest, dividend and other receivables		1,265,337	979,434	396,976	339,030	10	10	29	-	1	205,602	2	4
Prepayments		-	96,361	55,992	86,234	18,608	14,488	-	-	-	-	-	-
Bank balances	9(b)	222,631,243	252,439,552	149,396,076	280,917,144	3,979,393	2,567,221	33,418,211	130,334	386,846	11,350,265	593,009	816,662
<b>Total assets</b>		<u>3,218,665,736</u>	<u>3,046,426,222</u>	<u>1,772,389,549</u>	<u>2,752,181,809</u>	<u>561,218,314</u>	<u>440,737,774</u>	<u>270,423,555</u>	<u>84,808,074</u>	<u>108,355,727</u>	<u>160,845,863</u>	<u>606,445,604</u>	<u>1,587,496,990</u>
<b>Liabilities</b>													
Amounts payable on purchase of investments		-	27,646,923	12,489,323	16,581,427	-	-	-	92,531	269,021	-	450,613	255,417
Amounts payable on redemptions		2,296,774	1,640,502	1,206,108	1,444,097	128,316	157,496	29,319	23,295	172,723	15,953	142,439	560,815
Accruals and other payables	9(a)	-	3,498,330	2,023,912	2,993,676	573,729	445,595	293,785	39,418	49,383	107,801	435,513	1,057,238
<b>Total liabilities (excluding net assets attributable to members)</b>		<u>2,296,774</u>	<u>32,785,755</u>	<u>15,719,343</u>	<u>21,019,200</u>	<u>702,045</u>	<u>603,091</u>	<u>323,104</u>	<u>155,244</u>	<u>491,127</u>	<u>123,754</u>	<u>1,028,565</u>	<u>1,873,470</u>
<b>Net assets attributable to members</b>	4(b)	<u>3,216,368,962</u>	<u>3,013,640,467</u>	<u>1,756,670,206</u>	<u>2,731,162,609</u>	<u>560,516,269</u>	<u>440,134,683</u>	<u>270,100,451</u>	<u>84,652,830</u>	<u>107,864,600</u>	<u>160,722,109</u>	<u>605,417,039</u>	<u>1,585,623,520</u>

## Statement of assets and liabilities - Constituent funds as at 31 March 2023 (continued)

		2022											
	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\$
Represented by:													
Number of units outstanding	4(a)	231,593,389.738	120,009,344.517	80,885,377.154	139,151,888.570	31,151,244.475	37,188,404.083	15,770,299.342	10,617,408.273	8,242,376.831	14,278,085.449	51,224,853.426	110,684,916.064
Net asset value per unit	4(b)	13.8880	25.1117	21.7180	19.6272	17.9934	11.8353	17.1272	7.9730	13.0866	11.2566	11.8188	14.3256

Approved and authorised for issue by the Trustee on 14 September 2023.



 )  
 ) 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 93 to 137 form part of these financial statements.

## Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 March 2023

	2023											
	<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>	3,216,368,962	3,013,640,467	1,756,670,206	2,731,162,609	560,516,269	440,134,683	270,100,451	84,652,830	107,864,600	160,722,109	605,417,039	1,585,623,520
Proceeds on subscription of units	482,792,367	259,305,160	143,393,043	259,690,220	86,739,094	125,100,835	45,205,684	21,116,240	34,704,121	32,529,232	126,703,356	359,385,999
Payments on redemption of units	(362,684,392)	(216,033,060)	(139,993,684)	(229,919,817)	(42,389,356)	(59,445,807)	(19,836,128)	(7,962,480)	(20,353,808)	(13,362,284)	(50,521,541)	(105,605,120)
<b>Net subscription</b>	120,107,975	43,272,100	3,399,359	29,770,403	44,349,738	65,655,028	25,369,556	13,153,760	14,350,313	19,166,948	76,181,815	253,780,879
<b>Changes in net assets attributable to members from operations</b>	39,724,989	(225,681,857)	(134,957,172)	(207,455,521)	(74,694,061)	(51,663,386)	(43,189,545)	(4,123,780)	(4,485,083)	(5,266,112)	(42,173,798)	(108,328,160)
<b>Net assets attributable to members at the end of the year</b>	3,376,201,926	2,831,230,710	1,625,112,393	2,553,477,491	530,171,946	454,126,325	252,280,462	93,682,810	117,729,830	174,622,945	639,425,056	1,731,076,239

The notes on pages 93 to 137 form part of these financial statements.

## Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 March 2023 (continued)

	2022											
	<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>	3,183,098,472	3,257,428,276	1,907,752,003	2,928,640,414	652,313,121	531,547,204	273,926,901	107,192,938	114,062,802	142,135,040	535,126,307	1,345,005,865
Proceeds on subscription of units	451,652,678	262,023,180	145,561,158	266,039,731	100,613,229	137,958,637	52,205,316	25,170,736	42,487,940	31,849,233	122,960,970	318,996,908
Payments on redemption of units	(426,639,151)	(284,803,475)	(171,569,537)	(282,599,198)	(68,362,287)	(77,282,707)	(30,925,159)	(13,005,511)	(23,542,747)	(18,348,929)	(40,145,122)	(121,564,974)
<b>Net subscription/(redemption)</b>	25,013,527	(22,780,295)	(26,008,379)	(16,559,467)	32,250,942	60,675,930	21,280,157	12,165,225	18,945,193	13,500,304	82,815,848	197,431,934
<b>Changes in net assets attributable to members from operations</b>	8,256,963	(221,007,514)	(125,073,418)	(180,918,338)	(124,047,794)	(152,088,451)	(25,106,607)	(34,705,333)	(25,143,395)	5,086,765	(12,525,116)	43,185,721
<b>Net assets attributable to members at the end of the year</b>	3,216,368,962	3,013,640,467	1,756,670,206	2,731,162,609	560,516,269	440,134,683	270,100,451	84,652,830	107,864,600	160,722,109	605,417,039	1,585,623,520

The notes on pages 93 to 137 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 2023:

- 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.

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

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.

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.

## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

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

- 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, prepayments, 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 collective investment schemes. 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).

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 collective investment schemes 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, prepayments, interest, dividend and other receivables.

## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

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

##### *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.

#### (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 redemptions, benefits payables, 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.

## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

#### (iv) Measurement (continued)

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.

#### (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 collective investment schemes 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. Realised gains or losses on investments and unrealized gains or losses on investments arising from a change in fair value. 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.

## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

#### (vii) Impairment

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.

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.

## 2 Summary of significant accounting policies (continued)

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

#### (vii) Impairment (continued)

##### *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.

##### *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.

## 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. 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. Interest income on debt securities is included in gain/(loss) in investments. 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 its constituent funds; and
- The effect of substantially restricting or fixing the residual return to the puttable instrument holders.

The redeemable units are not in the class of instruments that are subordinate to all other classes of instruments which have identical features. 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, prepayment, 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) **Forfeitures**

If a member ceases to be a member, the part of the employer's voluntary balance not otherwise disposed of in accordance with the rules of the Scheme would be returned to the employer. Forfeitures arising from such cases which have not been returned to the employers would be treated as liabilities of the Scheme.

### (n) **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)

### (n) *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.

### (o) *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 and new standards are effective for the current accounting period. None of these developments have had a material effect on the Scheme and its constituent funds' financial statements.

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 25).

## 4 Capital management and units in issue

### (a) Movement of units in issue

	<i>BEA (Industry Scheme)</i> <i>MPF Conservative Fund</i>		<i>BEA (Industry Scheme)</i> <i>Growth Fund</i>		<i>BEA (Industry Scheme)</i> <i>Balanced Fund</i>	
	2023 Units	2022 Units	2023 Units	2022 Units	2023 Units	2022 Units
Balance at the beginning of the year	231,593,389.738	229,792,550.475	120,009,344.517	120,795,546.233	80,885,377.154	81,973,891.777
Units issued	34,685,437.851	32,565,946.668	11,507,874.140	9,669,989.333	7,299,972.135	6,241,802.279
Units redeemed	(26,056,487.280)	(30,765,107.405)	(9,607,120.713)	(10,456,191.049)	(7,146,454.591)	(7,330,316.902)
Balance at the end of the year	<u>240,222,340.309</u>	<u>231,593,389.738</u>	<u>121,910,097.944</u>	<u>120,009,344.517</u>	<u>81,038,894.698</u>	<u>80,885,377.154</u>

	<i>BEA (Industry Scheme)</i> <i>Stable Fund</i>		<i>BEA (Industry Scheme)</i> <i>Greater China Equity Fund</i>		<i>BEA (Industry Scheme)</i> <i>Hong Kong Equity Fund</i>	
	2023 Units	2022 Units	2023 Units	2022 Units	2023 Units	2022 Units
Balance at the beginning of the year	139,151,888.570	139,923,418.542	31,151,244.475	29,594,739.281	37,188,404.083	32,885,734.686
Units issued	14,477,768.281	12,721,085.763	5,620,019.014	4,777,608.691	12,089,491.161	9,471,701.900
Units redeemed	(12,828,532.312)	(13,492,615.735)	(2,772,373.661)	(3,221,103.497)	(5,676,958.946)	(5,169,032.503)
Balance at the end of the year	<u>140,801,124.539</u>	<u>139,151,888.570</u>	<u>33,998,889.828</u>	<u>31,151,244.475</u>	<u>43,600,936.298</u>	<u>37,188,404.083</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>	
	2023 Units	2022 Units	2023 Units	2022 Units	2023 Units	2022 Units
Balance at the beginning of the year	15,770,299.342	14,623,831.891	10,617,408.273	9,340,112.913	8,242,376.831	6,914,988.876
Units issued	3,110,544.477	2,793,538.530	2,915,250.422	2,596,252.160	2,946,086.777	2,897,919.426
Units redeemed	(1,349,714.957)	(1,647,071.079)	(1,108,823.515)	(1,318,956.800)	(1,714,432.405)	(1,570,531.471)
Balance at the end of the year	<u>17,531,128.862</u>	<u>15,770,299.342</u>	<u>12,423,835.180</u>	<u>10,617,408.273</u>	<u>9,474,031.203</u>	<u>8,242,376.831</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>	
	2023 Units	2022 Units	2023 Units	2022 Units	2023 Units	2022 Units
Balance at the beginning of the year	14,278,085.449	13,063,604.789	51,224,853.426	44,454,138.232	110,684,916.064	97,072,901.175
Units issued	3,014,130.048	2,871,686.662	11,600,981.151	10,048,757.884	27,918,175.167	21,987,139.972
Units redeemed	(1,240,116.303)	(1,657,206.002)	(4,620,872.439)	(3,278,042.690)	(8,188,369.813)	(8,375,125.083)
Balance at the end of the year	<u>16,052,099.194</u>	<u>14,278,085.449</u>	<u>58,204,962.138</u>	<u>51,224,853.426</u>	<u>130,414,721.418</u>	<u>110,684,916.064</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>	
	2023	2022	2023	2022	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	<u>3,376,201,926</u>	<u>3,216,368,962</u>	<u>2,831,230,710</u>	<u>3,013,640,467</u>	<u>1,625,112,393</u>	<u>1,756,670,206</u>
Net assets attributable to members per unit	<u>14.0545</u>	<u>13.8880</u>	<u>23.2239</u>	<u>25.1117</u>	<u>20.0535</u>	<u>21.7180</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>	
	2023	2022	2023	2022	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	<u>2,553,477,491</u>	<u>2,731,162,609</u>	<u>530,171,946</u>	<u>560,516,269</u>	<u>454,126,325</u>	<u>440,134,683</u>
Net assets attributable to members per unit	<u>18.1353</u>	<u>19.6272</u>	<u>15.5938</u>	<u>17.9934</u>	<u>10.4155</u>	<u>11.8353</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>	
	2023	2022	2023	2022	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	<u>252,280,462</u>	<u>270,100,451</u>	<u>93,682,810</u>	<u>84,652,830</u>	<u>117,729,830</u>	<u>107,864,600</u>
Net assets attributable to members per unit	<u>14.3904</u>	<u>17.1272</u>	<u>7.5406</u>	<u>7.9730</u>	<u>12.4266</u>	<u>13.0866</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>	
	2023	2022	2023	2022	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	<u>174,622,945</u>	<u>160,722,109</u>	<u>639,425,056</u>	<u>605,417,039</u>	<u>1,731,076,239</u>	<u>1,585,623,520</u>
Net assets attributable to members per unit	<u>10.8785</u>	<u>11.2566</u>	<u>10.9857</u>	<u>11.8188</u>	<u>13.2736</u>	<u>14.3256</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)*

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 within 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 for 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 modest capital growth over the long term through a higher weighting of investments in global debt securities to provide steady income and a 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 (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 and/or 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 and/or 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 returns that match the performance of the Hang Seng Index as closely as practicable.

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 by investing in a globally diversified manner.

The investment objective of BEA (Industry Scheme) Core Accumulation Fund is to provide capital growth 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% (2022: 5%) are illustrated below. The analysis is performed on the same basis as 2022.

#### As at 31 March

	2023		2022	
	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	307	15	326	16
<b>BEA (Industry Scheme) Balanced Fund</b>				
British Pound	199	10	212	11
<b>BEA (Industry Scheme) Stable Fund</b>				
British Pound	341	17	362	18
<b>BEA (Industry Scheme) Asian Equity Fund</b>				
British Pound	8,757,628	437,881	246,796	12,340
<b>BEA (Industry Scheme) RMB &amp; HKD Money Market Fund</b>				
Renminbi	90,098,396	4,504,920	103,790,410	5,189,521

## 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 except for BEA (Industry Scheme) RMB & HKD Money Market, and other constitution funds' interest-bearing assets were limited to bank deposits only. Indirect interest rate risk from underlying collective investment schemes are managed by the Investment Manager. 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.

The following table illustrates the interest rate risk exposure of BEA (Industry Scheme) RMB & HKD Money Market Fund. It includes their interest rate sensitivity gaps and the year in which the interest rates of interest bearing assets and interest bearing liabilities reprice (the earlier of contractual re-pricing or maturity date) as at year end.

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

##### **As at 31 March 2023**

	<i>Up to 1 year HK\$</i>	<i>1 - 5 years HK\$</i>	<i>Over 5 years HK\$</i>	<i>Non-interest bearing HK\$</i>	<i>Total HK\$</i>
<b>Assets</b>					
Investments	160,436,241	-	-	-	160,436,241
Cash at banks	13,454,159	-	-	-	13,454,159
Other assets	-	-	-	913,922	913,922
<b>Total assets</b>	<b>173,890,400</b>	<b>-</b>	<b>-</b>	<b>913,922</b>	<b>174,804,322</b>
<b>Liabilities (excluding net assets attributable to unitholders)</b>					
Other liabilities	-	-	-	181,377	181,377
<b>Total interest sensitivity gap</b>	<b>173,890,400</b>	<b>-</b>	<b>-</b>		

## 5 Financial risk management (continued)

### (a) Market risk (continued)

#### (ii) Interest rate risk (continued)

BEA (Industry Scheme) RMB & HKD Money Market Fund did not have any interest-bearing liability as at 31 March 2022 and its interest-bearing assets were limited to bank deposits. The Investment Manager considered that it does not have significant direct interest rate exposure.

At year end, should the relevant market interest rates have been increased by a certain percentage with all other variables held constant, the estimated impact on the net assets attributable to unitholders and the change in net assets attributable to unitholders from operations for the year are shown in the table below.

	<i>% possible reasonable shift</i>	<i>Estimated increase/ (decrease) 2023 HK\$</i>	<i>Estimated increase/ (decrease) 2022 HK\$</i>
BEA (Industry Scheme) RMB & HKD Money Market Fund	0.25%	(1,226)	-

#### (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.

#### *Sensitivity analysis*

The Investment Manager projects the possible movement of the relevant market indices (the "potential movement") based on historical experience. If the relevant market 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 2022.

## 5 Financial risk management (continued)

### (a) Market risk (continued)

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

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

BEA (Industry Scheme) MPF Conservative Fund only invests in short-term deposits which are not subject to other price risk, no sensitivity analysis is performed.

BEA (Industry Scheme) RMB & HKD Money Market Fund only invests in short-term deposits and a debt security which are not subject to other price risk. Therefore, no sensitivity analysis is performed.

	<i>% of possible reasonable shift</i>	<i>Estimated increase 2023 HK\$</i>	<i>Estimated increase 2022 HK\$</i>
BEA (Industry Scheme) Growth Fund (note (a))	5%	128,953,335	156,404,097
BEA (Industry Scheme) Balanced Fund (note (b))	5%	72,764,821	90,217,222
BEA (Industry Scheme) Stable Fund (note (c))	5%	112,285,127	131,390,594
BEA (Industry Scheme) Greater China Equity Fund (note (d))	5%	26,482,827	32,261,648
BEA (Industry Scheme) Hong Kong Equity Fund (note (e))	5%	20,627,994	23,415,918
BEA (Industry Scheme) Asian Equity Fund (note (f))	5%	9,582,044	12,509,006
BEA China Tracker Fund (note (g))	5%	4,661,674	4,098,289
BEA Hong Kong Tracker Fund (note (h))	5%	5,636,131	5,266,184
BEA (Industry Scheme) Age 65 Plus Fund (note (i))	5%	31,964,163	28,208,667
BEA (Industry Scheme) Core Accumulation Fund (note (j))	5%	<u>87,880,642</u>	<u>76,974,734</u>

## 5 Financial risk management (continued)

### (a) Market risk (continued)

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

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

Notes:

- (a) 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
- (b) 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
- (c) 60% (75% Citi WGBI HKD + 25% Citi WGBI HKD-Hedged) + 10% FTSE MPF Hong Kong Index + 10% HK MPF Prescribed Savings Rate + 6% FTSE MPF Europe Index + 6% FTSE MPF North America Index + 4% FTSE MPF Japan Index + 4% FTSE MPF AP ex Japan ex Hong Kong
- (d) 100% FTSE MPF Greater China Index
- (e) 100% FTSE MPF Hong Kong Index
- (f) 100% FTSE MPF Asia Pacific ex JP, AU & NZ Hedged Index
- (g) 100% Hang Seng China Enterprise Total Return Index
- (h) 100% Hang Seng Total Return Index
- (i) 100% MPF Age 65 Plus Fund RP (Net of 0.95% Max fee)
- (j) 100% MPF Core Accumulation Fund RP (Net of 0.95% Max fee)

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.

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

	2023	2022
<b>Rating (S&amp;P/Moody's)</b>		
AA-/Aa3	23.34%	24.02%
A+/A1	28.47%	23.97%
A/A2	19.60%	2.63%
A-/A3	10.63%	20.97%
BBB+/Baa1	17.96%	19.12%
BBB/Baa2	0.00%	9.29%
Total	100.00%	100.00%

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

##### **Portfolio by rating category of the issuer of short-term deposits and the debt security**

	2023	2022
<b>Rating (S&amp;P/Moody's)</b>		
AA-/Aa3	24.44%	19.83%
A+/A1	28.19%	31.94%
A/A2	19.86%	1.65%
A-/A3	8.89%	17.83%
BBB+/Baa1	18.62%	19.08%
BBB/Baa2	0.00%	9.67%
Total	100.00%	100.00%

## **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 2023 and 2022.

#### **Amounts arising from ECLs**

Impairment on contributions receivables, interest receivables, other receivables, bank balances, amounts receivable on sale of investments, amounts receivable on subscriptions and 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. 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 sale of investments, amounts receivable on subscriptions and interest, dividend and other receivables.

### **(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 collective investment schemes that could be readily converted into cash to meet its liquidity requirement.

As at 31 March 2023 and 2022, 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

#### *Investments in constituent funds*

	2023 HK\$	2022 HK\$
BEA (Industry Scheme) MPF Conservative Fund	3,376,201,926	3,216,368,962
BEA (Industry Scheme) Growth Fund	2,831,230,710	3,013,640,467
BEA (Industry Scheme) Balanced Fund	1,625,112,393	1,756,670,206
BEA (Industry Scheme) Stable Fund	2,553,477,491	2,731,162,609
BEA (Industry Scheme) Greater China Equity Fund	530,171,946	560,516,269
BEA (Industry Scheme) Hong Kong Equity Fund	454,126,325	440,134,683
BEA (Industry Scheme) Asian Equity Fund	252,280,462	270,100,451
BEA China Tracker Fund	93,682,810	84,652,830
BEA Hong Kong Tracker Fund	117,729,830	107,864,600
BEA (Industry Scheme) RMB & HKD Money Market Fund	174,622,945	160,722,109
BEA (Industry Scheme) Age 65 Plus Fund	639,425,056	605,417,039
BEA (Industry Scheme) Core Accumulation Fund	1,731,076,239	1,585,623,520
Investments at fair value	<u>14,379,138,133</u>	<u>14,532,873,745</u>
Investments at cost	<u>13,193,441,601</u>	<u>12,409,213,763</u>

### (b) Constituent funds

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

	2023 HK\$	2022 HK\$
Short-term deposits	<u>3,129,696,501</u>	<u>2,994,243,530</u>

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

	2023 HK\$	2022 HK\$
Approved Pooled Investment Funds	1,743,558,359	1,586,189,652
Approved Index-Tracking Collective Investment Schemes	<u>1,074,663,209</u>	<u>1,206,721,223</u>
Investments	<u>2,818,221,568</u>	<u>2,792,910,875</u>



## 6 Investments (continued)

### (b) Constituent funds (continued)

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

	2023 HK\$	2022 HK\$
Approved Pooled Investment Funds	1,184,203,444	1,117,539,270
Approved Index-Tracking Collective Investment Schemes	426,482,549	505,001,235
Investments	<u>1,610,685,993</u>	<u>1,622,540,505</u>

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

	2023 HK\$	2022 HK\$
Approved Pooled Investment Funds	2,057,224,588	1,948,670,483
Approved Index-Tracking Collective Investment Schemes	459,047,041	522,168,918
Investments	<u>2,516,271,629</u>	<u>2,470,839,401</u>

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

	2023 HK\$	2022 HK\$
Approved Pooled Investment Funds	511,416,531	534,860,801
Approved Index-Tracking Collective Investment Schemes	16,321,086	21,944,849
Investments	<u>527,737,617</u>	<u>556,805,650</u>

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

	2023 HK\$	2022 HK\$
Approved Pooled Investment Funds	408,936,783	407,598,094
Approved Index-Tracking Collective Investment Scheme	43,156,260	30,289,660
Investments	<u>452,093,043</u>	<u>437,887,754</u>

## 6 Investments (continued)

### (b) Constituent funds (continued)

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

	2023 HK\$	2022 HK\$
Approved Pooled Investment Funds	217,690,546	236,758,519
Approved Index-Tracking Collective Investment Schemes	19,183,229	246,796
Investments	<u>236,873,775</u>	<u>237,005,315</u>

#### *BEA China Tracker Fund*

	2023 HK\$	2022 HK\$
Approved Index-Tracking Collective Investment Scheme	<u>93,719,520</u>	<u>84,677,740</u>

#### *BEA Hong Kong Tracker Fund*

	2023 HK\$	2022 HK\$
Approved Index-Tracking Collective Investment Scheme	<u>117,779,340</u>	<u>107,902,040</u>

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

	2023 HK\$	2022 HK\$
Bond	1,021,295	-
Short-term deposits	159,414,946	149,289,996
	<u>160,436,241</u>	<u>149,289,996</u>

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

	2023 HK\$	2022 HK\$
Approved Pooled Investment Fund	<u>639,866,250</u>	<u>605,807,121</u>

## 6 Investments (continued)

### (b) Constituent funds (continued)

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

	2023 HK\$	2022 HK\$
Approved Pooled Investment Fund	<u>1,731,992,660</u>	<u>1,586,680,324</u>
Total investments at fair value	<u>14,035,374,137</u>	<u>13,646,590,251</u>
Total investments at cost	<u>13,458,206,674</u>	<u>12,392,319,315</u>

## 7 Bank balances

As at 31 March 2023, the Scheme placed bank deposits amounted to HK\$70,296,167 (2022: HK\$28,293,233).

#### 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 payables</i> 2023 HK\$	2022 HK\$
As at beginning of the year	13,375,086	15,655,954
Benefits	579,603,151	582,918,087
Transfers out	398,593,485	618,365,530
Long service payments and severance payments and other payments	28,971,487	43,886,583
Benefits paid, transfers out, long service and severance payments and other payments	<u>(1,011,426,685)</u>	<u>(1,247,451,068)</u>
As at the end of the year	<u>9,116,524</u>	<u>13,375,086</u>

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

### (a) The Scheme

	2023 HK\$	2022 HK\$
Change in unrealised loss in value of constituent funds	(937,963,450)	(1,140,907,146)
Realised gain on sale of constituent funds	75,669,964	296,820,629
Net loss on investments in constituent funds	<u>(862,293,486)</u>	<u>(844,086,517)</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>	
	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$
Change in unrealised loss in value of investments	-	-	(159,524,984)	(347,614,351)	(88,662,443)	(182,347,938)
Realised (loss)/gain on sale of investments	-	-	(50,279,331)	148,340,300	(33,838,038)	73,072,358
Net loss on investments	<u>-</u>	<u>-</u>	<u>(209,804,315)</u>	<u>(199,274,051)</u>	<u>(122,500,481)</u>	<u>(109,275,580)</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>	
	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$
Change in unrealised loss in value of investments	(120,594,537)	(220,992,955)	(70,879,979)	(117,685,246)	(42,787,379)	(146,681,516)
Realised (loss)/gain on sale of investments	(63,581,886)	67,513,914	-	1,001,537	(4,858,768)	-
Net loss on investments	<u>(184,176,423)</u>	<u>(153,479,041)</u>	<u>(70,879,979)</u>	<u>(116,683,709)</u>	<u>(47,646,147)</u>	<u>(146,681,516)</u>

	<i>BEA (Industry Scheme) Asian Equity Fund</i>		<i>BEA China Tracker Fund</i>		<i>BEA Hong Kong Tracker Fund</i>	
	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$
Change in unrealised loss in value of investments	(48,061,376)	(31,679,753)	(5,077,817)	(35,335,150)	(5,173,367)	(27,342,237)
Realised gain/(loss) on sale of investments	7,483,494	10,045,227	(965,339)	(618,743)	(2,098,293)	5,337
Net loss on investments	<u>(40,577,882)</u>	<u>(21,634,526)</u>	<u>(6,043,156)</u>	<u>(35,953,893)</u>	<u>(7,271,660)</u>	<u>(27,336,900)</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>	
	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$
Change in unrealised gain/(loss) in value of investments	21,295	-	(37,834,870)	(8,949,720)	(98,089,146)	51,011,676
Realised gain on sale of investments	-	-	309,359	1,000,718	1,753,796	3,879,611
Net gain/(loss) on investments	<u>21,295</u>	<u>-</u>	<u>(37,525,511)</u>	<u>(7,949,002)</u>	<u>(96,335,350)</u>	<u>54,891,287</u>

## 9 Transactions with related parties

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

### (a) Management fees

“Management fees” include trustee, administration and custodian fees, investment management fees (including fees based on fund performance, if any) and sponsor fees paid to Sponsor of the Scheme for providing their services to the relevant Constituent Fund.

The Sponsor, The Bank of East Asia, Limited, is entitled to receive trustee, administration and custodian fees, investment management fees and sponsor fees which are 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 Sponsor may share any fees it receives with distributors or agents procuring subscriptions to the Scheme. The fees payable to the Trustee are inclusive of administration and custodian fees payable in its capacity as the Administrator and Custodian (but, exclusive of fees payable to sub-custodians which will be paid from the assets of the Scheme). The fees are calculated and accrued on each valuation day and payable monthly in arrears.

The breakdown of the management fees payable out of the constituent funds is as follows:

<i>Name of Constituent Fund</i>	<i>Sponsor<sup>(3)</sup> (p.a. of NAV)</i>	<i>Trustee/ Administrator/ Custodian<sup>(3)</sup> (p.a. of NAV)</i>	<i>Investment Manager<sup>(3)</sup> (p.a. of NAV)</i>	<i>Total (p.a. of NAV)</i>
BEA (Industry Scheme) MPF Conservative Fund <sup>(1)</sup>	0.03%	0.45%	0.31%	0.79%
BEA (Industry Scheme) Growth Fund	0.44%	0.45%	0.31%	1.20%
BEA (Industry Scheme) Balanced Fund	0.44%	0.45%	0.31%	1.20%
BEA (Industry Scheme) Stable Fund	0.44%	0.45%	0.31%	1.20%
BEA (Industry Scheme) Greater China Equity Fund	0.44%	0.45%	0.31%	1.20%
BEA (Industry Scheme) Hong Kong Equity Fund	0.44%	0.45%	0.31%	1.20%
BEA (Industry Scheme) Asian Equity Fund	0.44%	0.45%	0.31%	1.20%
BEA China Tracker Fund	0.03%	0.26%	0.20%	0.49%
BEA Hong Kong Tracker Fund	0.03%	0.26%	0.20%	0.49%
BEA (Industry Scheme) RMB & HKD Money Market Fund	0.03%	0.45%	0.31%	0.79%
BEA (Industry Scheme) Age 65 Plus Fund <sup>(2)</sup>	0.295%	0.295%	0.16%	0.75%
BEA (Industry Scheme) Core Accumulation Fund <sup>(2)</sup>	0.295%	0.295%	0.16%	0.75%

<sup>(1)</sup> For BEA (Industry Scheme) MPF Conservative Fund, the management fees are only deducted when the net investment return exceeds the prescribed savings rate prescribed by the Mandatory Provident Fund Schemes Authority. 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.

## 9 Transactions with related parties (continued)

### (a) Management fees (continued)

<sup>(2)</sup> For BEA (Industry Scheme) Age 65 Plus Fund and BEA (Industry Scheme) Core Accumulation Fund, management fees payable can only be charged as a percentage of the net asset value of the fund. These management fees are also subject to a statutory daily limit of 0.75% per annum of the net asset value of the relevant constituent fund which applies across both the constituent fund and the underlying funds.

<sup>(3)</sup> The fees payable to the Trustee are for its trustee and administrative functions, while the fees payable to the Investment Manager are for its investment management functions. As for the Sponsor, its fees are for its services related to product support, dissemination of MPF marketing materials and product development activities.

The management fees charged for the year are disclosed in the statement of comprehensive income. As at 31 March, the management fees payables were as follows:

	2023 HK\$	2022 HK\$
BEA (Industry Scheme) MPF Conservative Fund	2,259,195	-
BEA (Industry Scheme) Growth Fund	2,816,169	3,019,920
BEA (Industry Scheme) Balanced Fund	1,623,403	1,775,721
BEA (Industry Scheme) Stable Fund	2,559,485	2,778,322
BEA (Industry Scheme) Greater China Equity Fund	523,882	560,670
BEA (Industry Scheme) Hong Kong Equity Fund	449,036	433,061
BEA (Industry Scheme) Asian Equity Fund	250,892	271,131
BEA China Tracker Fund	37,245	33,962
BEA Hong Kong Tracker Fund	47,422	42,684
BEA (Industry Scheme) RMB & HKD Money Market Fund	116,319	107,021
BEA (Industry Scheme) Age 65 Plus Fund	399,436	383,743
BEA (Industry Scheme) Core Accumulation Fund	1,067,362	987,295

## 9 Transactions with related parties (continued)

### (b) Bank balances

As at 31 March 2023, the Scheme and its constituent funds placed bank deposits amounted to HK\$70,296,167 (2022: HK\$28,293,233) and HK\$277,617,138 (2022: HK\$592,473,983) 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\$3,639,043 (2022: HK\$2,908,035) and HK\$868,865 (2022: HK\$13,455) respectively. Bank charges incurred are not disclosed as the Trustee considers the amounts immaterial.

### (c) 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>2023</i>	<i>2022</i>
	<i>HK\$</i>	<i>HK\$</i>
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	159,588,221	134,332,543
BEA Union Investment Asia Strategic Growth Fund - Class A	301,995,075	329,380,638
BEA Union Investment Global Bond Fund - Class A	543,386,942	456,665,341
BEA Union Investment Global Equity Fund - Class A	252,894,850	124,473,191
BEA Union Investment Greater China Growth Fund - Class A	89,468,261	53,086,619
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	13,411,640	13,645,495
BEA Union Investment Hong Kong Growth Fund - Class A	246,341,864	357,348,410
BEA Union Investment Money Market Fund - Class A	33,372,941	46,589,518

## 9 Transactions with related parties (continued)

### (c) Investments (continued)

	<i>BEA (Industry Scheme) Balanced Fund</i>		<i>BEA (Industry Scheme) Stable Fund</i>	
	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	129,955,187	112,905,367	208,096,661	186,466,680
BEA Union Investment Asia Strategic Growth Fund - Class A	133,621,658	144,123,308	118,612,378	155,626,443
BEA Union Investment Global Bond Fund - Class A	591,188,496	580,026,112	1,312,544,139	1,297,074,218
BEA Union Investment Global Equity Fund - Class A	118,139,775	52,590,242	108,796,443	52,541,443
BEA Union Investment Greater China Growth Fund - Class A	46,329,513	24,540,047	73,094,680	24,029,648
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	12,774,813	12,997,563	15,759,311	16,034,101
BEA Union Investment Hong Kong Growth Fund - Class A	86,941,110	135,276,743	43,513,461	74,850,207
BEA Union Investment Money Market Fund - Class A	21,127,168	28,669,617	127,581,832	136,988,187
	<i>BEA (Industry Scheme) Greater China Equity Fund</i>		<i>BEA (Industry Scheme) Hong Kong Equity Fund</i>	
	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$
BEA Union Investment Greater China Growth Fund - Class A	471,948,910	498,029,143	8,328,482	19,258,928
BEA Union Investment Hong Kong Growth Fund - Class A	39,467,621	36,831,658	400,608,301	388,339,166
	<i>BEA (Industry Scheme) Asian Equity Fund</i>		<i>BEA (Industry Scheme) Age 65 Plus Fund</i>	
	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$
BEA Union Investment Asia Strategic Growth Fund - Class A	217,690,546	198,444,920	-	-
BEA Union Investment Age 65 Plus Fund - Class I	-	-	639,866,250	605,807,121



## 9 Transactions with related parties (continued)

### (c) Investments (continued)

	<i>BEA (Industry Scheme) Core Accumulation Fund</i>	
	2023	2022
	HK\$	HK\$
BEA Union Investment Core Accumulation Fund - Class I	1,731,992,660	1,586,680,324

As at year end, the following constituent fund held short-term deposits with The Bank of East Asia, Limited, the ultimate controlling party of the Trustee, as follows:

	<i>BEA (Industry Scheme) MPF Conservative Fund</i>			
	2023		2022	
	<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 (The) F/D 3.85% 05 July 2023	56,454,123	56,454,123	-	-
Bank of East Asia, Limited (The) F/D 0.56% 11 May 2022	-	-	10,935,780	10,935,780
Bank of East Asia, Limited (The) F/D 0.87% 08 June 2022	-	-	55,067,295	55,067,295
	<u>56,454,123</u>	<u>56,454,123</u>	<u>66,003,075</u>	<u>66,003,075</u>

Interest income derived from short-term deposits during the year ended 31 March 2023 amounted to HK\$1,483,400 (2022: HK\$325,672).

### (d) 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 2023 and 2022.

## **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 (including tax deductible voluntary contributions effective from 1 April 2019). The maximum tax deductible limit per year of assessment for tax deductible voluntary contributions in the year of assessment 2022/2023 is HK\$60,000.

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 and tax deductible voluntary contributions (effective from 1 April 2019) 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 2023 and 2022.

## **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 2023, 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 (2022: HK\$Nil).

## **16 Security lending arrangements**

During the year ended 31 March 2023, the Scheme and its constituent funds did not enter into any security lending arrangements (2022: HK\$Nil).

## **17 Negotiability of assets**

As at 31 March 2023, there were no statutory or contractual requirements restricting the negotiability of the assets of the Scheme and its constituent funds (2022: HK\$Nil).

## **18 Commitments**

As at 31 March 2023, the Scheme and its constituent funds had no commitments (2022: HK\$Nil).

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

As at 31 March 2023, there were no contingent liabilities or capital commitments outstanding for the Scheme and its constituent funds (2022: HK\$Nil).

## **20 Marketing expenses**

During the year ended 31 March 2023, 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 (2022: HK\$Nil).

## **21 Fees and expenses deduction for conservative fund**

In accordance with section 37 of the General Regulation, administrative expenses for the BEA (Industry Scheme) MPF Conservative Fund which have not been deducted in the respective months may be deducted in the following twelve months. The deferred administrative expenses amounted to HK\$1,703,082 (2022: HK\$17,082,232) was recognised during the year. As at 31 March 2023, there was no deferred administrative expenses (2022: HK\$17,082,232), amounts of HK\$5,625,372 (2022: HK\$5,540,491) and HK\$13,159,942 (2022: HK\$8) were forfeited and utilised, respectively.

## 21 Fees and expenses deduction for conservative fund (continued)

Prior to 1 April 2022, administrative expenses for BEA (Industry Scheme) MPF Conservative Fund were charged by deducting units in the relevant members' accounts and recognised in the Scheme's statement of changes in net assets available for benefits. Effective from 1 April 2022, the administrative expenses for BEA (Industry Scheme) MPF Conservative Fund are charged at constituent fund level and recognised in BEA (Industry Scheme) MPF Conservative Fund's statement of comprehensive income.

## 22 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.

## 23 Involvement with unconsolidated structured entities

The Scheme has concluded that approved pooled investment funds and approved index-tracking collective investment schemes 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.

## 23 Involvement with unconsolidated structured entities (continued)

As at 31 March 2023

	<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) Growth Fund</b>			
- Approved Pooled Investment Funds	11	27,299	1,744
- Approved Index-Tracking Collective Investment Schemes	15	836,578	1,075
<b>BEA (Industry Scheme) Balanced Fund</b>			
- Approved Pooled Investment Funds	11	27,299	1,184
- Approved Index-Tracking Collective Investment Schemes	15	836,578	426
<b>BEA (Industry Scheme) Stable Fund</b>			
- Approved Pooled Investment Funds	11	27,299	2,057
- Approved Index-Tracking Collective Investment Schemes	15	836,578	459
<b>BEA (Industry Scheme) Greater China Equity Fund</b>			
- Approved Pooled Investment Funds	2	4,154	511
- Approved Index-Tracking Collective Investment Schemes	2	135,367	16
<b>BEA (Industry Scheme) Hong Kong Equity Fund</b>			
- Approved Pooled Investment Funds	2	4,154	409
- Approved Index-Tracking Collective Investment Scheme	1	131,244	43

## 23 Involvement with unconsolidated structured entities (continued)

*As at 31 March 2023 (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 Fund	1	2,053	218
- Approved Index-Tracking Collective Investment Schemes	5	149,703	19
<b>BEA China Tracker Fund</b>			
- Approved Index-Tracking Collective Investment Scheme	1	30,800	94
<b>BEA Hong Kong Tracker Fund</b>			
- Approved Index-Tracking Collective Investment Scheme	1	131,244	118
<b>BEA (Industry Scheme) Age 65 Plus Fund</b>			
- Approved Pooled Investment Fund	1	849	640
<b>BEA (Industry Scheme) Core Accumulation Fund</b>			
- Approved Pooled Investment Fund	1	2,285	1,732

## 23 Involvement with unconsolidated structured entities (continued)

As at 31 March 2022

	<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) Growth Fund</b>			
- Approved Pooled Investment Funds	11	21,478	1,586
- Approved Index-Tracking Collective Investment Schemes	9	4,041,044	1,207
<b>BEA (Industry Scheme) Balanced Fund</b>			
- Approved Pooled Investment Funds	11	21,478	1,118
- Approved Index-Tracking Collective Investment Schemes	9	4,041,044	505
<b>BEA (Industry Scheme) Stable Fund</b>			
- Approved Pooled Investment Funds	11	21,478	1,949
- Approved Index-Tracking Collective Investment Schemes	9	4,041,044	522
<b>BEA (Industry Scheme) Greater China Equity Fund</b>			
- Approved Pooled Investment Funds	2	4,914	535
- Approved Index-Tracking Collective Investment Schemes	2	161,974	22
<b>BEA (Industry Scheme) Hong Kong Equity Fund</b>			
- Approved Pooled Investment Funds	2	4,914	408
- Approved Index-Tracking Collective Investment Scheme	1	111,826	30

## 23 Involvement with unconsolidated structured entities (continued)

*As at 31 March 2022 (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	2,516	237
- Approved Index-Tracking Collective Investment Scheme	1	11,652	0
<b>BEA China Tracker Fund</b>			
- Approved Index-Tracking Collective Investment Scheme	1	23,881	85
<b>BEA Hong Kong Tracker Fund</b>			
- Approved Index-Tracking Collective Investment Scheme	1	111,826	108
<b>BEA (Industry Scheme) Age 65 Plus Fund</b>			
- Approved Pooled Investment Fund	1	801	606
<b>BEA (Industry Scheme) Core Accumulation Fund</b>			
- Approved Pooled Investment Fund	1	2,088	1,587

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.



## 24 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 2023

	<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>		
Trustee, administration and custodian fees	1,754,293	4,562,571
Investment management fees	951,746	2,475,201
Sponsor fees	1,754,293	4,562,570
	<hr/>	<hr/>
<b>Total payments for services</b>	4,460,332	11,600,342
	<hr/>	<hr/>
<b>(b) Out-of-pocket expenses</b>		
Auditor's remuneration	42,607	49,085
Printing and postage expenses	101,302	259,970
Fund price publication expenses	14,795	14,795
Professional indemnity insurance	25,730	67,446
Miscellaneous expenses	5,546	5,639
	<hr/>	<hr/>
<b>Total out-of-pocket expenses</b>	189,980	396,935
	<hr/>	<hr/>
<b>(c) Payments other than (a) and (b) above</b>	-	-
	<hr/>	<hr/>
<b>Total payments</b>	4,650,312	11,997,277
	<hr/>	<hr/>
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	0.032%	0.026%
	<hr/>	<hr/>

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 2023.

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

During the year ended 31 March 2022

	<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>		
Trustee, administration and custodian fees	1,720,598	4,437,531
Investment management fees	933,075	2,405,803
Sponsor fees	1,720,598	4,437,530
	<hr/>	<hr/>
<b>Total payments for services</b>	4,374,271	11,280,864
	<hr/>	<hr/>
<b>(b) Out-of-pocket expenses</b>		
Auditor's remuneration	38,536	38,536
Printing and postage expenses	124,840	320,210
Fund price publication expenses	14,712	14,712
Professional indemnity insurance	18,234	45,671
Miscellaneous expenses	5,527	5,590
	<hr/>	<hr/>
<b>Total out-of-pocket expenses</b>	201,849	424,719
	<hr/>	<hr/>
<b>(c) Payments other than (a) and (b) above</b>	-	-
	<hr/>	<hr/>
<b>Total payments</b>	4,576,120	11,705,583
	<hr/>	<hr/>
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	0.034%	0.028%
	<hr/>	<hr/>

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 2022.

## 25 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2023

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 2023 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.

	<i>Effective for accounting periods beginning on or after</i>
Amendments to HKAS 1, <i>Presentation of financial statements</i> and HKFRS Practice Statement 2, <i>Making materiality judgements: Disclosure of accounting policies</i>	1 January 2023
Amendments to HKAS 8, <i>Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates</i>	1 January 2023
Amendments to HKAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current</i>	1 January 2024

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.

## 26 Subsequent event

There were no significant events subsequent to the year end which require disclosure in the financial statement.