



BEA (MPF) Master Trust Scheme

31 March 2019

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Scheme report

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

The Scheme

The Scheme is a master trust 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 31 January 2000, as amended, between The Bank of East Asia, Limited as sponsor and Bank of East Asia (Trustees) Limited as trustee ("the Trustee"). The Scheme is registered under section 21 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 payments and severance payments during the year were HK\$1,488.7 million (2018: HK\$1,412.5 million) and HK\$1,458.6 million (2018: HK\$1,514.2 million) respectively. The net asset value as at 31 March 2019 was HK\$13,918.2 million (2018: HK\$14,264.9 million).

Changes to the governing rules

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

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

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

Scheme report (continued)

Particulars of the service providers

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

Trustee, Custodian and Administrator

Bank of East Asia (Trustees) Limited

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

Investment Manager

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

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

Sponsor and Banker

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

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

Legal Adviser

Baker & McKenzie

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

Scheme report (continued)

Particulars of the service providers (continued)

Guarantor

Principal Insurance Company (Hong Kong) Limited

30/F, Millennium City 6
392 Kwun Tong Road
Kwun Tong, Kowloon
Hong Kong

Auditor

KPMG

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

Directors of the Trustee, Custodian and Administrator

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

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

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

Scheme report (continued)

Particulars of the service providers (continued)

Directors of the Investment Manager

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

Business address of the Directors of the Investment Manager

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

Directors of the Sponsor and Banker

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

Business address of the Directors of the Sponsor and Banker

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

Further information

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

Investment report for the year ended 31 March 2019

Investment analysis

United States

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

Europe

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

China

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

Japan

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

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

Investment analysis (continued)

Asia

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

Global Bond

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

Long-term Guaranteed Fund

- The performance was largely hurt by the declining stock market in 2018 due to adverse market sentiment.
- However, any qualified members are entitled to the maximum of qualifying balance (i.e. grow by current guarantee rate of 1% per annum) or market value return during the qualifying period.

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

Trustee's commentary

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (MPF) Conservative Fund Launch date: 01/12/2000	0.95	0.46	0.42	1.40
Benchmark/Performance Target ¹	0.07	0.02	0.01	0.44 ⁷
Deviation from the Benchmark/Performance Target ⁶	+0.88	+0.44	+0.41	+0.96 ⁸
Trustee's commentary	<ul style="list-style-type: none"> The 1-year, 5-year and 10-year annualized returns were above the benchmark/performance target. 			
BEA (MPF) Growth Fund Launch date: 01/12/2000	-2.63	3.65	6.87	4.27
Benchmark/Performance Target ²	-3.03	3.47	6.94	4.26 ⁷
Deviation from the Benchmark/Performance Target ⁶	+0.40	+0.18	-0.07	+0.01 ⁸
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the benchmark/performance target due to underweighting in equities under weak markets in 2018. The 5-year annualized return was above the benchmark/performance target due to overweighting in equities and underweighting in bonds during strong equity markets in 2017. The 10-year annualized return was below the benchmark/performance target because asset allocation was defensive during the rising markets in 2012 and 2013. 			

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

Trustee's commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (MPF) Balanced Fund <i>Launch date: 01/12/2000</i>	-1.85	3.07	5.60	3.74
Benchmark/Performance Target ²	-2.67	2.62	5.32	3.94 ⁷
Deviation from the Benchmark/Performance Target ⁶	+0.82	+0.45	+0.28	-0.20 ⁸
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the benchmark/performance target due to underweighting in equities under weak markets in 2018. The 5-year annualized return was above the benchmark/performance target due to overweighting in equities and underweighting in bonds during strong equity markets in 2017. The 10-year annualized return was above the benchmark/performance target due to overweighting in equities and underweighting in bonds during strong equity markets in 2010 and 2017. 			
BEA (MPF) Stable Fund <i>Launch date: 01/12/2000</i>	-1.24	2.28	4.28	3.33
Benchmark/Performance Target ²	-1.64	1.54	3.60	2.80 ⁷
Deviation from the Benchmark/Performance Target ⁶	+0.40	+0.74	+0.68	+0.53 ⁸
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the benchmark/performance target due to underweighting in equities under weak markets in 2018. The 5-year annualized return was above the benchmark/performance target due to overweighting in equities and underweighting in bonds during strong equity markets in 2017. The 10-year annualized return was above the benchmark/performance target due to overweighting in equities and underweighting in bonds during strong equity markets in 2010 and 2017. 			

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

Trustee's commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (MPF) Long Term Guaranteed Fund <i>Launch date: 01/12/2000</i>	0.85	0.56	3.34	1.47
Benchmark/Performance Target	N/A	N/A	N/A	N/A
Deviation from the Benchmark/Performance Target ⁶	N/A	N/A	N/A	N/A
Trustee's commentary	<ul style="list-style-type: none"> Direct comparison of the performance between constituent funds for guaranteed funds may not be meaningful as the constituent funds may not have similar features. 			
BEA (MPF) Asian Equity Fund <i>Launch date: 01/09/2005</i>	-10.12	4.56	9.14	6.32
Benchmark/Performance Target ²	-9.09	4.48	9.78	6.32 ⁷
Deviation from the Benchmark/Performance Target ⁶	-1.03	+0.08	-0.64	0.00 ⁸
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was below the benchmark/performance target due to underweighting in India equities which outperformed in 2018. The 5-year annualized return was above the benchmark/performance target due to overweighting in Hong Kong and China equities which outperformed in 2017. The 10-year annualized return was below the benchmark/performance target since positioning was defensive during the rising markets in 2012 and 2013. 			

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

Trustee's commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (MPF) Hong Kong Equity Fund <i>Launch date: 01/09/2005</i>	-4.54	6.05	8.66	6.51
Benchmark/Performance Target ²	-3.83	6.48	9.22	7.41 ⁷
Deviation from the Benchmark/Performance Target ⁶	-0.71	-0.43	-0.56	-0.90 ⁸
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was below the benchmark/performance target since stock selection was conservative during market rebound in early 2019. The 5-year annualized return was below the benchmark/performance target since the portfolio was defensive in the first half of 2015 and 2017 while the market rallied. The 10-year annualized return was below the benchmark/performance target since the portfolio was defensive in the first half of 2015 and 2017 while the market rallied. 			
BEA (MPF) Global Bond Fund <i>Launch date: 01/09/2005</i>	-0.33	0.96	2.31	1.30
Benchmark/Performance Target ²	-0.73	0.07	1.91	1.93 ⁷
Deviation from the Benchmark/Performance Target ⁶	+0.40	+0.89	+0.40	-0.63 ⁸
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the benchmark/performance target due to higher US dollar exposure under a period of strong US dollar in 2018. The 5-year annualized return was above the benchmark/performance target due to longer duration and overweighting US dollar. The 10-year annualized return was above the benchmark/performance target due to longer duration and overweighting US dollar. 			

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

Trustee's commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (MPF) Greater China Equity Fund <i>Launch date: 01/12/2006</i>	-6.34	6.31	9.20	5.23
Benchmark/Performance Target ²	-6.34	6.70	8.35	6.01 ⁷
Deviation from the Benchmark/Performance Target ⁶	0.00	-0.39	+0.85	-0.78 ⁸
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was in line with the benchmark/performance target due to stable sector and stock selection. The 5-year annualized return was below the benchmark/performance target since the portfolio was defensive in the first half of 2015 and 2017 while the market rallied. The 10-year annualized return was above the benchmark/performance target due to positive sector and stock selection. 			
BEA (MPF) Japan Equity Fund <i>Launch date: 01/12/2006</i>	-8.93	3.31	5.45	-2.02
Benchmark/Performance Target ²	-8.64	3.53	6.25	-0.06 ⁷
Deviation from the Benchmark/Performance Target ⁶	-0.29	-0.22	-0.80	-1.96 ⁸
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was below the benchmark/performance target since stock selection was not defensive enough during market decline in 2018. The 5-year annualized return was below the benchmark/performance target since stock selection was not defensive enough during market decline in 2016 and 2018. The 10-year annualized return was below the benchmark/performance target since stock selection was not defensive enough during market decline in 2016 and 2018. 			

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

Trustee's commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (MPF) European Equity Fund <i>Launch date: 04/01/2010</i>	-5.08	0.99	N/A	1.97
Benchmark/Performance Target ²	-5.08	0.98	N/A	1.97 ⁷
Deviation from the Benchmark/Performance Target ⁶	0.00	+0.01	N/A	0.00 ⁸
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was in line with the benchmark/performance target due to stable sector allocation. The 5-year annualized return was above the benchmark/performance target due to stable sector allocation. 			
BEA (MPF) Global Equity Fund <i>Launch date: 04/01/2010</i>	1.34	5.46	N/A	5.03
Benchmark/Performance Target ²	-0.55	4.59	N/A	4.52 ⁷
Deviation from the Benchmark/Performance Target ⁶	+1.89	+0.87	N/A	+0.51 ⁸
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the benchmark/performance target due to positive stock selection especially in the US market. The 5-year annualized return was above the benchmark/performance target due to positive stock selection especially in the US market. 			

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

Trustee's commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (MPF) North American Equity Fund <i>Launch date: 31/01/2012</i>	7.24	8.62	N/A	9.42
Benchmark/Performance Target ²	5.54	7.78	N/A	8.14 ⁷
Deviation from the Benchmark/Performance Target ⁶	+1.70	+0.84	N/A	+1.28 ⁸
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the benchmark/performance target due to positive stock selection and sector allocation. The 5-year annualized return was above the benchmark/performance target due to positive stock selection and sector allocation. 			
BEA China Tracker Fund <i>Launch date: 31/01/2012</i>	-3.14	4.67	N/A	1.43
Benchmark/Performance Target ³	-1.21	6.55	N/A	4.04 ⁷
Deviation from the Benchmark/Performance Target ⁶	-1.93	-1.88	N/A	-2.61 ⁸
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return closely corresponded to the return of the Hang Seng China Enterprises Index through investing in a single approved index tracking fund, namely the Hang Seng China Enterprises Index ETF. Tracking error of the fund has been on target and within 3%. The 5-year annualized return closely corresponded to the return of the Hang Seng China Enterprises Index through investing in a single approved index tracking fund, namely the Hang Seng China Enterprises Index ETF. Tracking error of the fund has been on target and within 3%. 			

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

Trustee's commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Hong Kong Tracker Fund <i>Launch date: 31/01/2012</i>	-0.72	8.30	N/A	6.94
Benchmark/Performance Target ⁴	0.03	9.58	N/A	8.98 ⁷
Deviation from the Benchmark/Performance Target ⁶	-0.75	-1.28	N/A	-2.04 ⁸
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return closely corresponded to the return of the Hang Seng Index through investing in a single approved index tracking fund, namely the Tracker Fund of Hong Kong. Tracking error of the fund has been on target and within 3%. The 5-year annualized return closely corresponded to the return of the Hang Seng Index through investing in a single approved index tracking fund, namely the Tracker Fund of Hong Kong. Tracking error of the fund has been on target and within 3%. 			
BEA (MPF) RMB & HKD Money Market Fund <i>Launch date: 03/07/2012</i>	-2.28	0.75	N/A	0.81
Benchmark/Performance Target ²	-2.24	0.71	N/A	0.77 ⁷
Deviation from the Benchmark/Performance Target ⁶	-0.04	+0.04	N/A	+0.04 ⁸
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was below the benchmark/performance target due to conservative security selection. The 5-year annualized return was above the benchmark/performance target due to positive security selection. 			

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

Trustee's commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (MPF) Age 65 Plus Fund <i>Launch date: 01/04/2017</i>	2.68	N/A	N/A	3.56
Benchmark/Performance Target ⁵	2.48	N/A	N/A	3.06
Deviation from the Benchmark/Performance Target ⁶	+0.20	N/A	N/A	+0.50
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection. The since launch annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection. 			
BEA (MPF) Core Accumulation Fund <i>Launch date: 01/04/2017</i>	2.20	N/A	N/A	6.01
Benchmark/Performance Target ⁵	2.04	N/A	N/A	5.63
Deviation from the Benchmark/Performance Target ⁶	+0.16	N/A	N/A	+0.38
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection. The since launch annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection. 			

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

Trustee's commentary (continued)

B. Trustee's assessment framework for deriving its commentary and trustee's action, if any, to address its concern raised in its commentary in Section A
<p>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").</p> <p>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.</p> <p>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.</p>

Note:

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

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

Investment objectives and policies of the Scheme and the constituent funds

The Scheme commenced operations on 1 December 2000. The Scheme offers 18 constituent funds with different investment policies. The constituent funds of the Scheme are BEA (MPF) Conservative Fund, BEA (MPF) Growth Fund, BEA (MPF) Balanced Fund, BEA (MPF) Stable Fund, BEA (MPF) Long Term Guaranteed Fund, BEA (MPF) Asian Equity Fund, BEA (MPF) Hong Kong Equity Fund, BEA (MPF) Global Bond Fund, BEA (MPF) Greater China Equity Fund, BEA (MPF) Japan Equity Fund, BEA (MPF) European Equity Fund, BEA (MPF) Global Equity Fund, BEA (MPF) North American Equity Fund, BEA China Tracker Fund, BEA Hong Kong Tracker Fund, BEA (MPF) RMB & HKD Money Market Fund, BEA (MPF) Age 65 Plus Fund and BEA (MPF) Core Accumulation Fund.

All constituent funds invest in Approved Pooled Investment Funds and/or Approved Index-Tracking Funds except for BEA China Tracker Fund and BEA Hong Kong Tracker Fund which invest in a single Approved Index-Tracking Fund, BEA (MPF) Long Term Guaranteed Fund, BEA (MPF) Age 65 Plus Fund and BEA (MPF) Core Accumulation Fund which invests in a single Approved Pooled Investment Fund, BEA (MPF) Conservative Fund which invests directly in a portfolio of Hong Kong dollar deposits and Hong Kong dollar denominated debt instruments and BEA (MPF) 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.

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

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

BEA (MPF) Conservative Fund

Investment objective:

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

Investment policy:

The BEA (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 (MPF) Conservative Fund will not enter into financial futures and options contracts for any purposes and will not engage in securities lending.

BEA (MPF) 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 (MPF) Growth Fund invests primarily in global equity and bond markets. The BEA (MPF) Growth Fund invests in a range of Approved Pooled Investment Funds and/or Approved Index-Tracking Funds to obtain exposure to such markets (such Approved Pooled Investment Funds and/or Approved Index-Tracking Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA (MPF) Growth Fund). The underlying assets of the BEA (MPF) 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 (MPF) Growth Fund will enter into financial futures and options contracts for hedging purposes only. The BEA (MPF) Growth Fund will not engage in securities lending.

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

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

BEA (MPF) 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 (MPF) Balanced Fund invests primarily in global equity and bond markets. The BEA (MPF) Balanced Fund invests in a range of Approved Pooled Investment Funds and/or Approved Index-Tracking Funds to obtain exposure to such markets (such Approved Pooled Investment Funds and/or Approved Index-Tracking Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA (MPF) Balanced Fund). The underlying assets of the BEA (MPF) 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 (MPF) Balanced Fund will enter into financial futures and options contracts for hedging purposes only. The BEA (MPF) Balanced Fund will not engage in securities lending.

BEA (MPF) 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 lower exposure to global equities to provide modest potential for capital appreciation.

Investment policy:

The BEA (MPF) Stable Fund invests primarily in global equity and bond markets. The BEA (MPF) Stable Fund invests in a range of Approved Pooled Investment Funds and/or Approved Index-Tracking Funds to obtain exposure to such markets (such Approved Pooled Investment Funds and/or Approved Index-Tracking Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA (MPF) Stable Fund). The underlying assets of the BEA (MPF) 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 (MPF) Stable Fund will enter into financial futures and options contracts for hedging purposes only. The BEA (MPF) Stable Fund will not engage in securities lending.

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

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

BEA (MPF) Long Term Guaranteed Fund

Investment objective:

To provide a competitive long-term total rate of return, while also providing a minimum guaranteed average annual return over the career of the member.

Investment policy:

The BEA (MPF) Long Term Guaranteed Fund invests in an Approved Pooled Investment Fund ("the Underlying Fund") guaranteed by Principal Insurance Company (Hong Kong) Limited ("the Guarantor"). The Underlying Fund invests in two or more Approved Pooled Investment Funds and/or Approved Index-Tracking Funds and in selecting these Approved Pooled Investment Funds and/or Approved Index-Tracking Funds, the investment manager of the Underlying Fund seeks to achieve the objectives of BEA (MPF) Long Term Guaranteed Fund. The underlying investments consist of debt and equity securities. Such securities may be denominated in HK dollars, US dollars or other currencies, consistent with the overall risk-return objectives and permissible geographic allocation (as set out below). The investment manager of the Underlying Fund is Principal Asset Management Company (Asia) Limited.

The target ranges of asset allocation and geographic allocation of the Underlying Fund (as a percentage of the total Underlying Fund) are as follows:

	<i>Min %</i>	<i>Max %</i>
Asset allocation		
Equity Securities	10%	55%
Debt Securities	25%	90%
Cash and Short-term Investments	0%	20%
Geographical allocation		
United States and Greater China	40%	100%
Other Asia	0%	50%
Europe	0%	50%
Other Countries	0%	50%

The BEA (MPF) Long Term Guaranteed Fund will not enter into financial futures and options contracts for any purposes and will not engage in securities lending. The Underlying Fund may acquire or hold financial futures contracts and financial options contracts, but only for the purpose of hedging.

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

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

BEA (MPF) Asian Equity Fund

Investment objective:

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

Investment policy:

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

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

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

BEA (MPF) Hong Kong Equity Fund

Investment objective:

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

Investment policy:

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

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

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

BEA (MPF) Global Bond Fund

Investment objective:

To provide total investment return over the medium to long term through investing in global bonds, with some exposure in money market instruments.

Investment policy:

The BEA (MPF) Global Bond Fund invests in a range of Approved Pooled Investment Funds and/or Approved Index-Tracking Funds to obtain exposure to global bond markets (such Approved Pooled Investment Funds and/or Approved Index-Tracking Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA (MPF) Global Bond Fund). It is intended that, through its investments in Approved Pooled Investment Funds and/or Approved Index-Tracking Funds, the BEA (MPF) Global Bond Fund invests at least 70% of its underlying assets in a diversified range of global bonds denominated in various major currencies (including but not limited to, United States dollars, Euro, Pounds Sterling, Japanese Yen and Hong Kong dollars), with balance being held in cash/or money market instruments. The BEA (MPF) Global Bond Fund will enter into financial futures and options contracts for hedging purposes only. The BEA (MPF) Global Bond Fund will not engage in securities lending.

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

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

BEA (MPF) Greater China Equity Fund

Investment objective:

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

Investment policy:

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

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

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

BEA (MPF) Japan Equity Fund

Investment objective:

To achieve long-term capital appreciation within a controlled risk-return framework through investing mainly in Japanese equities.

Investment policy:

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

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

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

BEA (MPF) European Equity Fund

Investment objective:

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

Investment policy:

The BEA (MPF) European Equity Fund invests primarily in European equity markets. The BEA (MPF) European Equity Fund invests in a range of Approved Pooled Investment Funds and/or Approved Index-Tracking Funds to obtain exposure to such European equity markets (such Approved Pooled Investment Funds and/or Approved Index-Tracking Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA (MPF) European Equity Fund). The underlying assets of the BEA (MPF) European Equity Fund are expected normally to be invested 70% to 100% in equity markets (including but not limited to The United Kingdom, France, Germany, Switzerland, Spain, Italy, Netherlands, Sweden and Finland). The underlying assets of the BEA (MPF) European Equity Fund may invest up to 30% in cash, debt securities and/or money market instruments for cash management purpose. The BEA (MPF) European Equity Fund will enter into financial futures and options contracts for hedging purposes only. The BEA (MPF) European Equity Fund will not engage in securities lending.

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

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

BEA (MPF) Global Equity 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 (MPF) Global Equity Fund invests primarily in global equity markets. The BEA (MPF) Global Equity Fund invests in a range of Approved Pooled Investment Funds and/or Approved Index-Tracking Funds to obtain exposure to such global equities market (such Approved Pooled Investment Funds and/or Approved Index-Tracking Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA (MPF) Global Equity Fund). The underlying assets of the BEA (MPF) Global Equity Fund are expected normally to be invested 70% to 100% in equity markets (including but not limited to The United States of America, The United Kingdom, Japan, Canada, Germany, Switzerland, Australia and Spain). The underlying assets of the BEA (MPF) Global Equity Fund may invest up to 30% in cash, debt securities and/or money market instruments for cash management purpose. The BEA (MPF) Global Equity Fund will enter into financial futures and options contracts for hedging purposes only. The BEA (MPF) Global Equity Fund will not engage in securities lending.

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

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

BEA (MPF) North American Equity Fund

Investment objective:

To achieve long-term capital appreciation within a controlled risk–return framework through investing mainly in North American equities with some exposure in North American and other debt securities/money market instruments.

Investment policy:

The BEA (MPF) North American Equity Fund invests primarily in North American equity markets. The BEA (MPF) North American Equity Fund invests in a range of Approved Pooled Investment Funds and/or Approved Index-Tracking Funds to obtain exposure to such North American equity markets (such Approved Pooled Investment Funds and/or Approved Index-Tracking Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA (MPF) North American Equity Fund). The underlying assets of the BEA (MPF) North American 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 North America (including but not limited to The United States of America and Canada). The underlying assets of the BEA (MPF) North American Equity Fund may be invested up to 30% in cash, debt securities and/or money market instruments for cash management purpose. The BEA (MPF) North American Equity Fund will enter into financial futures and options contracts for hedging purposes only. The BEA (MPF) North American Equity Fund will not engage in securities lending.

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

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

BEA China Tracker Fund

Investment objective:

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

Investment policy:

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

BEA Hong Kong Tracker Fund

Investment objective:

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

Investment policy:

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

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

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

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

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

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

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

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

BEA (MPF) Age 65 Plus Fund

Investment objective:

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

Investment policy:

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

Asset Allocation:

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

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

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

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

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

BEA (MPF) Core Accumulation Fund

Investment objective:

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

Investment policy:

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

Asset Allocation:

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

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

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

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

Investment income and performance

	<i>BEA (MPF) Conservative Fund</i>			<i>BEA (MPF) Growth Fund</i>			<i>BEA (MPF) Balanced Fund</i>		
	2019 HK\$	2018 HK\$	2017 HK\$	2019 HK\$	2018 HK\$	2017 HK\$	2019 HK\$	2018 HK\$	2017 HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	24,513,649	12,373,891	9,244,492	(8,857,023)	(22,164,476)	(20,946,587)	(9,790,818)	(14,341,835)	(13,964,653)
Capital appreciation/(depreciation) of investments - realised and unrealised	-	-	-	(90,162,706)	536,226,176	293,697,836	(26,464,890)	228,652,284	101,527,945
Value of scheme assets derived from investments as at 31 March	<u>1,394,510,619</u>	<u>1,291,369,408</u>	<u>1,119,387,068</u>	<u>3,172,311,042</u>	<u>3,489,458,721</u>	<u>3,247,939,320</u>	<u>1,675,782,349</u>	<u>1,768,809,341</u>	<u>1,619,203,133</u>

	<i>BEA (MPF) Stable Fund</i>			<i>BEA (MPF) Long Term Guaranteed Fund</i>			<i>BEA (MPF) Asian Equity Fund</i>		
	2019 HK\$	2018 HK\$	2017 HK\$	2019 HK\$	2018 HK\$	2017 HK\$	2019 HK\$	2018 HK\$	2017 HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	(13,272,049)	(16,403,723)	(17,385,025)	(10,793,633)	(10,805,375)	(10,481,492)	(11,135,986)	(12,185,790)	(9,759,523)
Capital appreciation/(depreciation) of investments - realised and unrealised	(11,071,762)	189,952,008	48,973,578	16,769,798	14,955,483	10,702,495	(89,589,594)	236,599,185	113,161,745
Value of scheme assets derived from investments as at 31 March	<u>1,744,764,053</u>	<u>1,679,663,140</u>	<u>1,659,932,237</u>	<u>726,549,571</u>	<u>731,930,593</u>	<u>704,110,781</u>	<u>862,423,464</u>	<u>995,037,206</u>	<u>819,455,256</u>

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

Investment income and performance (continued)

	<i>BEA (MPF) Hong Kong Equity Fund</i>			<i>BEA (MPF) Global Bond Fund</i>			<i>BEA (MPF) Greater China Equity Fund</i>		
	2019 HK\$	2018 HK\$	2017 HK\$	2019 HK\$	2018 HK\$	2017 HK\$	2019 HK\$	2018 HK\$	2017 HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	(5,914,103)	(6,951,507)	(5,623,560)	(2,671,440)	(2,441,013)	(2,243,629)	(15,384,726)	(14,670,632)	(12,131,742)
Capital appreciation/(depreciation) of investments - realised and unrealised	(36,410,774)	212,388,262	116,504,808	2,190,631	15,569,885	(4,585,658)	(75,422,807)	357,877,158	167,294,428
Value of scheme assets derived from investments as at 31 March	<u>868,990,050</u>	<u>920,530,390</u>	<u>777,777,985</u>	<u>266,743,603</u>	<u>251,502,655</u>	<u>210,344,802</u>	<u>1,253,540,025</u>	<u>1,406,945,804</u>	<u>1,161,870,468</u>

	<i>BEA (MPF) Japan Equity Fund</i>			<i>BEA (MPF) European Equity Fund</i>			<i>BEA (MPF) Global Equity Fund</i>		
	2019 HK\$	2018 HK\$	2017 HK\$	2019 HK\$	2018 HK\$	2017 HK\$	2019 HK\$	2018 HK\$	2017 HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	1,117,234	(2,181,554)	(511,863)	3,450,998	(4,935,130)	2,284,052	(2,077,462)	(1,988,392)	(1,327,285)
Capital appreciation/(depreciation) of investments - realised and unrealised	(8,442,992)	14,032,385	6,624,384	(8,139,283)	11,414,015	5,636,735	5,031,853	23,934,775	14,447,933
Value of scheme assets derived from investments as at 31 March	<u>75,740,331</u>	<u>79,059,584</u>	<u>70,285,481</u>	<u>82,257,758</u>	<u>92,219,400</u>	<u>76,281,095</u>	<u>211,886,310</u>	<u>191,161,623</u>	<u>149,627,235</u>

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

Investment income and performance (continued)

	<i>BEA (MPF) North American Equity Fund</i>			<i>BEA China Tracker Fund</i>			<i>BEA Hong Kong Tracker Fund</i>		
	2019 HK\$	2018 HK\$	2017 HK\$	2019 HK\$	2018 HK\$	2017 HK\$	2019 HK\$	2018 HK\$	2017 HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	(457,191)	(805,590)	(18,878)	2,703,576	2,223,745	2,404,466	4,727,849	4,265,665	2,878,035
Capital appreciation/(depreciation) of investments - realised and unrealised	10,484,697	14,624,262	12,368,480	(6,943,120)	21,940,000	16,057,564	(5,147,300)	35,142,350	17,074,289
Value of scheme assets derived from investments as at 31 March	<u>173,348,854</u>	<u>135,326,126</u>	<u>108,510,313</u>	<u>142,715,000</u>	<u>143,791,680</u>	<u>128,650,280</u>	<u>206,094,000</u>	<u>187,963,200</u>	<u>137,079,200</u>

	<i>BEA (MPF) RMB & HKD Money Market Fund</i>			<i>BEA (MPF) Age 65 Plus Fund⁽¹⁾</i>			<i>BEA (MPF) Core Accumulation Fund⁽¹⁾</i>		
	2019 HK\$	2018 HK\$	2017 HK\$	2019 HK\$	2018 HK\$	2017 HK\$	2019 HK\$	2018 HK\$	2017 HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	(3,404,151)	6,924,552	(1,137,727)	(395,027)	(145,244)	-	(900,592)	(354,917)	-
Capital appreciation/(depreciation) of investments - realised and unrealised	-	-	(1,729)	2,112,797	663,861	-	4,435,646	3,180,759	-
Value of scheme assets derived from investments as at 31 March	<u>127,457,478</u>	<u>117,130,526</u>	<u>62,429,286</u>	<u>62,624,037</u>	<u>34,288,486</u>	<u>-</u>	<u>150,667,748</u>	<u>76,346,539</u>	<u>-</u>

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

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

Breakdown of income derived from investments and bank balances

For the year ended 31 March 2019

	<i>Dividend income HK\$</i>	<i>Interest Income HK\$</i>	<i>Interest Income from financial assets at fair value through profit or loss HK\$</i>	<i>Total HK\$</i>
BEA (MPF) Conservative Fund	-	47,010	24,474,549	24,521,559
BEA (MPF) Growth Fund	41,883,237	1,842,295	-	43,725,532
BEA (MPF) Balanced Fund	15,089,123	915,096	-	16,004,219
BEA (MPF) Stable Fund	10,263,338	1,895,880	-	12,159,218
BEA (MPF) Long Term Guaranteed Fund	-	492	-	492
BEA (MPF) Asian Equity Fund	140,617	5,111	-	145,728
BEA (MPF) Hong Kong Equity Fund	4,678,415	4,639	-	4,683,054
BEA (MPF) Global Bond Fund	-	5,343	-	5,343
BEA (MPF) Greater China Equity Fund	-	7,052	-	7,052
BEA (MPF) Japan Equity Fund	948,772	2,523	-	951,295
BEA (MPF) European Equity Fund	1,489,892	2,163	-	1,492,055
BEA (MPF) Global Equity Fund	633,974	4,844	-	638,818
BEA (MPF) North American Equity Fund	3,087,099	7,232	-	3,094,331
BEA China Tracker Fund	3,693,640	335	-	3,693,975
BEA Hong Kong Tracker Fund	6,095,290	512	-	6,095,802
BEA (MPF) RMB & HKD Money Market Fund	-	9,800	3,357,101	3,366,901
BEA (MPF) Age 65 Plus Fund	-	168	-	168
BEA (MPF) Core Accumulation Fund	-	421	-	421

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

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

For the year ended 31 March 2018

	<i>Dividend income HK\$</i>	<i>Interest Income HK\$</i>	<i>Interest Income from financial assets at fair value through profit or loss HK\$</i>	<i>Total HK\$</i>
BEA (MPF) Conservative Fund	-	5,735	12,371,806	12,377,541
BEA (MPF) Growth Fund	31,121,988	460,594	-	31,582,582
BEA (MPF) Balanced Fund	11,285,825	234,560	-	11,520,385
BEA (MPF) Stable Fund	7,718,678	661,964	-	8,380,642
BEA (MPF) Long Term Guaranteed Fund	-	142	-	142
BEA (MPF) Asian Equity Fund	7,079	864	-	7,943
BEA (MPF) Hong Kong Equity Fund	4,120,830	1,395	-	4,122,225
BEA (MPF) Global Bond Fund	-	731	-	731
BEA (MPF) Greater China Equity Fund	2,249,698	2,959	-	2,252,657
BEA (MPF) Japan Equity Fund	702,947	258	-	703,205
BEA (MPF) European Equity Fund	968,414	321	-	968,735
BEA (MPF) Global Equity Fund	499,170	802	-	499,972
BEA (MPF) North American Equity Fund	2,371,352	686	-	2,372,038
BEA China Tracker Fund	3,271,440	56	-	3,271,496
BEA Hong Kong Tracker Fund	5,539,035	77	-	5,539,112
BEA (MPF) RMB & HKD Money Market Fund	-	1,436	2,190,864	2,192,300
BEA (MPF) Age 65 Plus Fund	-	16	-	16
BEA (MPF) Core Accumulation Fund	-	35	-	35

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

Performance table

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

Name of constituent funds	As at 31 March 2019		As at 31 March 2018		As at 31 March 2017	
	Total net asset value HK\$	Net asset value per unit HK\$	Total net asset value HK\$	Net asset value per unit HK\$	Total net asset value HK\$	Net asset value per unit HK\$
BEA (MPF) Conservative Fund	1,476,035,016	14.0067	1,364,500,948	13.7684	1,172,496,563	13.6326
BEA (MPF) Growth Fund	3,472,588,397	21.5441	3,679,503,995	22.1255	3,349,584,850	19.1575
BEA (MPF) Balanced Fund	1,801,102,148	19.6064	1,890,241,026	19.9760	1,708,649,218	17.7400
BEA (MPF) Stable Fund	1,883,616,349	18.2466	1,917,364,619	18.4753	1,781,722,293	16.8221
BEA (MPF) Long Term Guaranteed Fund	725,469,697	13.0758	730,791,070	12.9652	703,085,663	12.8839
BEA (MPF) Asian Equity Fund	865,708,519	22.9977	999,653,245	25.5869	824,622,863	20.0781
BEA (MPF) Hong Kong Equity Fund	873,282,069	23.5672	926,078,224	24.6871	794,999,346	19.5263
BEA (MPF) Global Bond Fund	274,085,382	11.9254	258,304,327	11.9648	216,518,618	11.3073
BEA (MPF) Greater China Equity Fund	1,260,899,438	18.7545	1,410,292,365	20.0237	1,186,627,839	15.4535
BEA (MPF) Japan Equity Fund	76,948,161	7.7774	80,427,737	8.5349	71,789,467	7.3109
BEA (MPF) European Equity Fund	84,621,752	11.9825	94,618,593	12.6165	77,708,784	11.6561
BEA (MPF) Global Equity Fund	217,869,624	15.7379	197,517,565	15.5296	154,678,297	13.6641
BEA (MPF) North American Equity Fund	178,207,595	19.0572	139,042,472	17.7717	111,013,663	15.8840
BEA China Tracker Fund	142,707,668	11.0713	144,507,271	11.4304	128,960,213	9.6066
BEA Hong Kong Tracker Fund	206,090,558	16.1752	188,092,560	16.2922	137,401,934	12.7929
BEA (MPF) RMB & HKD Money Market Fund	138,401,263	10.5571	125,231,501	10.8281	66,598,252	10.0275
BEA (MPF) Age 65 Plus Fund ⁽¹⁾	62,647,178	10.7237	34,328,350	10.4437	-	-
BEA (MPF) Core Accumulation Fund ⁽¹⁾	150,535,894	11.2351	76,290,575	10.9938	-	-
	<u>13,890,816,708</u>		<u>14,256,786,443</u>		<u>12,486,457,863</u>	

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

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

Performance table (continued)

(b) Highest and lowest prices

	BEA (MPF) Conservative Fund	BEA (MPF) Growth Fund	BEA (MPF) Balanced Fund	BEA (MPF) Stable Fund	BEA (MPF) Long Term Guaranteed Fund	BEA (MPF) Asian Equity Fund	BEA (MPF) Hong Kong Equity Fund	BEA (MPF) Global Bond Fund	BEA (MPF) Greater China Equity Fund	BEA (MPF) Japan Equity Fund	BEA (MPF) European Equity Fund ⁽¹⁾	BEA (MPF) Global Equity Fund ⁽¹⁾	BEA (MPF) North American Equity Fund ⁽¹⁾	BEA China Tracker Fund ⁽¹⁾	BEA Hong Kong Tracker Fund ⁽¹⁾	BEA (MPF) RMB & HKD Money Market Fund ⁽¹⁾	BEA (MPF) Age 65 Plus Fund ⁽¹⁾	BEA (MPF) Core Accumulation Fund ⁽¹⁾
Highest issue price per unit (HK\$)																		
2019	14.0054	22.4433	20.1345	18.5717	13.0848	25.9953	25.6477	11.9822	20.6633	8.7382	13.1866	16.3803	19.7086	11.9227	17.1840	10.8349	10.7242	11.3419
2018	13.7676	23.4833	20.8482	18.9406	13.2254	27.4966	27.0515	11.9892	21.7360	9.2679	13.6525	16.7863	19.2310	13.0855	17.8973	10.8263	10.5869	11.5214
2017	13.6326	19.2628	17.8616	17.3422	13.1033	20.3897	19.9411	12.0686	15.8129	7.4178	11.6561	13.7677	16.1038	9.9231	13.0034	10.2253	-	-
2016	13.5206	20.0781	18.2870	17.1936	13.2051	21.4032	23.1344	11.6462	17.9633	8.0986	11.8949	12.9481	14.2932	13.1696	14.3394	10.3589	-	-
2015	13.4167	19.0470	17.6231	16.8697	13.0702	20.3172	20.2244	11.6038	15.7738	7.8344	11.7262	12.6945	14.2009	11.0430	12.6959	10.3443	-	-
2014	13.2679	18.2571	16.9962	16.3926	12.8902	18.8342	19.0807	11.4974	14.6830	7.1067	11.6203	12.1872	12.6659	10.1183	11.7689	10.3518	-	-
2013	13.1429	16.9310	16.1888	15.9709	12.7675	18.5416	18.5918	11.4757	13.6455	6.0333	9.9037	10.7256	10.7502	10.5069	11.4472	10.0986	-	-
2012	12.9887	17.0126	16.0844	15.7569	12.3771	19.1258	18.9743	11.3033	14.4739	5.6633	10.0549	10.9399	10.2952	10.0417	10.3165	-	-	-
2011	12.8521	16.7061	15.9145	15.7187	12.2282	18.8137	19.6186	11.0698	14.4397	6.1892	9.7928	10.7773	-	-	-	-	-	-
2010	12.8025	15.5784	14.8943	14.8104	11.4104	16.4595	17.0441	10.5859	12.7622	5.9050	10.0404	10.0223	-	-	-	-	-	-
Lowest redemption price per unit (HK\$)																		
2019	13.7696	19.5694	18.1906	17.3188	12.5438	20.2240	20.1051	11.4480	16.0516	7.0241	10.7897	13.6411	15.8846	9.5996	13.7296	10.2247	10.2001	10.1941
2018	13.6338	19.0626	17.7210	16.8175	12.8945	19.9921	19.3395	11.3149	15.3232	7.1375	11.5171	13.5322	15.6661	9.2661	12.6323	10.0011	9.9971	9.9866
2017	13.5208	17.2754	16.6343	16.2089	12.6487	16.6288	16.0340	11.0904	12.6574	6.3476	9.6540	11.8653	13.4615	7.5273	10.2039	9.8743	-	-
2016	13.4170	16.2937	15.8218	15.6870	12.5206	15.4374	14.8105	10.9666	11.8492	6.0051	9.4034	11.0649	12.3563	6.8923	9.4568	9.9549	-	-
2015	13.2683	17.7240	16.7276	16.3056	12.7266	18.3778	17.1881	11.2292	13.5894	6.2698	10.0661	11.3160	12.2386	8.4677	10.7022	10.1318	-	-
2014	13.1443	16.0827	15.4727	15.3955	12.2851	16.3061	15.6878	11.1505	11.8552	5.8170	9.3457	10.4172	10.5439	7.8524	9.7278	10.0973	-	-
2013	12.9902	14.4388	14.3679	14.7693	12.1823	14.8114	14.3539	11.0501	10.6871	4.5800	7.5884	8.8760	9.0564	7.9472	8.7645	9.9625	-	-
2012	12.8523	13.4936	13.6354	14.2197	11.6944	13.4637	12.7414	10.6734	9.7235	4.6230	7.0408	8.2210	9.7543	8.9510	9.8060	-	-	-
2011	12.8026	13.8753	13.6372	13.8195	11.2103	13.9246	14.4778	10.1870	10.6718	5.0810	7.9531	8.4858	-	-	-	-	-	-
2010	12.7439	11.1570	11.4282	12.0400	9.4457	9.6502	10.2749	9.4663	7.8672	4.7127	8.8923	9.1842	-	-	-	-	-	-

⁽¹⁾ The date of commencement for BEA (MPF) European Equity Fund and BEA (MPF) Global Equity Fund was 4 January 2010.

The date of commencement for BEA (MPF) North American Equity Fund, BEA China Tracker Fund and BEA Hong Kong Tracker Fund was 31 January 2012.

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

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

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

Performance table (continued)

(c) **Net annualised investment return ⁽¹⁾**

	BEA (MPF) Conservative Fund ⁽³⁾	BEA (MPF) Growth Fund	BEA (MPF) Balanced Fund	BEA (MPF) Stable Fund	BEA (MPF) Long Term Guaranteed Fund	BEA (MPF) Asian Equity Fund	BEA (MPF) Hong Kong Equity Fund	BEA (MPF) Global Bond Fund	BEA (MPF) Greater China Equity Fund	BEA (MPF) Japan Equity Fund	BEA (MPF) European Equity Fund ⁽²⁾	BEA (MPF) Global Equity Fund ⁽²⁾	BEA (MPF) North American Equity Fund ⁽²⁾	BEA China Tracker Fund ⁽²⁾	BEA Hong Kong Tracker Fund ⁽²⁾	BEA (MPF) RMB & HKD Money Market Fund ⁽²⁾	BEA (MPF) Age 65 Plus Fund ⁽²⁾	BEA (MPF) Core Accumulation Fund ⁽²⁾
Net annualised investment return (%)																		
2019	1.73	(2.63)	(1.85)	(1.24)	0.85	(10.12)	(4.54)	(0.33)	(6.34)	(8.88)	(5.03)	1.34	7.23	(3.14)	(0.72)	(2.50)	2.68	2.19
2018	1.00	15.49	12.60	9.83	0.63	27.44	26.43	5.81	29.57	16.74	8.24	13.65	11.88	18.98	27.35	7.98	4.44	9.94
2017	0.83	8.81	5.40	1.82	0.04	14.27	16.09	(2.91)	14.78	9.16	11.18	9.92	14.76	16.75	19.22	(1.97)	-	-
2016	0.77	(6.99)	(3.74)	(0.97)	(1.39)	(11.84)	(16.83)	2.83	(14.65)	(12.41)	(6.95)	(0.31)	(0.14)	(25.49)	(14.64)	(0.76)	-	-
2015	1.12	5.11	3.74	2.32	2.72	8.32	15.12	(0.38)	14.23	15.76	(1.20)	3.33	9.97	25.30	15.81	1.33	-	-
2014	0.94	7.54	5.22	3.07	(0.29)	2.07	1.13	(0.20)	7.27	9.92	18.92	13.41	17.25	(5.68)	0.96	0.86	-	-
2013	1.19	6.25	4.95	3.73	3.52	7.59	8.95	2.71	6.92	12.38	9.46	4.83	4.98	3.67	9.66	0.85	-	-
2012	1.07	(4.68)	(2.58)	(0.64)	2.66	(8.59)	(12.92)	3.52	(12.39)	(2.88)	(7.99)	(4.03)	2.40	(9.87)	(1.94)	-	-	-
2011	0.39	8.36	7.03	5.82	5.59	14.96	12.53	3.81	12.35	(6.24)	3.05	6.57	-	-	-	-	-	-
2010	0.46	37.68	28.73	20.83	20.67	66.18	58.45	8.76	57.23	28.39	(7.59)	(0.75)	-	-	-	-	-	-

⁽¹⁾ 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.

⁽²⁾ The date of commencement for BEA (MPF) European Equity Fund and BEA (MPF) Global Equity Fund was 4 January 2010.

The date of commencement for BEA (MPF) North American Equity Fund, BEA China Tracker Fund and BEA Hong Kong Tracker Fund was 31 January 2012.

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

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

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

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

Performance table (continued)

(d) **Fund Expense Ratio (“FER”)**

Name of constituent funds	2019	
	Transaction costs for the year ended 31 March HK\$	FER for the year ended 31 March
BEA (MPF) Conservative Fund	-	0.80%
BEA (MPF) Growth Fund	1,827,434	1.37%
BEA (MPF) Balanced Fund	634,759	1.35%
BEA (MPF) Stable Fund	511,966	1.31%
BEA (MPF) Long Term Guaranteed Fund	-	2.52%
BEA (MPF) Asian Equity Fund	68,065	1.36%
BEA (MPF) Hong Kong Equity Fund	168,153	1.32%
BEA (MPF) Global Bond Fund	-	1.05%
BEA (MPF) Greater China Equity Fund	-	1.31%
BEA (MPF) Japan Equity Fund	6,060	1.66%
BEA (MPF) European Equity Fund	83,963	1.63%
BEA (MPF) Global Equity Fund	12,474	1.27%
BEA (MPF) North American Equity Fund	11,330	1.25%
BEA China Tracker Fund	102,838	1.30%
BEA Hong Kong Tracker Fund	157,664	0.73%
BEA (MPF) RMB & HKD Money Market Fund	-	0.79%
BEA (MPF) Age 65 Plus Fund	-	0.83%
BEA (MPF) Core Accumulation Fund	-	0.83%

Investment report as at 31 March 2019

Investment portfolio

BEA (MPF) Conservative Fund

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits				
<i>Hong Kong Dollar</i>				
Australia and New Zealand Banking Group Limited F/D 1.36% 15 April 2019	27,169,361	27,169,361	27,169,361	1.84
Bank of Communications Co., Ltd F/D 1.40% 10 June 2019	34,421,293	34,421,293	34,421,293	2.33
Bank of East Asia, Limited F/D 1.70% 17 June 2019	15,591,052	15,591,052	15,591,052	1.06
Bank of East Asia, Limited F/D 1.75% 24 June 2019	9,506,984	9,506,984	9,506,984	0.64
Bank of East Asia, Limited F/D 1.75% 24 June 2019	9,006,280	9,006,280	9,006,280	0.61
China CITIC Bank International Limited F/D 2.35% 03 April 2019	19,713,304	19,713,304	19,713,304	1.34
China CITIC Bank International Limited F/D 2.35% 03 April 2019	10,652,371	10,652,371	10,652,371	0.72
China CITIC Bank International Limited F/D 1.64% 02 May 2019	10,324,417	10,324,417	10,324,417	0.70
China CITIC Bank International Limited F/D 1.75% 15 May 2019	5,563,385	5,563,385	5,563,385	0.38
China CITIC Bank International Limited F/D 1.75% 15 May 2019	3,654,056	3,654,056	3,654,056	0.25
China CITIC Bank International Limited F/D 1.54% 10 June 2019	19,187,810	19,187,810	19,187,810	1.30
China CITIC Bank International Limited F/D 2.12% 17 July 2019	27,355,291	27,355,291	27,355,291	1.85
China CITIC Bank International Limited F/D 2.12% 17 July 2019	23,449,740	23,449,740	23,449,740	1.59
China CITIC Bank International Limited F/D 1.98% 14 August 2019	3,080,869	3,080,869	3,080,869	0.21
China Construction Bank Corporation F/D 1.96% 10 April 2019	6,139,996	6,139,996	6,139,996	0.42
China Construction Bank Corporation F/D 1.65% 15 May 2019	35,087,170	35,087,170	35,087,170	2.38
China Construction Bank Corporation F/D 1.53% 29 May 2019	8,874,246	8,874,246	8,874,246	0.60
China Construction Bank Corporation F/D 1.56% 10 June 2019	29,630,609	29,630,609	29,630,609	2.01
China Construction Bank Corporation F/D 1.56% 10 June 2019	18,094,241	18,094,241	18,094,241	1.23
China Construction Bank Corporation F/D 2.02% 31 July 2019	4,326,405	4,326,405	4,326,405	0.29
China Construction Bank Corporation F/D 2.08% 27 November 2019	16,515,819	16,515,819	16,515,819	1.12
China Construction Bank Corporation F/D 2.08% 27 November 2019	12,081,313	12,081,313	12,081,313	0.82

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) Conservative Fund (continued)

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits (continued)				
<i>Hong Kong Dollar (continued)</i>				
Chong Hing Bank Limited F/D 1.65% 02 May 2019	9,462,487	9,462,487	9,462,487	0.64
Chong Hing Bank Limited F/D 1.80% 15 May 2019	7,766,857	7,766,857	7,766,857	0.53
Chong Hing Bank Limited F/D 1.80% 15 May 2019	3,944,906	3,944,906	3,944,906	0.27
Chong Hing Bank Limited F/D 1.65% 10 June 2019	65,863,157	65,863,157	65,863,157	4.46
Chong Hing Bank Limited F/D 2.10% 24 July 2019	8,606,634	8,606,634	8,606,634	0.58
Chong Hing Bank Limited F/D 2.05% 01 August 2019	35,111,773	35,111,773	35,111,773	2.38
CMB Wing Lung Bank Limited F/D 1.55% 22 May 2019	4,402,632	4,402,632	4,402,632	0.30
CMB Wing Lung Bank Limited F/D 1.55% 22 May 2019	7,940,049	7,940,049	7,940,049	0.54
CMB Wing Lung Bank Limited F/D 1.55% 22 May 2019	28,199,701	28,199,701	28,199,701	1.91
CMB Wing Lung Bank Limited F/D 2.10% 17 July 2019	22,127,887	22,127,887	22,127,887	1.50
CMB Wing Lung Bank Limited F/D 2.10% 17 July 2019	33,604,354	33,604,354	33,604,354	2.28
CMB Wing Lung Bank Limited F/D 2.10% 17 July 2019	21,535,838	21,535,838	21,535,838	1.46
Dah Sing Bank Limited F/D 1.65% 15 May 2019	8,080,043	8,080,043	8,080,043	0.55
Dah Sing Bank Limited F/D 1.40% 10 June 2019	14,141,691	14,141,691	14,141,691	0.96
Dah Sing Bank Limited F/D 2.05% 17 July 2019	40,688,930	40,688,930	40,688,930	2.76
DBS Bank (Hong Kong) Limited F/D 2.19% 03 April 2019	7,604,260	7,604,260	7,604,260	0.51
DBS Bank (Hong Kong) Limited F/D 2.19% 03 April 2019	7,039,066	7,039,066	7,039,066	0.48
DBS Bank (Hong Kong) Limited F/D 1.47% 10 June 2019	24,612,933	24,612,933	24,612,933	1.67
DBS Bank (Hong Kong) Limited F/D 1.93% 31 July 2019	9,139,673	9,139,673	9,139,673	0.62
DBS Bank (Hong Kong) Limited F/D 1.93% 01 August 2019	72,823,697	72,823,697	72,823,697	4.93
Fubon Bank (Hong Kong) Limited F/D 2.00% 10 April 2019	6,423,549	6,423,549	6,423,549	0.43
Fubon Bank (Hong Kong) Limited F/D 1.75% 02 May 2019	14,157,008	14,157,008	14,157,008	0.96
Fubon Bank (Hong Kong) Limited F/D 1.80% 08 July 2019	41,830,576	41,830,576	41,830,576	2.83

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) Conservative Fund (continued)

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits (continued)				
<i>Hong Kong Dollar (continued)</i>				
Fubon Bank (Hong Kong) Limited F/D 1.80% 08 July 2019	12,875,130	12,875,130	12,875,130	0.87
Fubon Bank (Hong Kong) Limited F/D 2.16% 17 July 2019	5,047,886	5,047,886	5,047,886	0.34
Fubon Bank (Hong Kong) Limited F/D 2.00% 31 July 2019	21,642,000	21,642,000	21,642,000	1.47
Fubon Bank (Hong Kong) Limited F/D 2.00% 31 July 2019	9,809,157	9,809,157	9,809,157	0.66
Industrial and Commercial Bank of China (Asia) Limited F/D 1.43% 15 April 2019	42,741,681	42,741,681	42,741,681	2.90
Industrial and Commercial Bank of China (Asia) Limited F/D 1.43% 15 April 2019	30,706,551	30,706,551	30,706,551	2.08
Industrial and Commercial Bank of China (Asia) Limited F/D 2.00% 14 August 2019	17,187,654	17,187,654	17,187,654	1.16
Industrial and Commercial Bank of China (Asia) Limited F/D 2.00% 04 December 2019	37,038,052	37,038,052	37,038,052	2.51
MUFG Bank, Ltd. F/D 1.60% 02 May 2019	32,758,455	32,758,455	32,758,455	2.22
MUFG Bank, Ltd. F/D 1.60% 02 May 2019	9,401,205	9,401,205	9,401,205	0.64
MUFG Bank, Ltd. F/D 1.59% 24 June 2019	43,744,652	43,744,652	43,744,652	2.96
MUFG Bank, Ltd. F/D 2.00% 31 July 2019	8,743,200	8,743,200	8,743,200	0.59
MUFG Bank, Ltd. F/D 2.00% 31 July 2019	4,409,423	4,409,423	4,409,423	0.30
MUFG Bank, Ltd. F/D 1.97% 14 August 2019	16,604,038	16,604,038	16,604,038	1.12
OCBC Wing Hang Bank Limited F/D 2.25% 03 April 2019	32,650,396	32,650,396	32,650,396	2.21
OCBC Wing Hang Bank Limited F/D 2.00% 10 April 2019	26,595,781	26,595,781	26,595,781	1.80
OCBC Wing Hang Bank Limited F/D 1.54% 10 June 2019	28,323,034	28,323,034	28,323,034	1.92
OCBC Wing Hang Bank Limited F/D 1.91% 01 August 2019	38,205,278	38,205,278	38,205,278	2.59
Sumitomo Mitsui Banking Corporation F/D 1.56% 15 April 2019	10,832,965	10,832,965	10,832,965	0.73
Sumitomo Mitsui Banking Corporation F/D 1.70% 22 May 2019	10,711,719	10,711,719	10,711,719	0.73
Sumitomo Mitsui Banking Corporation F/D 1.86% 24 June 2019	51,185,380	51,185,380	51,185,380	3.47
Sumitomo Mitsui Banking Corporation F/D 1.96% 08 July 2019	22,369,527	22,369,527	22,369,527	1.51
Sumitomo Mitsui Banking Corporation F/D 2.09% 14 August 2019	4,141,725	4,141,725	4,141,725	0.28
Sumitomo Mitsui Banking Corporation F/D 2.09% 14 August 2019	32,252,017	32,252,017	32,252,017	2.18
Total investments		<u>1,394,510,619</u>	<u>1,394,510,619</u>	<u>94.48</u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) Growth Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,052,941.2270	132,396,830	107,640,862	3.81
BEA Union Investment Asia Strategic Growth Fund - Class A	911,020.7860	341,350,378	250,456,730	9.83
BEA Union Investment Global Bond Fund - Class A	4,377,127.0260	549,723,383	505,719,231	15.83
BEA Union Investment Global Equity Fund - Class A	735,776.7880	125,361,649	83,630,180	3.61
BEA Union Investment Greater China Growth Fund - Class A	237,952.0950	65,382,097	42,914,884	1.88
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	114,521.5710	15,905,901	13,040,105	0.46
BEA Union Investment Hong Kong Growth Fund - Class A	1,329,231.6880	444,561,538	369,916,910	12.80
BEA Union Investment Money Markey Fund - Class A	974,419.8520	97,899,963	97,445,268	2.82
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	445,903.2534	51,279,662	45,284,777	1.48
Schroder Institutional Pooled Funds - European Equity Fund - Class B	3,365,904.4350	104,460,508	115,296,364	3.01
Approved Index-Tracking Funds				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	9,733,500.0000	286,164,900	286,012,118	8.24
<i>The United Kingdom</i>				
Vanguard FTSE Developed Europe UCITS ETF	810,292.0000	213,005,820	227,687,276	6.13
<i>The United States of America</i>				
iShares Europe ETF	280,995.0000	95,709,519	86,705,053	2.76
iShares MSCI Australia ETF	501,887.0000	84,784,235	74,083,970	2.44
iShares MSCI Japan ETF	298,453.0000	128,200,266	120,452,697	3.69
SPDR S&P 500 ETF Trust	196,678.0000	436,124,393	359,443,574	12.56
Total investments		<u>3,172,311,042</u>	<u>2,785,729,999</u>	<u>91.35</u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) Balanced Fund

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	949,537.6290	119,394,861	98,883,473	6.63
BEA Union Investment Asia Strategic Growth Fund - Class A	346,855.4540	129,963,270	98,911,970	7.22
BEA Union Investment Global Bond Fund - Class A	4,808,400.4870	603,887,017	550,348,520	33.53
BEA Union Investment Global Equity Fund - Class A	266,641.2310	45,430,333	27,989,148	2.52
BEA Union Investment Greater China Growth Fund - Class A	87,872.9810	24,144,859	15,847,933	1.34
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	111,371.3980	15,468,373	12,876,204	0.86
BEA Union Investment Hong Kong Growth Fund - Class A	519,631.6840	173,790,817	143,300,833	9.65
BEA Union Investment Money Market Fund - Class A	513,087.4690	51,549,898	51,310,469	2.86
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	169,167.4401	19,454,555	17,727,475	1.08
Schroder Institutional Pooled Funds - European Equity Fund - Class B	1,243,413.0798	38,589,201	42,592,120	2.14
Approved Index-Tracking Funds				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	3,653,500.0000	107,412,900	107,987,291	5.96
<i>The United Kingdom</i>				
Vanguard FTSE Developed Europe UCITS ETF	263,319.0000	69,220,083	73,930,140	3.84
<i>The United States of America</i>				
iShares Europe ETF	94,120.0000	32,058,150	29,138,455	1.78
iShares MSCI Australia ETF	196,918.0000	33,265,540	28,916,981	1.85
iShares MSCI Japan ETF	108,743.0000	46,710,476	44,106,267	2.59
SPDR S&P 500 ETF Trust	74,609.0000	165,442,016	139,555,019	9.19
Total investments		<u>1,675,782,349</u>	<u>1,483,422,298</u>	<u>93.04</u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) Stable Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	937,094.1160	117,830,214	103,252,505	6.26
BEA Union Investment Asia Strategic Growth Fund - Class A	217,483.1600	81,488,765	63,995,027	4.33
BEA Union Investment Global Bond Fund - Class A	7,405,780.1190	930,091,925	842,145,540	49.38
BEA Union Investment Global Equity Fund - Class A	176,875.1300	30,135,985	18,663,801	1.60
BEA Union Investment Greater China Growth Fund - Class A	56,057.6990	15,402,974	10,110,001	0.82
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	74,786.8810	10,387,150	8,737,198	0.55
BEA Union Investment Hong Kong Growth Fund - Class A	405,475.1010	135,611,148	127,116,339	7.20
BEA Union Investment Money Market Fund - Class A	1,263,882.5630	126,982,281	126,393,691	6.74
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	111,504.2764	12,823,189	11,411,608	0.68
Schroder Institutional Pooled Funds - European Equity Fund - Class B	444,642.6286	13,799,439	15,230,878	0.73
Approved Index-Tracking Funds				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	1,869,000.0000	54,948,600	55,122,490	2.92
<i>The United Kingdom</i>				
Vanguard FTSE Developed Europe UCITS ETF	134,980.0000	35,482,919	37,872,679	1.88
<i>The United States of America</i>				
iShares Europe ETF	71,060.0000	24,203,699	21,853,459	1.28
iShares MSCI Australia ETF	129,702.0000	21,910,679	19,112,463	1.16
iShares MSCI Japan ETF	66,225.0000	28,446,900	27,124,090	1.51
SPDR S&P 500 ETF Trust	47,450.0000	105,218,186	93,702,066	5.59
Total investments		<u>1,744,764,053</u>	<u>1,581,843,835</u>	<u>92.63</u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) Long Term Guaranteed Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
Principal Long Term Guaranteed Fund	32,863,379.0011	<u>726,549,571</u>	<u>542,726,057</u>	<u>100.15</u>
Total investments		<u><u>726,549,571</u></u>	<u><u>542,726,057</u></u>	<u><u>100.15</u></u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) Asian Equity Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Strategic Growth Fund - Class A	2,043,664.6830	765,740,720	560,915,799	88.45
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	742,078.5875	85,340,349	63,619,243	9.86
Approved Index-Tracking Fund				
<i>The United Kingdom</i>				
iShares MSCI AC Far East ex-Japan UCITS ETF USD (Dist)	26,562.0000	11,342,395	10,681,029	1.31
Total investments		<u>862,423,464</u>	<u>635,216,071</u>	<u>99.62</u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) Hong Kong Equity Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
BEA Union Investment Hong Kong Growth Fund - Class A	2,083,535.2070	696,838,350	452,993,315	79.80
Approved Index-Tracking Fund				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	5,855,500.0000	172,151,700	144,354,950	19.71
Total investments		<u>868,990,050</u>	<u>597,348,265</u>	<u>99.51</u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) Global Bond Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Global Bond Fund - Class A	1,864,191.4000	234,123,798	212,154,497	85.42
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	234,860.7170	32,619,805	29,127,302	11.90
Total investments		<u>266,743,603</u>	<u>241,281,799</u>	<u>97.32</u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) Greater China Equity Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Greater China Growth Fund - Class A	4,102,120.5700	1,127,139,669	676,298,037	89.39
BEA Union Investment Hong Kong Growth Fund - Class A	377,934.9870	126,400,356	91,216,692	10.03
Total investments		<u>1,253,540,025</u>	<u>767,514,729</u>	<u>99.42</u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) Japan Equity Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
Fidelity Global Investment Fund - Japanese Equity Fund - Class B	781,685.8970	12,413,172	14,390,837	16.13
Approved Index-Tracking Fund				
<i>The United States of America</i>				
iShares MSCI Japan ETF	147,427.0000	63,327,159	54,160,352	82.30
Total investments		<u>75,740,331</u>	<u>68,551,189</u>	<u>98.43</u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) European Equity Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
Schroder Institutional Pooled Funds - European Equity Fund - Class B	1,290,918.1860	40,063,517	44,219,370	47.35
Approved Index-Tracking Funds				
<i>The United Kingdom</i>				
Vanguard FTSE Developed Europe UCITS ETF	114,921.0000	30,209,902	32,180,920	35.70
<i>The United States of America</i>				
iShares Europe ETF	35,185.0000	11,984,339	11,551,319	14.16
Total investments		<u>82,257,758</u>	<u>87,951,609</u>	<u>97.21</u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) Global Equity Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Global Equity Fund - Class A	1,059,119.9880	180,452,863	131,887,372	82.82
BEA Union Investment Hong Kong Growth Fund - Class A	3,642.3440	1,218,182	863,699	0.56
Approved Index-Tracking Funds				
<i>The United Kingdom</i>				
Vanguard FTSE Developed Europe UCITS ETF	16,675.0000	4,383,447	4,682,144	2.01
<i>The United States of America</i>				
iShares Europe ETF	10,823.0000	3,686,415	3,671,424	1.69
iShares MSCI Australia ETF	5,029.0000	849,554	803,113	0.39
iShares MSCI Japan ETF	4,495.0000	1,930,824	1,637,787	0.89
SPDR S&P 500 ETF Trust	8,733.0000	19,365,025	12,836,135	8.89
Total investments		<u>211,886,310</u>	<u>156,381,674</u>	<u>97.25</u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) North American Equity Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Index-Tracking Funds				
<i>The United States of America</i>				
iShares Core S&P 500 ETF	30,384.0000	67,871,225	53,527,490	38.08
SPDR S&P 500 ETF Trust	47,567.0000	105,477,629	83,731,633	59.19
Total investments		<u>173,348,854</u>	<u>137,259,123</u>	<u>97.27</u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA China Tracker Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Index-Tracking Fund				
<i>Hong Kong</i>				
Hang Seng China Enterprises Index ETF	1,241,000.0000	142,715,000	137,930,923	100.01
Total investments		<u>142,715,000</u>	<u>137,930,923</u>	<u>100.01</u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA Hong Kong Tracker Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Index-Tracking Fund				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	7,010,000.0000	206,094,000	179,788,730	100.00
Total investments		<u>206,094,000</u>	<u>179,788,730</u>	<u>100.00</u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) RMB & HKD Money Market Fund

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits				
<i>Hong Kong Dollars</i>				
Bank of Communications Co., Ltd. F/D 1.90% 17 December 2019	2,847,524	2,847,524	2,847,524	2.06
China CITIC Bank International Limited F/D 2.13% 04 April 2019	1,669,573	1,669,573	1,669,573	1.21
China CITIC Bank International Limited F/D 1.60% 18 June 2019	1,738,310	1,738,310	1,738,310	1.26
China CITIC Bank International Limited F/D 1.97% 16 August 2019	595,826	595,826	595,826	0.43
China CITIC Bank International Limited F/D 1.86% 10 September 2019	1,426,824	1,426,824	1,426,824	1.03
China Construction Bank Corporation F/D 1.68% 18 June 2019	756,805	756,805	756,805	0.55
China Construction Bank Corporation F/D 1.68% 18 June 2019	645,008	645,008	645,008	0.47
China Construction Bank Corporation F/D 2.02% 02 August 2019	1,904,153	1,904,153	1,904,153	1.38
China Construction Bank Corporation F/D 2.02% 02 August 2019	545,013	545,013	545,013	0.39
China Construction Bank Corporation F/D 2.02% 02 August 2019	1,314,325	1,314,325	1,314,325	0.95
China Construction Bank Corporation F/D 2.08% 22 November 2019	678,722	678,722	678,722	0.49
China Construction Bank Corporation F/D 2.06% 06 December 2019	917,446	917,446	917,446	0.66
China Construction Bank Corporation F/D 2.06% 06 December 2019	2,238,689	2,238,689	2,238,689	1.62
China Construction Bank Corporation F/D 2.06% 06 December 2019	2,576,347	2,576,347	2,576,347	1.86
Chong Hing Bank Limited F/D 2.00% 16 August 2019	1,010,621	1,010,621	1,010,621	0.73
Chong Hing Bank Limited F/D 2.00% 16 August 2019	1,018,393	1,018,393	1,018,393	0.74
Chong Hing Bank Limited F/D 1.85% 10 September 2019	1,835,443	1,835,443	1,835,443	1.33
CMB Wing Lung Bank Limited F/D 1.55% 24 May 2019	1,023,587	1,023,587	1,023,587	0.74
CMB Wing Lung Bank Limited F/D 2.05% 26 July 2019	1,926,431	1,926,431	1,926,431	1.39
CMB Wing Lung Bank Limited F/D 2.05% 26 July 2019	1,024,626	1,024,626	1,024,626	0.74

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) RMB & HKD Money Market Fund (continued)

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits (continued)				
<i>Hong Kong Dollars (continued)</i>				
DBS Bank (Hong Kong) Limited F/D 2.05% 19 July 2019	1,364,083	1,364,083	1,364,083	0.98
Fubon Bank (Hong Kong) Limited F/D 2.00% 04 April 2019	661,000	661,000	661,000	0.48
Fubon Bank (Hong Kong) Limited F/D 2.00% 12 April 2019	1,872,871	1,872,871	1,872,871	1.35
Fubon Bank (Hong Kong) Limited F/D 1.80% 10 September 2019	2,587,396	2,587,396	2,587,396	1.87
ICBC (Asia) Limited F/D 1.50% 24 May 2019	530,633	530,633	530,633	0.38
ICBC (Asia) Limited F/D 2.05% 02 August 2019	849,471	849,471	849,471	0.61
ICBC (Asia) Limited F/D 2.00% 16 August 2019	753,822	753,822	753,822	0.54
ICBC (Asia) Limited F/D 2.00% 16 August 2019	1,480,518	1,480,518	1,480,518	1.07
Sumitomo Mitsui Banking Corporation F/D 2.02% 12 April 2019	801,853	801,853	801,853	0.58
Sumitomo Mitsui Banking Corporation F/D 2.02% 12 April 2019	1,725,066	1,725,066	1,725,066	1.25
Sumitomo Mitsui Banking Corporation F/D 1.70% 24 May 2019	939,617	939,617	939,617	0.68
Sumitomo Mitsui Banking Corporation F/D 1.85% 18 June 2019	1,536,773	1,536,773	1,536,773	1.11
Sumitomo Mitsui Banking Corporation F/D 1.85% 18 June 2019	657,086	657,086	657,086	0.47
Sumitomo Mitsui Banking Corporation F/D 2.26% 26 July 2019	2,282,398	2,282,398	2,282,398	1.65
Sumitomo Mitsui Banking Corporation F/D 2.21% 02 August 2019	1,126,979	1,126,979	1,126,979	0.81
Sumitomo Mitsui Banking Corporation F/D 2.29% 17 March 2020	661,144	661,144	661,144	0.48

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) RMB & HKD Money Market Fund (continued)

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits (continued)				
<i>Renminbi</i>				
Australia and New Zealand Banking Group Limited F/D 2.55% 26 April 2019	2,852,560	3,330,649	3,293,994	2.41
China CITIC Bank International Limited F/D 3.20% 26 April 2019	1,144,405	1,336,207	1,321,502	0.96
China CITIC Bank International Limited F/D 2.90% 03 May 2019	661,818	772,739	763,804	0.56
China CITIC Bank International Limited F/D 2.90% 03 May 2019	573,985	670,185	662,436	0.49
China CITIC Bank International Limited F/D 2.30% 24 May 2019	1,462,749	1,707,906	1,692,766	1.23
China CITIC Bank International Limited F/D 2.30% 11 June 2019	1,003,049	1,171,160	1,170,658	0.85
Chong Hing Bank Limited F/D 1.90% 17 May 2019	2,235,470	2,610,135	2,585,545	1.89
Chong Hing Bank Limited F/D 2.20% 24 May 2019	2,410,009	2,813,926	2,812,119	2.03
CMB Wing Lung Bank Limited F/D 2.50% 03 May 2019	3,258,375	3,804,479	3,783,462	2.75
CMB Wing Lung Bank Limited F/D 2.20% 24 May 2019	1,836,601	2,144,415	2,143,038	1.55
CMB Wing Lung Bank Limited F/D 2.20% 31 May 2019	1,272,101	1,485,305	1,487,086	1.07
Credit Agricole Corporate and Investment Bank F/D 2.77% 04 April 2019	3,435,338	4,011,100	3,909,071	2.90
Credit Agricole Corporate and Investment Bank F/D 2.62% 26 April 2019	804,540	939,381	927,836	0.68
Credit Agricole Corporate and Investment Bank F/D 2.33% 24 May 2019	2,637,113	3,079,094	3,077,116	2.22
Credit Agricole Corporate and Investment Bank F/D 2.33% 24 May 2019	1,624,964	1,897,308	1,896,089	1.37
Credit Agricole Corporate and Investment Bank F/D 2.38% 06 June 2019	1,473,924	1,720,954	1,728,103	1.24
Dah Sing Bank Limited F/D 2.70% 26 April 2019	4,350,438	5,079,572	5,023,668	3.68
Dah Sing Bank Limited F/D 2.10% 24 May 2019	807,826	943,218	942,612	0.68
DBS Bank (Hong Kong) Limited F/D 2.45% 26 April 2019	1,145,030	1,336,937	1,322,223	0.97
DBS Bank (Hong Kong) Limited F/D 2.20% 24 May 2019	1,897,207	2,215,178	2,213,756	1.60

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) RMB & HKD Money Market Fund (continued)

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits (continued)				
<i>Renminbi (continued)</i>				
DBS Bank (Hong Kong) Limited F/D 2.20% 24 May 2019	2,320,202	2,709,067	2,707,327	1.96
Fubon Bank (Hong Kong) Limited F/D 2.90% 04 April 2019	1,902,608	2,221,485	2,164,977	1.60
Fubon Bank (Hong Kong) Limited F/D 2.90% 12 April 2019	1,915,599	2,236,653	2,183,974	1.62
Fubon Bank (Hong Kong) Limited F/D 2.90% 26 April 2019	670,450	782,818	773,197	0.56
Fubon Bank (Hong Kong) Limited F/D 2.40% 11 June 2019	729,005	851,186	850,822	0.61
Fubon Bank (Hong Kong) Limited F/D 2.40% 25 June 2019	838,706	979,273	981,412	0.71
ICBC (Asia) Limited F/D 2.20% 24 May 2019	2,698,664	3,150,960	3,148,936	2.28
MUFG Bank, Ltd. F/D 2.75% 26 April 2019	2,107,114	2,460,266	2,432,874	1.78
MUFG Bank, Ltd. F/D 2.56% 03 May 2019	1,697,115	1,981,552	1,958,641	1.43
MUFG Bank, Ltd. F/D 2.29% 24 May 2019	1,658,912	1,936,945	1,935,701	1.40
MUFG Bank, Ltd. F/D 2.38% 06 June 2019	4,321,226	5,045,463	5,066,421	3.64
OCBC Wing Hang Bank Limited F/D 2.61% 03 May 2019	1,456,700	1,700,843	1,681,177	1.23
OCBC Wing Hang Bank Limited F/D 2.61% 03 May 2019	1,547,489	1,806,848	1,785,957	1.30
OCBC Wing Hang Bank Limited F/D 2.61% 03 May 2019	1,756,274	2,050,625	2,026,915	1.48
OCBC Wing Hang Bank Limited F/D 2.10% 24 May 2019	1,693,596	1,977,443	1,959,914	1.43
OCBC Wing Hang Bank Limited F/D 2.30% 18 June 2019	992,790	1,159,182	1,159,182	0.84
OCBC Wing Hang Bank Limited F/D 2.30% 18 June 2019	1,436,846	1,677,662	1,677,662	1.21
Sumitomo Mitsui Banking Corporation F/D 2.50% 03 May 2019	1,045,759	1,221,029	1,206,911	0.88
Sumitomo Mitsui Banking Corporation F/D 2.30% 24 May 2019	782,763	913,954	913,367	0.66
Total investments		<u>127,457,478</u>	<u>126,896,627</u>	<u>92.09</u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) Age 65 Plus Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
BEA Union Investment Age 65 Plus Fund - Class I	572,379.4660	62,624,037	60,015,038	99.96
Total investments		<u>62,624,037</u>	<u>60,015,038</u>	<u>99.96</u>

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

Investment report as at 31 March 2019 (continued)

Investment portfolio (continued)

BEA (MPF) Core Accumulation Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
BEA Union Investment Core Accumulation Fund - Class I	1,314,039.3160	150,667,748	143,411,990	100.09
Total investments		<u>150,667,748</u>	<u>143,411,990</u>	<u>100.09</u>

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

Investment report for the year ended 31 March 2019

Statement of movements in investment portfolio

BEA (MPF) Conservative Fund

	% of net assets	
	As at	As at
	31 March 2019	31 March 2018
Short-term deposits	<u>94.48</u>	<u>94.64</u>

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

Statement of movements in investment portfolio (continued)

BEA (MPF) Growth Fund

	Portfolio holdings			
	As at 31 March 2018 units	Additions units	Disposals units	As at 31 March 2019 units
Approved Pooled Investment Funds				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,052,941.2270	-	-	1,052,941.2270
BEA Union Investment Asia Strategic Growth Fund - Class A	889,620.4870	95,162.6980	73,762.3990	911,020.7860
BEA Union Investment Global Bond Fund - Class A	5,187,994.0930	156,426.3650	967,293.4320	4,377,127.0260
BEA Union Investment Global Equity Fund - Class A	735,776.7880	-	-	735,776.7880
BEA Union Investment Greater China Growth Fund - Class A	237,952.0950	-	-	237,952.0950
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	114,521.5710	-	-	114,521.5710
BEA Union Investment Hong Kong Growth Fund - Class A	1,597,311.0250	696,985.3300	965,064.6670	1,329,231.6880
BEA Union Investment Money Market Fund - Class A	-	974,419.8520	-	974,419.8520
PineBridge Fund Series - PineBridge India Equity Fund – Provident Fund Units	576,084.8388	-	130,181.5854	445,903.2534
PineBridge Fund Series - PineBridge Hong Kong Dollar Money Market Fund – Provident Fund Units	2,016,460.9053	6,768,700.0109	8,785,160.9162	-
Schroder Institutional Pooled Funds - European Equity Fund - Class B	3,365,904.4350	-	-	3,365,904.4350

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

Statement of movements in investment portfolio (continued)

BEA (MPF) Growth Fund (continued)

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
Approved Index-Tracking Funds				
iShares Europe ETF	637,081.0000	107,403.0000	463,489.0000	280,995.0000
iShares MSCI Australia ETF	543,713.0000	-	41,826.0000	501,887.0000
iShares MSCI Japan ETF	702,263.0000	668,107.0000	1,071,917.0000	298,453.0000
SPDR S&P 500 ETF Trust	212,137.0000	88,719.0000	104,178.0000	196,678.0000
Tracker Fund of Hong Kong	4,789,000.0000	15,750,000.0000	10,805,500.0000	9,733,500.0000
Vanguard FTSE Developed Europe UCITS ETF	445,071.0000	607,317.0000	242,096.0000	810,292.0000

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

Statement of movements in investment portfolio (continued)

BEA (MPF) Balanced Fund

	Portfolio holdings			
	As at 31 March 2018 units	Additions units	Disposals units	As at 31 March 2019 units
Approved Pooled Investment Funds				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	949,537.6290	-	-	949,537.6290
BEA Union Investment Asia Strategic Growth Fund - Class A	329,571.5460	49,627.5860	32,343.6780	346,855.4540
BEA Union Investment Global Bond Fund - Class A	5,197,750.1780	151,424.5550	540,774.2460	4,808,400.4870
BEA Union Investment Global Equity Fund - Class A	266,641.2310	-	-	266,641.2310
BEA Union Investment Greater China Growth Fund - Class A	87,872.9810	-	-	87,872.9810
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	111,371.3980	-	-	111,371.3980
BEA Union Investment Hong Kong Growth Fund - Class A	567,538.4000	268,856.3410	316,763.0570	519,631.6840
BEA Union Investment Money Market Fund - Class A	-	513,087.4690	-	513,087.4690
PineBridge Fund Series - PineBridge India Equity Fund – Provident Fund Units	252,650.2153	-	83,482.7752	169,167.4401
PineBridge Fund Series - PineBridge Hong Kong Dollar Money Market Fund – Provident Fund Units	1,008,230.4526	3,500,120.4924	4,508,350.9450	-
Schroder Institutional Pooled Funds - European Equity Fund - Class B	1,243,413.0798	-	-	1,243,413.0798

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

Statement of movements in investment portfolio (continued)

BEA (MPF) Balanced Fund (continued)

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
Approved Index-Tracking Funds				
iShares Europe ETF	224,373.0000	24,226.0000	154,479.0000	94,120.0000
iShares MSCI Australia ETF	196,918.0000	-	-	196,918.0000
iShares MSCI Japan ETF	255,189.0000	250,604.0000	397,050.0000	108,743.0000
SPDR S&P 500 ETF Trust	77,636.0000	35,447.0000	38,474.0000	74,609.0000
Tracker Fund of Hong Kong	1,888,000.0000	5,378,000.0000	3,612,500.0000	3,653,500.0000
Vanguard FTSE Developed Europe UCITS ETF	156,667.0000	201,944.0000	95,292.0000	263,319.0000

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

Statement of movements in investment portfolio (continued)

BEA (MPF) Stable Fund

	Portfolio holdings			
	As at 31 March 2018 units	Additions units	Disposals units	As at 31 March 2019 units
Approved Pooled Investment Funds				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	937,094.1160	-	-	937,094.1160
BEA Union Investment Asia Strategic Growth Fund - Class A	213,164.5540	41,469.6980	37,151.0920	217,483.1600
BEA Union Investment Global Bond Fund - Class A	7,450,705.1800	307,921.6030	352,846.6640	7,405,780.1190
BEA Union Investment Global Equity Fund - Class A	176,875.1300	-	-	176,875.1300
BEA Union Investment Greater China Growth Fund - Class A	56,057.6990	-	-	56,057.6990
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	74,786.8810	-	-	74,786.8810
BEA Union Investment Hong Kong Growth Fund - Class A	332,457.7200	330,971.5420	257,954.1610	405,475.1010
BEA Union Investment Money Market Fund - Class A	-	1,263,882.5630	-	1,263,882.5630
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	145,283.1391	-	33,778.8627	111,504.2764
PineBridge Fund Series - PineBridge Hong Kong Dollar Money Market Fund - Provident Fund Units	1,968,449.9314	5,095,616.4507	7,064,066.3821	-
Schroder Institutional Pooled Funds - European Equity Fund - Class B	444,642.6286	-	-	444,642.6286

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

Statement of movements in investment portfolio (continued)

BEA (MPF) Stable Fund (continued)

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
Approved Index-Tracking Funds				
iShares Europe ETF	147,066.0000	14,677.0000	90,683.0000	71,060.0000
iShares MSCI Australia ETF	129,702.0000	-	-	129,702.0000
iShares MSCI Japan ETF	154,301.0000	162,417.0000	250,493.0000	66,225.0000
SPDR S&P 500 ETF Trust	44,636.0000	32,005.0000	29,191.0000	47,450.0000
Tracker Fund of Hong Kong	1,426,000.0000	4,794,500.0000	4,351,500.0000	1,869,000.0000
Vanguard FTSE Developed Europe UCITS ETF	103,639.0000	123,191.0000	91,850.0000	134,980.0000

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

Statement of movements in investment portfolio (continued)

BEA (MPF) Long Term Guaranteed Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
Approved Pooled Investment Fund				
Principal Long Term Guaranteed Fund	33,892,626.8397	2,096,333.4573	3,125,581.2959	32,863,379.0011

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

Statement of movements in investment portfolio (continued)

BEA (MPF) Asian Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
Approved Pooled Investment Funds				
BEA Union Investment Asia Strategic Growth Fund - Class A	2,125,885.2820	-	82,220.5990	2,043,664.6830
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	911,535.6170	23,099.0346	192,556.0641	742,078.5875
Approved Index-Tracking Fund				
iShares MSCI AC Far East ex-Japan UCITS ETF USD (Dist)	10,524.0000	70,140.0000	54,102.0000	26,562.0000

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

Statement of movements in investment portfolio (continued)

BEA (MPF) Hong Kong Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
Approved Pooled Investment Fund				
BEA Union Investment Hong Kong Growth Fund - Class A	2,283,584.4670	13,213.8580	213,263.1180	2,083,535.2070
Approved Index-Tracking Funds				
Hang Seng China Enterprises Index ETF	104,800.0000	-	104,800.0000	-
Tracker Fund of Hong Kong	<u>3,721,000.0000</u>	<u>2,716,500.0000</u>	<u>582,000.0000</u>	<u>5,855,500.0000</u>

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

Statement of movements in investment portfolio (continued)

BEA (MPF) Global Bond Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
Approved Pooled Investment Funds				
BEA Union Investment Global Bond Fund - Class A	1,745,757.3190	154,261.7780	35,827.6970	1,864,191.4000
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	245,692.8390	-	10,832.1220	234,860.7170

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

Statement of movements in investment portfolio (continued)

BEA (MPF) Greater China Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
Approved Pooled Investment Funds				
BEA Union Investment Greater China Growth Fund - Class A	4,359,899.5720	-	257,779.0020	4,102,120.5700
BEA Union Investment Hong Kong Growth Fund - Class A	403,798.0970	104,449.6590	130,312.7690	377,934.9870

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

Statement of movements in investment portfolio (continued)

BEA (MPF) Japan Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
Approved Pooled Investment Fund				
Fidelity Global Investment Fund - Japanese Equity Fund - Class B	962,726.0690	-	181,040.1720	781,685.8970
Approved Index-Tracking Fund				
iShares MSCI Japan ETF	129,148.0000	24,322.0000	6,043.0000	147,427.0000

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

Statement of movements in investment portfolio (continued)

BEA (MPF) European Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
Approved Pooled Investment Fund				
Schroder Institutional Pooled Funds - European Equity Fund - Class B	1,290,918.1860	-	-	1,290,918.1860
Approved Index-Tracking Funds				
Vanguard FTSE Developed Europe UCITS ETF	-	129,102.0000	14,181.0000	114,921.0000
iShares Europe ETF	130,789.0000	9,578.0000	105,182.0000	35,185.0000

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

Statement of movements in investment portfolio (continued)

BEA (MPF) Global Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
Approved Pooled Investment Funds				
BEA Union Investment Global Equity Fund - Class A	984,988.3650	74,131.6230	-	1,059,119.9880
BEA Union Investment Hong Kong Growth Fund - Class A	3,642.3440	-	-	3,642.3440
Approved Index-Tracking Funds				
iShares Europe ETF	17,251.0000	6,525.0000	12,953.0000	10,823.0000
iShares MSCI Australia ETF	2,691.0000	2,338.0000	-	5,029.0000
iShares MSCI Japan ETF	3,603.0000	892.0000	-	4,495.0000
SPDR S&P 500 ETF Trust	8,543.0000	190.0000	-	8,733.0000
Vanguard FTSE Developed Europe UCITS ETF	-	16,675.0000	-	16,675.0000

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

Statement of movements in investment portfolio (continued)

BEA (MPF) North American Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
Approved Index-Tracking Funds				
iShares Core S&P 500 ETF	25,189.0000	7,060.0000	1,865.0000	30,384.0000
iShares Global Energy ETF	26,921.0000	-	26,921.0000	-
SPDR S&P 500 ETF Trust	36,642.0000	12,692.0000	1,767.0000	47,567.0000

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

Statement of movements in investment portfolio (continued)

BEA China Tracker Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2019 units</i>
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
Approved Index-Tracking Fund				
Hang Seng China Enterprises Index ETF	1,186,400.0000	316,200.0000	261,600.0000	1,241,000.0000

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

Statement of movements in investment portfolio (continued)

BEA Hong Kong Tracker Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2019 units</i>
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
Approved Index-Tracking Fund				
Tracker Fund of Hong Kong	6,183,000.0000	2,109,500.0000	1,282,500.0000	7,010,000.0000

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

Statement of movements in investment portfolio (continued)

BEA (MPF) RMB & HKD Money Market Fund

	% of net assets	
	As at 31 March 2019	As at 31 March 2018
Short-term deposits		
Hong Kong Dollar	34.34	34.20
Renminbi	57.75	59.33
	<u>92.09</u>	<u>93.53</u>

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

Statement of movements in investment portfolio (continued)

BEA (MPF) Age 65 Plus Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
Approved Pooled Investment Funds				
BEA Union Investment Age 65 Plus Fund - Class I	324,394.3780	310,559.6200	62,574.5320	572,379.4660

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

Statement of movements in investment portfolio (continued)

BEA (MPF) Core Accumulation Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2018 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2019 units</i>
Approved Pooled Investment Funds				
BEA Union Investment Core Accumulation Fund - Class I	686,507.8610	684,897.6280	57,366.1730	1,314,039.3160

Independent auditor's report to the Trustee of BEA (MPF) Master Trust 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 93 to 160, which comprise the statement of net assets available for benefits of the Scheme and the statement of assets and liabilities of each of its constituent funds as at 31 March 2019, and the statement of changes in net assets available for benefits and the cash flow statement of the Scheme, and the statement of comprehensive income and the statement of changes in net assets attributable to members of each of its constituent funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("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.

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

Report on the Audit of the Financial Statements (continued)

Information Other than the Financial Statements and Auditor's Report Thereon (continued)

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

Responsibilities of Investment Manager and Trustee for the Financial Statements

The Investment Manager and the Trustee 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 intend to liquidate the Scheme or to cease operations, or have 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.

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

Report on the Audit of the Financial Statements (continued)

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

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

As part of an audit in accordance with HKSA's, 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.



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

Report on the Audit of the Financial Statements (continued)

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

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

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

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

Certified Public Accountants

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

9 September 2019

Independent auditor's assurance report

To the Trustee of BEA (MPF) Master Trust Scheme ("the Scheme")

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

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

Trustee's responsibility

The General Regulation requires the Trustee to ensure that:

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

Our independence and quality control

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

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

Independent auditor's assurance report (continued)

Auditor's responsibility

Our responsibility is to report solely to you, on the Scheme's compliance with the above requirements based on the results of the procedures performed by us, in accordance with section 102 of the General Regulation, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to PN 860.1 (Revised) issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance on whether the Scheme has complied with the above requirements.

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

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our 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 2019 in respect of the constituent funds of the Scheme, the Scheme assets and all financial transactions entered into in relation to the Scheme; and
 - b. the requirements specified in the guidelines made by the MPFA under section 28 of the MPFSO with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part X of, and Schedule 1 to, the General Regulation have been complied with, in all material respects, as at 31 July 2018, 30 November 2018 and 31 March 2019; and
 - c. the requirements specified in the MPFSO under section 34DB(1)(a), (b), (c) and (d), 34DC(1) and 34DD(1) and (4)(a) with respect to the investment of accrued benefits and control of payment for services relating to BEA (MPF) Age 65 Plus Fund and BEA (MPF) Core Accumulation Fund have been complied with, in all material respects, as at 31 July 2018, 30 November 2018 and 31 March 2019; and

Independent auditor's assurance report (continued)

Opinion (continued)

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 (MPF) Age 65 Plus Fund and BEA (MPF) Core Accumulation Fund have been complied with, in all material respects, as at 31 March 2019.
2. As at 31 March 2019, the Scheme assets were not subject to any encumbrance, otherwise than as permitted by the General Regulation.

Other Matter

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

Intended users and purpose

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



Certified Public Accountants

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

9 September 2019

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

	Note	2019 HK\$	2018 HK\$
Income			
Net (loss)/gain on investments in constituent funds	9	(365,310,701)	1,832,565,523
Interest on bank deposits	10(d)	1,859,389	1,854,922
Total investment (loss)/income		<u>(363,451,312)</u>	<u>1,834,420,445</u>
Expenses			
Administrative and other expenses		<u>1,872,432</u>	<u>1,857,728</u>
Total operating expenses		<u>1,872,432</u>	<u>1,857,728</u>
Net (loss)/profit		<u>(365,323,744)</u>	<u>1,832,562,717</u>
Contributions received and receivable	12		
From employers			
– Mandatory		510,151,181	499,342,494
– Additional voluntary		258,352,396	224,754,941
From members			
– Mandatory		496,057,499	488,408,688
– Additional voluntary		29,128,690	23,797,674
		<u>1,293,689,766</u>	<u>1,236,303,797</u>
Contribution surcharge		<u>722,360</u>	<u>700,245</u>
Transfers in			
Group transfers in from other schemes		58,458,295	28,993,252
Individual transfers in from other schemes		135,859,704	146,503,491
Special contributions		-	22,578
		<u>194,317,999</u>	<u>175,519,321</u>

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

	Note	2019 HK\$	2018 HK\$
Benefits paid and payable	13		
Retirement		173,242,301	165,554,493
Early retirement		52,922,520	79,090,697
Terminal illness		919,831	1,424,142
Death		21,240,033	15,556,264
Permanent departure		59,006,705	59,904,543
Total incapacity		1,406,019	5,150,099
Small balance		16,895	10,093
Refund of contributions to leavers or employers		86,654,071	91,353,829
		<u>395,408,375</u>	<u>418,044,160</u>
Transfers out			
Group transfers out to other schemes		174,458,319	157,411,600
Individual transfers out to other schemes		793,388,685	823,943,720
		<u>967,847,004</u>	<u>981,355,320</u>
Forfeitures		<u>19,131,523</u>	<u>21,165,899</u>
Long service payments and severance payments		<u>76,257,327</u>	<u>93,616,780</u>
Fees and expenses deduction for conservative fund		<u>11,406,723</u>	<u>10,344,571</u>
Changes in net assets available for benefits attributable to members		(346,644,571)	1,720,559,350
Net assets available for benefits attributable to members at the beginning of the year		<u>14,264,865,100</u>	<u>12,544,305,750</u>
Net assets available for benefits attributable to members at the end of the year		<u><u>13,918,220,529</u></u>	<u><u>14,264,865,100</u></u>

The notes on pages 105 to 160 form part of these financial statements.

Statement of net assets available for benefits - Master Trust Scheme as at 31 March 2019

	Note	2019 HK\$	2018 HK\$
Assets			
Investments	7	13,890,816,708	14,256,786,443
Contributions receivables			
– from employers		39,127,856	37,064,799
– from members		31,119,619	29,802,825
– from other schemes		164,848	1,452,887
Interest receivables		162,519	149,931
Other receivables		283,536	4,018,906
Bank balances	8, 10(d)	12,525,263	15,812,319
Total assets		<u>13,974,200,349</u>	<u>14,345,088,110</u>
Liabilities			
Benefits payables	8	53,051,874	76,780,349
Forfeitures payable		1,391,318	1,967,656
Accruals and other payables		1,536,628	1,475,005
Total liabilities (excluding net assets available for benefits attributable to members)		<u>55,979,820</u>	<u>80,223,010</u>
Net assets available for benefits attributable to members		<u>13,918,220,529</u>	<u>14,264,865,100</u>

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




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

The notes on pages 105 to 160 form part of these financial statements.

Cash flow statement - Master Trust Scheme for the year ended 31 March 2019

	2019 HK\$	2018 HK\$
Cash flows from operating activities		
Net (loss)/profit	(365,323,744)	1,832,562,717
Adjustments for:		
Net loss/(gain) on investments	365,310,701	(1,832,565,523)
Interest on bank deposits	(1,859,389)	(1,854,922)
Fees and expenses deduction for conservative fund	(11,406,723)	(10,344,571)
	(13,279,155)	(12,202,299)
Payments on purchase of investments	(2,305,893,087)	(2,437,036,605)
Proceeds from sale of investments	2,306,552,121	2,497,924,425
Decrease/(increase) in other receivables	3,735,370	(3,945,695)
Increase/(decrease) in accruals and other payables	61,623	(781,449)
Interest received on bank deposits	1,846,801	1,861,842
Net cash (used in)/generated from operating activities	(6,976,327)	45,820,219
Cash flows from financing activities		
Contributions and transfers in received	1,486,638,313	1,400,036,552
Benefits paid, transfers out, long service payments and severance payments	(1,463,241,181)	(1,444,423,520)
Forfeitures paid	(19,707,861)	(20,494,500)
Net cash generated from/(used in) financing activities	3,689,271	(64,881,468)
Net decrease in cash and cash equivalents	(3,287,056)	(19,061,249)
Cash and cash equivalents at the beginning of the year	15,812,319	34,873,568
Cash and cash equivalents at the end of the year	12,525,263	15,812,319
Analysis of balance of cash and cash equivalents		
Bank balances	12,525,263	15,812,319

The notes on pages 105 to 160 form part of these financial statements.

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

		2019																	
Note		BEA (MPF) Conservative Fund HK\$	BEA (MPF) Growth Fund HK\$	BEA (MPF) Balanced Fund HK\$	BEA (MPF) Stable Fund HK\$	BEA (MPF) Long Term Guaranteed Fund HK\$	BEA (MPF) Asian Equity Fund HK\$	BEA (MPF) Hong Kong Equity Fund HK\$	BEA (MPF) Global Bond Fund HK\$	BEA (MPF) Greater China Equity Fund HK\$	BEA (MPF) Japan Equity Fund HK\$	BEA (MPF) European Equity Fund HK\$	BEA (MPF) Global Equity Fund HK\$	BEA (MPF) North American Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (MPF) RMB & HKD Money Market Fund HK\$	BEA (MPF) Age 65 Plus Fund HK\$	BEA (MPF) Core Accumulation Fund HK\$
Income																			
Net (loss)/gain on investments	9	-	(90,162,706)	(26,464,890)	(11,071,762)	16,769,798	(89,589,594)	(36,410,774)	2,190,631	(75,422,807)	(8,442,992)	(8,139,283)	5,031,853	10,484,697	(6,943,120)	(5,147,300)	-	2,112,797	4,435,646
Dividend income		-	41,883,237	15,089,123	10,263,338	-	140,617	4,678,415	-	-	948,772	1,489,892	633,974	3,087,099	3,693,640	6,095,290	-	-	-
Interest income	10(d)	47,010	1,842,295	915,096	1,895,880	492	5,111	4,639	5,343	7,052	2,523	2,163	4,844	7,232	335	512	9,800	168	421
Interest income from financial assets at fair value through profit or loss	10(e)	24,474,549	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,357,101	-	-
Exchange (loss)/gain		-	(1,537,220)	(592,012)	(616,401)	-	(140,583)	-	-	(1,202)	1,436,306	3,429,025	(104,680)	(694,857)	-	-	(5,735,179)	-	-
Other income		-	-	-	-	103	-	-	-	-	1,244	-	-	-	-	-	-	-	-
Total investment income/(loss)		24,521,559	(47,974,394)	(11,052,683)	471,055	16,770,393	(89,584,449)	(31,727,720)	2,195,974	(75,416,957)	(6,054,147)	(3,218,203)	5,565,991	12,884,171	(3,249,145)	948,502	(2,368,278)	2,112,965	4,436,067
Expenses																			
Sponsor's fees	10(a)	-	41,644,403	21,562,063	22,210,809	-	10,534,446	10,210,959	2,575,796	15,070,959	912,353	1,040,994	2,412,549	1,885,394	813,426	1,116,360	1,035,873	355,767	810,287
Investment management fees	10(b)	-	-	-	-	10,794,228	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional indemnity insurance		-	114,994	58,487	59,749	-	30,220	28,377	7,795	42,909	-	-	-	-	-	-	-	945	2,259
Safe custody and bank charges		7,910	212,081	85,677	61,753	-	11,757	9,138	5,705	8,242	-	424	180	-	7,027	7,693	-	-	-
Auditor's remuneration		-	92,081	64,178	64,176	-	35,241	17,714	28,787	35,239	-	-	-	-	-	-	-	12,254	54,510
Printing and postage expenses		-	563,228	289,004	292,803	-	149,522	143,652	39,606	214,133	-	-	27,113	19,217	18,804	25,367	-	6,167	13,895
Fund pricing publication expenses		-	14,594	14,594	14,594	-	14,594	14,594	14,594	14,594	-	-	14,595	14,594	14,594	14,594	-	14,594	14,594
Transaction costs		-	1,827,434	634,759	511,966	-	68,065	168,153	-	-	6,060	83,963	12,474	11,330	102,838	157,664	-	-	-
Miscellaneous expenses		-	814,259	316,669	180,286	-	297,286	4,570	4,500	4,500	68,567	221,528	-	-	33,710	46,275	-	5,468	5,468
Total operating expenses		7,910	45,283,074	23,025,431	23,396,136	10,794,228	11,141,131	10,597,157	2,676,783	15,390,576	986,980	1,346,909	2,466,911	1,930,535	990,399	1,367,953	1,035,873	395,195	901,013
Profit/(loss) before taxation		24,513,649	(93,257,468)	(34,078,114)	(22,925,081)	5,976,165	(100,725,580)	(42,324,877)	(480,809)	(90,807,533)	(7,041,127)	(4,565,112)	3,099,080	10,953,636	(4,239,544)	(419,451)	(3,404,151)	1,717,770	3,535,054
Overseas withholding tax	15	-	(5,762,261)	(2,177,594)	(1,418,730)	-	-	-	-	-	(284,631)	(123,173)	(144,689)	(926,130)	-	-	-	-	-
Changes in net assets attributable to members from operations		24,513,649	(99,019,729)	(36,255,708)	(24,343,811)	5,976,165	(100,725,580)	(42,324,877)	(480,809)	(90,807,533)	(7,325,758)	(4,688,285)	2,954,391	10,027,506	(4,239,544)	(419,451)	(3,404,151)	1,717,770	3,535,054

The notes on pages 105 to 160 form part of these financial statements.

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

		2018																	
Note		BEA (MPF) Conservative Fund HK\$	BEA (MPF) Growth Fund HK\$	BEA (MPF) Balanced Fund HK\$	BEA (MPF) Stable Fund HK\$	BEA (MPF) Long Term Guaranteed Fund HK\$	BEA (MPF) Asian Equity Fund HK\$	BEA (MPF) Hong Kong Equity Fund HK\$	BEA (MPF) Global Bond Fund HK\$	BEA (MPF) Greater China Equity Fund HK\$	BEA (MPF) Japan Equity Fund HK\$	BEA (MPF) European Equity Fund HK\$	BEA (MPF) Global Equity Fund HK\$	BEA (MPF) North American Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (MPF) RMB & HKD Money Market Fund HK\$	BEA (MPF) Age 65 Plus Fund HK\$	BEA (MPF) Core Accumulation Fund HK\$
Income																			
Net gain on investments	9	-	536,226,176	228,652,284	189,952,008	14,955,483	236,599,185	212,388,262	15,569,885	357,877,158	14,032,385	11,414,015	23,934,775	14,624,262	21,940,000	35,142,350	-	663,861	3,180,759
Dividend income		-	31,121,988	11,285,825	7,718,678	-	7,079	4,120,830	-	2,249,698	702,947	968,414	499,170	2,371,352	3,271,440	5,539,035	-	-	-
Interest income	10(d)	5,735	460,594	234,560	661,964	142	864	1,395	731	2,959	258	321	802	686	56	77	1,436	16	35
Interest income from financial assets at fair value through profit or loss	10(e)	12,371,806	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,190,864	-	-
Exchange gain/(loss)		-	274,215	270,224	730,236	-	(87,102)	-	-	6,375	(1,745,171)	(4,512,277)	(168,354)	(911,765)	-	-	5,429,569	-	-
Other income		-	-	-	-	123	-	-	-	-	1,871	-	-	-	-	-	-	-	-
Total investment income		12,377,541	568,082,973	240,442,893	199,062,886	14,955,748	236,520,026	216,510,487	15,570,616	360,136,190	12,992,290	7,870,473	24,266,393	16,084,535	25,211,496	40,681,462	7,621,869	663,877	3,180,794
Expenses																			
Sponsor's fees	10(a)	-	43,396,149	21,989,418	22,420,631	-	11,407,570	10,745,381	2,323,339	16,310,438	918,980	1,073,175	2,119,717	1,504,209	837,555	1,026,800	697,317	127,746	322,230
Investment management fees	10(b)	-	-	-	-	10,805,640	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional indemnity insurance		-	121,049	62,048	64,967	-	29,550	28,848	8,093	43,423	-	-	-	-	-	-	-	180	456
Safe custody and bank charges		3,650	197,575	81,557	58,667	-	10,089	5,306	6,338	9,346	-	990	190	-	6,738	9,026	-	-	-
Auditor's remuneration		-	90,585	63,136	63,135	-	34,671	17,434	28,325	34,671	-	-	-	-	-	-	-	-	9,500
Printing and postage expenses		-	879,965	446,507	456,305	-	226,418	214,684	56,552	322,808	-	-	34,924	25,101	27,272	32,805	-	3,156	8,588
Fund pricing publication expenses		-	14,597	14,597	14,597	-	14,597	14,597	14,597	14,597	-	-	14,597	14,597	14,597	14,597	-	14,178	14,178
Transaction costs		-	896,328	382,463	348,202	-	27,674	42,908	-	54,118	4,090	6,695	831	10,551	126,554	147,241	-	-	-
Miscellaneous expenses		-	216,866	86,428	52,349	-	356,062	4,574	4,500	4,500	7,505	20,203	-	-	35,035	42,978	-	-	-
Total operating expenses		3,650	45,813,114	23,126,154	23,478,853	10,805,640	12,106,631	11,073,732	2,441,744	16,793,901	930,575	1,101,063	2,170,259	1,554,458	1,047,751	1,273,447	697,317	145,260	354,952
Profit before taxation		12,373,891	522,269,859	217,316,739	175,584,033	4,150,108	224,413,395	205,436,755	13,128,872	343,342,289	12,061,715	6,769,410	22,096,134	14,530,077	24,163,745	39,408,015	6,924,552	518,617	2,825,842
Overseas withholding tax	15	-	(8,208,159)	(3,006,290)	(2,035,748)	-	-	-	-	(135,763)	(210,884)	(290,525)	(149,751)	(711,405)	-	-	-	-	-
Changes in net assets attributable to members from operations		12,373,891	514,061,700	214,310,449	173,548,285	4,150,108	224,413,395	205,436,755	13,128,872	343,206,526	11,850,831	6,478,885	21,946,383	13,818,672	24,163,745	39,408,015	6,924,552	518,617	2,825,842

The notes on pages 105 to 160 form part of these financial statements.

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

		2019																	
Note		BEA (MPF) Conservative Fund HK\$	BEA (MPF) Growth Fund HK\$	BEA (MPF) Balanced Fund HK\$	BEA (MPF) Stable Fund HK\$	BEA (MPF) Long Term Guaranteed Fund HK\$	BEA (MPF) Asian Equity Fund HK\$	BEA (MPF) Hong Kong Equity Fund HK\$	BEA (MPF) Global Bond Fund HK\$	BEA (MPF) Greater China Equity Fund HK\$	BEA (MPF) Japan Equity Fund HK\$	BEA (MPF) European Equity Fund HK\$	BEA (MPF) Global Equity Fund HK\$	BEA (MPF) North American Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (MPF) RMB & HKD Money Market Fund HK\$	BEA (MPF) Age 65 Plus Fund HK\$	BEA (MPF) Core Accumulation Fund HK\$
Assets																			
Investments	7,10(e)	1,394,510,619	3,172,311,042	1,675,782,349	1,744,764,053	726,549,571	862,423,464	868,990,050	266,743,603	1,253,540,025	75,740,331	82,257,758	211,886,310	173,348,854	142,715,000	206,094,000	127,457,478	62,624,037	150,667,748
Derivative financial instruments	6	-	-	-	-	-	-	-	-	-	72,510	123,303	-	-	-	-	-	-	-
Amounts receivable on sale of investments		-	124,018,030	44,688,404	26,252,939	1,204,704	-	-	-	-	-	-	-	-	22,779	-	-	-	47,916
Amounts receivable on subscriptions		901,098	79,544	-	1,117,834	-	-	-	236,172	24,800	-	-	151	35,775	-	-	-	77,786	-
Interest, dividend and other receivables		3,277,604	3,296,865	1,189,691	729,219	-	1,496	2,235	2,165	2,425	716	183,942	112,969	458,768	156	264	419,435	59	208
Prepayments		-	77,352	40,319	42,087	-	18,950	18,557	6,086	26,960	-	-	-	-	-	-	-	-	-
Bank balances	10(d)	79,361,399	181,008,247	82,835,827	114,614,933	830,659	5,220,813	7,311,617	7,646,574	10,428,220	1,324,855	2,252,036	6,389,336	5,079,901	634,222	1,756,003	10,674,881	125,002	893,273
Total assets		1,478,050,720	3,480,791,080	1,804,536,590	1,887,521,065	728,584,934	867,664,723	876,322,459	274,634,600	1,264,022,430	77,138,412	84,817,039	218,388,766	178,923,298	143,372,157	207,850,267	138,551,794	62,826,884	151,609,145
Liabilities																			
Derivative financial instruments	6	-	-	-	-	-	-	-	-	-	-	-	1,207	7,369	-	-	-	-	-
Amounts payable on purchase of investments		-	-	-	-	389,829	-	-	-	-	-	-	-	-	483,858	1,573,416	-	102,865	662,177
Amounts payable on redemptions		2,015,704	3,888,466	1,276,597	1,765,237	1,645,534	1,002,468	2,136,302	291,304	1,812,617	99,101	91,981	275,864	395,140	97,917	69,865	59,048	22,139	278,917
Accruals and other payables	10(a), 10(b)	-	4,314,217	2,157,845	2,139,479	1,079,874	953,736	904,088	257,914	1,310,375	91,150	103,306	242,071	313,194	82,714	116,428	91,483	54,702	132,157
Total liabilities (excluding net assets attributable to members)		2,015,704	8,202,683	3,434,442	3,904,716	3,115,237	1,956,204	3,040,390	549,218	3,122,992	190,251	195,287	519,142	715,703	664,489	1,759,709	150,531	179,706	1,073,251
Net assets attributable to members	2(c), 4	1,476,035,016	3,472,588,397	1,801,102,148	1,883,616,349	725,469,697	865,708,519	873,282,069	274,085,382	1,260,899,438	76,948,161	84,621,752	217,869,624	178,207,595	142,707,668	206,090,558	138,401,263	62,647,178	150,535,894

The notes on pages 105 to 160 form part of these financial statements.

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

		2019																		
Note		BEA (MPF) Conservative Fund HK\$	BEA (MPF) Growth Fund HK\$	BEA (MPF) Balanced Fund HK\$	BEA (MPF) Stable Fund HK\$	BEA (MPF) Long Term Guarantee Fund HK\$	BEA (MPF) Asian Equity Fund HK\$	BEA (MPF) Hong Kong Equity Fund HK\$	BEA (MPF) Global Bond Fund HK\$	BEA (MPF) Greater China Equity Fund HK\$	BEA (MPF) Japan Equity Fund HK\$	BEA (MPF) European Equity Fund HK\$	BEA (MPF) Global Equity Fund HK\$	BEA (MPF) North American Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (MPF) RMB & HKD Money Market Fund HK\$	BEA (MPF) Age 65 Plus Fund HK\$	BEA (MPF) Core Accumulation Fund ¹ HK\$	
Represented by:																				
Number of units outstanding	4	105,380,508.6350	161,185,352.2160	91,863,175.0720	103,231,172.5870	55,482,037.8524	37,643,267.8660	37,055,030.3040	22,983,239.9800	67,231,938.4880	9,893,771.6230	7,062,103.0920	13,843,664.0960	9,351,180.1360	12,889,886.1100	12,741,144.5300	13,109,754.5150	5,841,928.3200	13,398,661.4380	
Net asset value per unit	4	14.0067	21.5441	19.6064	18.2466	13.0758	22.9977	23.5672	11.9254	18.7545	7.7774	11.9825	15.7379	19.0572	11.0713	16.1752	10.5571	10.7237	11.2351	

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




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

The notes on pages 105 to 160 form part of these financial statements.

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

		2018																	
Note		BEA (MPF) Conservative Fund HK\$	BEA (MPF) Growth Fund HK\$	BEA (MPF) Balanced Fund HK\$	BEA (MPF) Stable Fund HK\$	BEA (MPF) Long Term Guaranteed Fund HK\$	BEA (MPF) Asian Equity Fund HK\$	BEA (MPF) Hong Kong Equity Fund HK\$	BEA (MPF) Global Bond Fund HK\$	BEA (MPF) Greater China Equity Fund HK\$	BEA (MPF) Japan Equity Fund HK\$	BEA (MPF) European Equity Fund HK\$	BEA (MPF) Global Equity Fund HK\$	BEA (MPF) North American Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (MPF) RMB & HKD Money Market Fund HK\$	BEA (MPF) Age 65 Plus Fund HK\$	BEA (MPF) Core Accumulation Fund HK\$
Assets																			
Investments	7,10(e)	1,291,369,408	3,489,458,721	1,768,809,341	1,679,663,140	731,930,593	995,037,206	920,530,390	251,502,655	1,406,945,804	79,059,584	92,219,400	191,161,623	135,326,126	143,791,680	187,963,200	117,130,526	34,288,486	76,346,539
Derivative financial instruments	6	-	-	-	-	-	-	-	-	-	228,739	312,675	-	-	-	-	-	-	-
Amounts receivable on sale of investments		-	-	-	-	546,790	-	-	-	3,566,878	-	-	-	-	-	91,166	-	-	-
Amounts receivable on subscriptions		3,274,456	132,758	58,030	1,143,679	-	229,443	443,156	177,521	745,266	2,245	-	-	321,172	696,132	108,953	612,427	63,785	2,763
Interest, dividend and other receivables		2,710,471	1,961,191	736,362	522,389	-	267	203	193	233	440	56	73,722	326,983	17	21	514,479	5	11
Prepayments		-	89,210	45,047	45,720	-	23,904	22,191	5,766	33,922	-	-	-	-	-	-	-	-	-
Bank balances	10(d)	69,375,620	196,674,750	124,297,450	240,246,510	3,607,896	7,182,797	9,051,688	7,377,372	4,430,896	1,299,609	2,378,191	6,899,403	3,798,598	857,430	1,160,288	8,545,506	42,571	180,284
Total assets		1,366,729,955	3,688,316,630	1,893,946,230	1,921,621,438	736,085,279	1,002,473,617	930,047,628	259,063,507	1,415,722,999	80,590,617	94,910,322	198,134,748	139,772,879	145,345,259	189,323,628	126,802,938	34,394,847	76,529,597
Liabilities																			
Derivative financial instruments	6	-	-	-	-	-	-	-	-	-	-	-	5,661	29,701	-	-	-	-	-
Amounts payable on purchase of investments		-	-	-	-	2,873,456	-	-	-	-	-	-	-	-	72,729	319,241	-	40,369	57,767
Amounts payable on redemption		2,229,007	4,245,441	1,448,269	2,082,045	1,281,230	1,683,441	2,977,866	513,812	3,905,854	75,094	176,844	388,572	460,848	678,914	801,059	1,489,121	2,204	121,165
Accruals and other payables	10(a), 10(b)	-	4,567,194	2,256,935	2,174,774	1,139,523	1,136,931	991,538	245,368	1,524,780	87,786	114,885	222,950	239,858	86,345	110,768	82,316	23,924	60,090
Total liabilities (excluding net assets attributable to members)		2,229,007	8,812,635	3,705,204	4,256,819	5,294,209	2,820,372	3,969,404	759,180	5,430,634	162,880	291,729	617,183	730,407	837,988	1,231,068	1,571,437	66,497	239,022
Net assets attributable to members	2(c), 4	1,364,500,948	3,679,503,995	1,890,241,026	1,917,364,619	730,791,070	999,653,245	926,078,224	258,304,327	1,410,292,365	80,427,737	94,618,593	197,517,565	139,042,472	144,507,271	188,092,560	125,231,501	34,328,350	76,290,575

The notes on pages 105 to 160 form part of these financial statements.

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

		2018																	
Note	BEA (MPF) Conservative Fund HK\$	BEA (MPF) Growth Fund HK\$	BEA (MPF) Balanced Fund HK\$	BEA (MPF) Stable Fund HK\$	BEA (MPF) Long Term Guaranteed Fund HK\$	BEA (MPF) Asian Equity Fund HK\$	BEA (MPF) Hong Kong Equity Fund HK\$	BEA (MPF) Global Bond Fund HK\$	BEA (MPF) Greater China Equity Fund HK\$	BEA (MPF) Japan Equity Fund HK\$	BEA (MPF) European Equity Fund HK\$	BEA (MPF) Global Equity Fund HK\$	BEA (MPF) North American Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (MPF) RMB & HKD Money Market Fund HK\$	BEA (MPF) Age 65 Plus Fund ⁽¹⁾ HK\$	BEA (MPF) Core Accumulation Fund ⁽¹⁾ HK\$	
Represented by:																			
Number of units outstanding	4	99,103,932,1780	166,301,296,2230	94,625,820,2590	103,780,091,4300	56,365,592,2704	39,068,902,4920	37,512,650,2550	21,588,646,2520	70,431,300,6210	9,423,420,6130	7,499,569,4130	12,718,753,8990	7,823,830,2210	12,642,395,8510	11,544,949,4980	11,565,400,0440	3,286,989,1140	6,939,434,0750
Net asset value per unit	4	13.7684	22.1255	19.9760	18.4753	12.9652	25.5869	24.6871	11.9648	20.0237	8.5349	12.6165	15.5296	17.7717	11.4304	16.2922	10.8281	10.4437	10.9938

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




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

The notes on pages 105 to 160 form part of these financial statements.

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

	2019																	
	BEA (MPF) Conservative Fund HK\$	BEA (MPF) Growth Fund HK\$	BEA (MPF) Balanced Fund HK\$	BEA (MPF) Stable Fund HK\$	BEA (MPF) Long Term Guaranteed Fund HK\$	BEA (MPF) Asian Equity Fund HK\$	BEA (MPF) Hong Kong Equity Fund HK\$	BEA (MPF) Global Bond Fund HK\$	BEA (MPF) Greater China Equity Fund HK\$	BEA (MPF) Japan Equity Fund HK\$	BEA (MPF) European Equity Fund HK\$	BEA (MPF) Global Equity Fund HK\$	BEA (MPF) North American Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (MPF) RMB & HKD Money Market Fund HK\$	BEA (MPF) Age 65 Plus Fund HK\$	BEA (MPF) Core Accumulation Fund HK\$
Net assets attributable to members at the beginning of the year	1,364,500,948	3,679,503,995	1,890,241,026	1,917,364,619	730,791,070	999,653,245	926,078,224	258,304,327	1,410,292,365	80,427,737	94,618,593	197,517,565	139,042,472	144,507,271	188,092,560	125,231,501	34,328,350	76,290,575
Proceeds on subscription of units	447,525,391	284,261,806	160,836,608	225,286,786	108,530,493	101,875,813	199,940,090	74,319,368	171,248,528	21,707,322	19,250,372	56,636,016	79,430,811	51,775,995	87,720,101	81,818,179	38,620,171	95,109,237
Payments on redemption of units	(360,504,972)	(392,157,675)	(213,719,778)	(234,691,245)	(119,828,031)	(135,094,959)	(210,411,368)	(58,057,504)	(229,833,922)	(17,861,140)	(24,558,928)	(39,238,348)	(50,293,194)	(49,336,054)	(69,302,652)	(65,244,266)	(12,019,113)	(24,398,972)
Net subscription/(redemption)	87,020,419	(107,895,869)	(52,883,170)	(9,404,459)	(11,297,538)	(33,219,146)	(10,471,278)	16,261,864	(58,585,394)	3,846,182	(5,308,556)	17,397,668	29,137,617	2,439,941	18,417,449	16,573,913	26,601,058	70,710,265
Changes in net assets attributable to members from operations	24,513,649	(99,019,729)	(36,255,708)	(24,343,811)	5,976,165	(100,725,580)	(42,324,877)	(480,809)	(90,807,533)	(7,325,758)	(4,688,285)	2,954,391	10,027,506	(4,239,544)	(419,451)	(3,404,151)	1,717,770	3,535,054
Net assets attributable to members at the end of the year	1,476,035,016	3,472,588,397	1,801,102,148	1,883,616,349	725,469,697	865,708,519	873,282,069	274,085,382	1,260,899,438	76,948,161	84,621,752	217,869,624	178,207,595	142,707,668	206,090,558	138,401,263	62,647,178	150,535,894

The notes on pages 105 to 160 form part of these financial statements.

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

	2018																	
	BEA (MPF) Conservative Fund HK\$	BEA (MPF) Growth Fund HK\$	BEA (MPF) Balanced Fund HK\$	BEA (MPF) Stable Fund HK\$	BEA (MPF) Long Term Guaranteed Fund HK\$	BEA (MPF) Asian Equity Fund HK\$	BEA (MPF) Hong Kong Equity Fund HK\$	BEA (MPF) Global Bond Fund HK\$	BEA (MPF) Greater China Equity Fund HK\$	BEA (MPF) Japan Equity Fund HK\$	BEA (MPF) European Equity Fund HK\$	BEA (MPF) Global Equity Fund HK\$	BEA (MPF) North American Equity Fund HK\$	BEA China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA (MPF) RMB & HKD Money Market Fund HK\$	BEA (MPF) Age 65 Plus Fund HK\$	BEA (MPF) Core Accumulation Fund HK\$
Net assets attributable to members at the beginning of the year	1,172,496,563	3,349,202,558	1,708,532,247	1,781,654,562	703,085,663	824,613,047	794,777,796	216,518,618	1,186,522,810	71,780,843	77,708,784	154,676,548	110,983,622	128,835,793	137,121,034	66,598,252	-	-
Proceeds on subscription of units	484,359,666	290,051,577	186,244,468	231,005,572	137,644,253	117,886,211	188,064,622	80,004,895	181,134,591	25,297,492	38,354,843	54,463,145	63,093,578	55,689,835	84,802,510	94,083,890	39,195,465	85,659,991
Payments on redemption of units	(304,729,172)	(473,811,840)	(218,846,138)	(268,843,800)	(114,088,954)	(167,259,408)	(262,200,949)	(51,348,058)	(300,571,562)	(28,501,429)	(27,923,919)	(33,568,511)	(48,853,400)	(64,182,102)	(73,238,999)	(42,375,193)	(5,385,732)	(12,195,258)
Net subscription/(redemption)	179,630,494	(183,760,263)	(32,601,670)	(37,838,228)	23,555,299	(49,373,197)	(74,136,327)	28,656,837	(119,436,971)	(3,203,937)	10,430,924	20,894,634	14,240,178	(8,492,267)	11,563,511	51,708,697	33,809,733	73,464,733
Changes in net assets attributable to members from operations	12,373,891	514,061,700	214,310,449	173,548,285	4,150,108	224,413,395	205,436,755	13,128,872	343,206,526	11,850,831	6,478,885	21,946,383	13,818,672	24,163,745	39,408,015	6,924,552	518,617	2,825,842
Net assets attributable to members at the end of the year	1,364,500,948	3,679,503,995	1,890,241,026	1,917,364,619	730,791,070	999,653,245	926,078,224	258,304,327	1,410,292,365	80,427,737	94,618,593	197,517,565	139,042,472	144,507,271	188,092,560	125,231,501	34,328,350	76,290,575

The notes on pages 105 to 160 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars)

1 The Scheme

BEA (MPF) Master Trust Scheme (“the Scheme”) is established and governed by its trust deed dated 31 January 2000, as amended (“the Trust Deed”). The Scheme is registered under section 21 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 18 constituent funds as at 31 March 2019:

- BEA (MPF) Conservative Fund
- BEA (MPF) Growth Fund
- BEA (MPF) Balanced Fund
- BEA (MPF) Stable Fund
- BEA (MPF) Long Term Guaranteed Fund
- BEA (MPF) Asian Equity Fund
- BEA (MPF) Hong Kong Equity Fund
- BEA (MPF) Global Bond Fund
- BEA (MPF) Greater China Equity Fund
- BEA (MPF) Japan Equity Fund
- BEA (MPF) European Equity Fund
- BEA (MPF) Global Equity Fund
- BEA (MPF) North American Equity Fund
- BEA China Tracker Fund
- BEA Hong Kong Tracker Fund
- BEA (MPF) RMB & HKD Money Market Fund
- BEA (MPF) Age 65 Plus Fund
- BEA (MPF) Core Accumulation Fund

2 Summary of significant accounting policies

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

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

(a) **Statement of compliance**

These 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 ("HKICPA"), accounting principles generally accepted in Hong Kong, the relevant provisions of the Trust Deed, and sections 80, 81, 83 and 84 of the Mandatory Provident Fund Schemes (General) Regulation ("the General Regulation") and the requirements of the MPF Ordinance. A summary of the significant accounting policies adopted by the Scheme and its constituent funds is set out below.

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

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

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investments are stated at their fair value as explained in the accounting policies set out below.

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

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

2 Summary of significant accounting policies (continued)

(c) Investments

(i) Classification of financial assets

(A) Policy applicable from 1 April 2018

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

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

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

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

Business model assessment

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

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

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)

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

- Held-to-collect business model: this includes contributions receivables, interest receivables, bank balances, amounts receivable on sales of investments, amounts receivable on subscriptions and interest, dividend and other receivables. These financial assets are held to collect contractual cash flow.
- Other business model: this includes approved pooled investment funds, approved index-tracking funds and derivative financial instruments. 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 funds and short-term deposits into financial assets at FVTPL category. Financial assets measured at amortised cost include contributions receivables, interest receivables, bank balances, amounts receivable on sales of investments, amounts receivable on subscriptions and interest, dividend and other receivables.

Reclassifications

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

2 Summary of significant accounting policies (continued)

(c) Investments (continued)

(i) Classification of financial assets (continued)

(B) Policy applicable prior to 1 April 2018

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

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

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

(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.

Accordingly, financial liabilities measured at amortised cost include amounts payable on redemption, amounts payable for purchase of investments and 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.

2 Summary of significant accounting policies (continued)

(c) Investments (continued)

(iii) Recognition (continued)

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

(iv) Measurement

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

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair values recognised in profit or loss.

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

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

(v) Fair value measurement principles

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

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

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

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

2 Summary of significant accounting policies (continued)

(c) Investments (continued)

(v) Fair value measurement principles (continued)

Net gains or losses on investments are included in profit or loss. Realised gains or losses on investments and unrealised 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.

(vii) Impairment

(A) Policy applicable from 1 April 2018

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

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

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

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.

2 Summary of significant accounting policies (continued)

(c) Investments (continued)

(vii) Impairment (continued)

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

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

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

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

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

Measurement of ECLs

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

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.

2 Summary of significant accounting policies (continued)

(c) *Investments (continued)*

(vii) Impairment (continued)

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

Write-off

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

(B) Policy applicable prior to 1 April 2018

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

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreased and the decrease could be linked objectively to an event occurring after the write-down, the write-down was reversed through profit or loss.

(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) *Derivative financial instruments*

Outstanding forward foreign exchange contracts are valued at the year end date by reference to the forward rate of exchange applicable to the outstanding term of the contracts. Unrealised gain and loss on outstanding contracts and realised gain and loss on closed contracts are shown in the statement of comprehensive income of the respective constituent funds as exchange gain or loss.

2 Summary of significant accounting policies (continued)

(e) *Income and expenses*

Interest income is recognised as it accrues using 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) on investments. All other income and expenses are accounted for on an accruals basis.

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

2 Summary of significant accounting policies (continued)

(g) 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.

(h) 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.

(i) 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.

(j) Financial assets and liabilities not at fair value

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

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

(k) Contributions

Contributions are accounted for on an accruals basis.

(l) Benefits

Benefits are accounted for on an accruals basis.

2 Summary of significant accounting policies (continued)

(m) *Transfer values*

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

(n) *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.

(o) *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.
- (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.

2 Summary of significant accounting policies (continued)

(o) *Related parties (continued)*

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.

(p) *Segment reporting*

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

3 Changes in accounting policies

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

HKFRS 9, *Financial instruments*

The Scheme and its constituent funds have not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 25), except for the amendments to HKFRS 9, Prepayment features with negative compensation which have been adopted at the same time as HKFRS 9.

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

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

HKFRS 9, Financial Instruments

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

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

- impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. Under HKAS 39, impairment was recognised when losses were incurred. The Scheme and its constituent funds did not previously report any incurred losses; and

3 Changes in accounting policies (continued)

HKFRS 9, Financial Instruments (continued)

- separate presentation in the statement of comprehensive income of interest revenue from financial assets measured at amortised cost or fair value through other comprehensive income (“FVOCI”) calculated using the effective interest method.

Additionally, the Scheme and its constituent funds have adopted consequential amendments to HKFRS 7 *Financial Instruments: Disclosures*, which are applied to disclosures about 2018 but have not generally been applied to comparative information.

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

i. Classification and measurement of financial assets and financial liabilities

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

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

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

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

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

3 Changes in accounting policies (continued)

HKFRS 9, Financial Instruments (continued)

i. Classification and measurement of financial assets and financial liabilities (continued)

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

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

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

ii. Impairment of financial assets

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

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

3 Changes in accounting policies (continued)

HKFRS 9, Financial Instruments (continued)

iii. Transition

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

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

4 Capital management and units in issue

(a) Movement of units in issue

	<i>BEA (MPF) Conservative Fund</i>		<i>BEA (MPF) Growth Fund</i>		<i>BEA (MPF) Balanced Fund</i>		<i>BEA (MPF) Stable Fund</i>		<i>BEA (MPF) Long Term Guaranteed Fund</i>	
	2019 Units	2018 Units	2019 Units	2018 Units	2019 Units	2018 Units	2019 Units	2018 Units	2019 Units	2018 Units
Balance at the beginning of the year	99,103,932.1780	86,006,714.6740	166,301,296.2230	174,844,632.0050	94,625,820.2590	96,316,189.0140	103,780,091.4300	105,915,612.4660	56,365,592.2704	54,570,925.5021
Units issued	32,260,396.5250	35,326,253.8600	13,355,202.1510	13,762,288.8290	8,327,082.9440	9,690,752.9880	12,543,820.9320	12,921,622.0280	8,446,266.8145	10,509,926.1125
Units redeemed	(25,983,820.0680)	(22,229,036.3560)	(18,471,146.1580)	(22,305,624.6110)	(11,089,728.1310)	(11,381,121.7430)	(13,092,739.7750)	(15,057,143.0640)	(9,329,821.2325)	(8,715,259.3442)
Balance at the end of the year	<u>105,380,508.6350</u>	<u>99,103,932.1780</u>	<u>161,185,352.2160</u>	<u>166,301,296.2230</u>	<u>91,863,175.0720</u>	<u>94,625,820.2590</u>	<u>103,231,172.5870</u>	<u>103,780,091.4300</u>	<u>55,482,037.8524</u>	<u>56,365,592.2704</u>

	<i>BEA (MPF) Asian Equity Fund</i>		<i>BEA (MPF) Hong Kong Equity Fund</i>		<i>BEA (MPF) Global Bond Fund</i>		<i>BEA (MPF) Greater China Equity Fund</i>		<i>BEA (MPF) Japan Equity Fund</i>	
	2019 Units	2018 Units	2019 Units	2018 Units	2019 Units	2018 Units	2019 Units	2018 Units	2019 Units	2018 Units
Balance at the beginning of the year	39,068,902.4920	41,070,674.2280	37,512,650.2550	40,714,375.5610	21,588,646.2520	19,148,517.5640	70,431,300.6210	76,786,860.9440	9,423,420.6130	9,819,452.4040
Units issued	4,425,030.6580	5,000,125.1910	8,761,036.3880	8,133,698.8660	6,374,367.9240	6,823,822.4240	9,310,208.6720	9,803,488.7010	2,689,275.9160	3,088,430.5500
Units redeemed	(5,850,665.2840)	(7,001,896.9270)	(9,218,656.3390)	(11,335,424.1720)	(4,979,774.1960)	(4,383,693.7360)	(12,509,570.8050)	(16,159,049.0240)	(2,218,924.9060)	(3,484,462.3410)
Balance at the end of the year	<u>37,643,267.8660</u>	<u>39,068,902.4920</u>	<u>37,055,030.3040</u>	<u>37,512,650.2550</u>	<u>22,983,239.9800</u>	<u>21,588,646.2520</u>	<u>67,231,938.4880</u>	<u>70,431,300.6210</u>	<u>9,893,771.6230</u>	<u>9,423,420.6130</u>

	<i>BEA (MPF) European Equity Fund</i>		<i>BEA (MPF) Global Equity Fund</i>		<i>BEA (MPF) North American Equity Fund</i>		<i>BEA China Tracker Fund</i>		<i>BEA Hong Kong Tracker Fund</i>	
	2019 Units	2018 Units	2019 Units	2018 Units	2019 Units	2018 Units	2019 Units	2018 Units	2019 Units	2018 Units
Balance at the beginning of the year	7,499,569.4130	6,666,768.3860	12,718,753.8990	11,320,049.0740	7,823,830.2210	6,989,027.7750	12,642,395.8510	13,424,137.1210	11,544,949.4980	10,740,471.7520
Units issued	1,566,816.5020	3,029,860.0340	3,652,916.1280	3,630,555.5930	4,270,816.8850	3,666,221.9760	4,830,841.4940	5,089,314.2980	5,654,542.9550	5,614,736.8260
Units redeemed	(2,004,282.8230)	(2,197,059.0070)	(2,528,005.9310)	(2,231,850.7680)	(2,743,466.9700)	(2,831,419.5300)	(4,583,351.2350)	(5,871,055.5680)	(4,458,347.9230)	(4,810,259.0800)
Balance at the end of the year	<u>7,062,103.0920</u>	<u>7,499,569.4130</u>	<u>13,843,664.0960</u>	<u>12,718,753.8990</u>	<u>9,351,180.1360</u>	<u>7,823,830.2210</u>	<u>12,889,886.1100</u>	<u>12,642,395.8510</u>	<u>12,741,144.5300</u>	<u>11,544,949.4980</u>

	<i>BEA (MPF) RMB & HKD Money Market Fund</i>		<i>BEA (MPF) Age 65 Plus Fund</i>		<i>BEA (MPF) Core Accumulation Fund</i>	
	2019 Units	2018 Units	2019 Units	2018 Units	2019 Units	2018 Units
Balance at the beginning of the year	11,565,400.0440	6,641,582.3180	3,286,989.1140	-	6,939,434.0750	-
Units issued	7,750,740.3460	8,973,186.9190	3,707,506.5080	3,807,835.5920	8,682,002.1940	8,067,073.5190
Units redeemed	(6,206,385.8750)	(4,049,369.1930)	(1,152,567.3020)	(520,846.4780)	(2,222,774.8310)	(1,127,639.4440)
Balance at the end of the year	<u>13,109,754.5150</u>	<u>11,565,400.0440</u>	<u>5,841,928.3200</u>	<u>3,286,989.1140</u>	<u>13,398,661.4380</u>	<u>6,939,434.0750</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 (MPF) Conservative Fund</i>		<i>BEA (MPF) Growth Fund</i>		<i>BEA (MPF) Balanced Fund</i>		<i>BEA (MPF) Stable Fund</i>		<i>BEA (MPF) Long Term Guaranteed Fund</i>	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	1,476,035,016	1,364,500,948	3,472,588,397	3,679,503,995	1,801,102,148	1,890,241,026	1,883,616,349	1,917,364,619	725,469,697	730,791,070
Net assets attributable to members per unit	14.0067	13.7684	21.5441	22.1255	19.6064	19.9760	18.2466	18.4753	13.0758	12.9652
	<i>BEA (MPF) Asian Equity Fund</i>		<i>BEA (MPF) Hong Kong Equity Fund</i>		<i>BEA (MPF) Global Bond Fund</i>		<i>BEA (MPF) Greater China Equity Fund</i>		<i>BEA (MPF) Japan Equity Fund</i>	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	865,708,519	999,653,245	873,282,069	926,078,224	274,085,382	258,304,327	1,260,899,438	1,410,292,365	76,948,161	80,427,737
Net assets attributable to members per unit	22.9977	25.5869	23.5672	24.6871	11.9254	11.9648	18.7545	20.0237	7.7774	8.5349
	<i>BEA (MPF) European Equity Fund</i>		<i>BEA (MPF) Global Equity Fund</i>		<i>BEA (MPF) North American Equity Fund</i>		<i>BEA China Tracker Fund</i>		<i>BEA Hong Kong Tracker Fund</i>	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	84,621,752	94,618,593	217,869,624	197,517,565	178,207,595	139,042,472	142,707,668	144,507,271	206,090,558	188,092,560
Net assets attributable to members per unit	11.9825	12.6165	15.7379	15.5296	19.0572	17.7717	11.0713	11.4304	16.1752	16.2922
	<i>BEA (MPF) RMB & HKD Money Market Fund</i>		<i>BEA (MPF) Age 65 Plus Fund</i>		<i>BEA (MPF) Core Accumulation Fund</i>					
	2019	2018	2019	2018	2019	2018				
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$				
Net assets attributable to members	138,401,263	125,231,501	62,647,178	34,328,350	150,535,894	76,290,575				
Net assets attributable to members per unit	10.5571	10.8281	10.7237	10.4437	11.2351	10.9938				

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 (MPF) Conservative Fund is to achieve a minimum rate of return while maintaining stability of the principal amount invested.

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

The investment objective of BEA (MPF) 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 lower exposure to global equities to provide modest potential for capital appreciation.

5 Financial risk management (continued)

Strategy in using financial instruments (continued)

The investment objective of BEA (MPF) Long Term Guaranteed Fund is to provide a competitive long-term total rate of return, while also providing a minimum guaranteed average annual return over the career of the member.

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

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

The investment objective of BEA (MPF) Global Bond Fund is to provide total investment return over the medium to long term through investing in global bonds, with some exposure in money market instruments.

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

The investment objective of BEA (MPF) Japan Equity Fund is to achieve long-term capital appreciation within a controlled risk-return framework through investing mainly in Japanese equities.

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

The investment objective of BEA (MPF) Global Equity 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 (MPF) North American Equity Fund is to achieve long-term capital appreciation within a controlled risk-return framework through investing mainly in North American equities with some exposure in North American and other debt securities/money market instruments.

5 Financial risk management (continued)

Strategy in using financial instruments (continued)

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

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

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

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

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

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

(a) Market risk

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

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

(i) Currency risk

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

5 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset or liability. The Investment Manager monitors all the Scheme's foreign currency positions on a daily basis. Except for BEA (MPF) Growth Fund, BEA (MPF) Balanced Fund, BEA (MPF) Stable Fund, BEA (MPF) Asian Equity Fund, BEA (MPF) Japan Equity Fund, BEA (MPF) European Equity Fund, BEA (MPF) Global Equity Fund and BEA (MPF) 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 dollar ("USD") which is pegged to HKD.

Sensitivity analysis

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

As at 31 March

	2019		2018	
	Net direct exposure HK\$	Estimated change had the HKD weakened by 5% HK\$	Net direct exposure HK\$	Estimated change had the HKD weakened by 5% HK\$
BEA (MPF) Growth Fund				
British Pound	227,978,580	11,398,929	126,011,250	6,300,563
BEA (MPF) Balanced Fund				
British Pound	74,953,864	3,747,693	44,356,529	2,217,826
BEA (MPF) Stable Fund				
British Pound	46,505,991	2,325,300	29,342,914	1,467,146
BEA (MPF) Asian Equity Fund				
British Pound	11,342,539	567,127	4,945,000	247,250
BEA (MPF) Japan Equity Fund				
Japanese Yen	(28,767,490)	(1,438,375)	(29,241,261)	(1,462,063)
BEA (MPF) European Equity Fund				
British Pound	17,765,474	888,274	(13,927,548)	(696,377)
Euro	(19,068,606)	(953,430)	(20,979,777)	(1,048,989)

5 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

As at 31 March (continued)

	2019	Estimated change had the HKD weakened by 5% HK\$	2018	Estimated change had the HKD weakened by 5% HK\$
	Net direct exposure HK\$		Net direct exposure HK\$	
BEA (MPF) Global Equity Fund				
British Pound	4,410,093	220,505	-	-
BEA (MPF) RMB & HKD Money Market Fund				
Renminbi	82,703,580	4,135,179	74,693,434	3,734,672

As HKD is pegged to USD, BEA (MPF) Growth Fund, BEA (MPF) Balanced Fund, BEA (MPF) Stable Fund, BEA (MPF) Asian Equity Fund, BEA (MPF) Japan Equity Fund, BEA (MPF) European Equity Fund, BEA (MPF) Global Equity Fund and BEA (MPF) RMB & HKD Money Market Fund do not expect any significant movement in USD/HKD exchange rate. A 5% appreciation of HKD against the above currencies would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

(ii) Interest rate risk

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

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

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

5 Financial risk management (continued)

(a) Market risk (continued)

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

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

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

5 Financial risk management (continued)

(a) Market risk (continued)

(iii) Other price risk (continued)

Sensitivity analysis (continued)

	<i>% of possible reasonable shift</i>	<i>Estimated increase 2019 HK\$</i>	<i>Estimated increase 2018 HK\$</i>
BEA (MPF) Growth Fund (note (a))	5%	158,171,235	175,124,592
BEA (MPF) Balanced Fund (note (b))	5%	82,958,104	89,845,255
BEA (MPF) Stable Fund (note (c))	5%	84,195,709	83,728,940
BEA (MPF) Long Term Guaranteed Fund (note (d))	5%	36,690,753	36,230,564
BEA (MPF) Asian Equity Fund (note (e))	5%	40,397,901	48,334,529
BEA (MPF) Hong Kong Equity Fund (note (f))	5%	41,093,660	43,155,707
BEA (MPF) Global Bond Fund (note (g))	5%	11,372,901	10,226,111
BEA (MPF) Greater China Equity Fund (note (h))	5%	63,971,160	71,133,632
BEA (MPF) Japan Equity Fund (note (i))	5%	4,073,529	4,253,880
BEA (MPF) European Equity Fund (note (j))	5%	3,631,309	3,864,422
BEA (MPF) Global Equity Fund (note (k))	5%	10,055,097	9,859,400
BEA (MPF) North American Equity Fund (note (l))	5%	8,316,252	6,764,405
BEA China Tracker Fund (note (m))	5%	7,126,588	7,206,559
BEA Hong Kong Tracker Fund (note (n))	5%	10,319,159	9,419,672
BEA (MPF) Age 65 Plus Fund (note (o))	5%	3,111,907	1,786,466
BEA (MPF) Core Accumulation Fund (note (p))	5%	<u>7,367,409</u>	<u>4,385,135</u>

5 Financial risk management (continued)

(a) Market risk (continued)

(iii) Other price risk (continued)

Sensitivity analysis (continued)

Notes:

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

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

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

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

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

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

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

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

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

5 Financial risk management (continued)

(a) Market risk (continued)

(iii) Other price risk (continued)

Sensitivity analysis (continued)

Notes: (continued)

- (d) Relevant benchmark: 100% Internal Guaranteed Composite Index provided by Principal Asset Management Company (Asia) Limited
- (e) The composite of 100% MSCI AC Far East ex Japan ex ADRs Index (NR) was used from 1 April 2018 to 30 September 2018 and 100% FTSE MPF Asia Pacific ex JP, AU & NZ Hedged Index was used from 1 October 2018 to 31 March 2019 for better estimation of potential movement of BEA (MPF) Asian Equity Fund.
- (f) The composite of 92% of MSCI Zhong Hua ex ADRs Index (NR) and 8% HSBC Holdings was used from 1 April 2018 to 30 September 2018 and FTSE MPF Hong Kong Index was used from 1 October 2018 to 31 March 2019 for better estimation of potential movement of BEA (MPF) Hong Kong Equity Fund.
- (g) The composite of 70% Citi WGBI HKD + 30% Citi WGBI HKD-Hedged was used from 1 April 2018 to 30 September 2018 and 65% FTSE WGBI HKD/35% FTSE WGBI HKD-Hedged was used from 1 October 2018 to 31 March 2019 for better estimation of potential movement of BEA (MPF) Global Bond Fund.
- (h) The composite of 100% MSCI Golden Dragon ex ADRs Index (NR) was used from 1 April 2018 to 30 September 2018 and 100% FTSE MPF Greater China Index was used from 1 October 2018 to 31 March 2019 for better estimation of potential movement of BEA (MPF) Greater China Equity Fund.
- (i) The composite of 100% MSCI Japan Index (NR) was used from 1 April 2018 to 30 September 2018 and 100% FTSE MPF Japan Hedged Index was used from 1 October 2018 to 31 March 2019 for better estimation of potential movement of BEA (MPF) Japan Equity Fund.
- (j) The composite of 100% MSCI Europe Index (NR) was used from 1 April 2018 to 30 September 2018 and 100% FTSE MPF Europe Hedged Index was used from 1 October 2018 to 31 March 2019 for better estimation of potential movement of BEA (MPF) European Equity Fund.

5 Financial risk management (continued)

(a) Market risk (continued)

(iii) Other price risk (continued)

Sensitivity analysis (continued)

Notes: (continued)

- (k) The composite of 100% MSCI AC World Index (NR) was used from 1 April 2018 to 30 September 2018 and 100% FTSE MPF All-World Hedged Index was used from 1 October 2018 to 31 March 2019 for better estimation of potential movement of BEA (MPF) Global Equity Fund.
- (l) The composite of 100% MSCI North America Index (NR) was used from 1 April 2018 to 30 September 2018 and 100% FTSE MPF USA Hedged Index was used from 1 October 2018 to 31 March 2019 for better estimation of potential movement of BEA (MPF) North American Equity Fund.
- (m) Relevant benchmark: 100% Hang Seng China Enterprise Total Return Index
- (n) Relevant benchmark: 100% Hang Seng Total Return Index
- (o) Relevant benchmark: 20% FTSE MPF All-World Index (HKD unhedged total return) + 77% Citi MPF World Government Bond Index (HKD hedged total return) + 3% cash or money market instruments providing a return at MPF Prescribed Savings Rate (HKD unhedged total return)*
- (p) Relevant benchmark: 60% FTSE MPF All-World Index (HKD unhedged total return) + 37% Citi MPF World Government Bond Index (HKD hedged total return) + 3% cash or money market instruments providing a return at MPF Prescribed Savings Rate (HKD unhedged total return)*

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

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

5 Financial risk management (continued)

(b) Credit risk

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

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

The Investment Manager monitors the Scheme's 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 (MPF) Conservative Fund and BEA (MPF) RMB & HKD Money Market Fund held short-term deposits as investments. The credit quality of these short-term deposits are expressed as a percentage of investments below:

BEA (MPF) Conservative Fund

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

	2019	2018
Rating (S&P/Moody's)		
AA-/Aa3	10.64%	8.54%
A+/A1	9.02%	7.47%
A/A2	40.76%	26.88%
A-/A3	22.18%	29.23%
BBB+/Baa1	17.40%	18.45%
BBB/Baa2	-	9.43%
Total	100.00%	100.00%

BEA (MPF) RMB & HKD Money Market Fund

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

	2019	2018
Rating (S&P/Moody's)		
AA-/Aa3	8.59%	7.99%
A+/A1	17.28%	8.94%
A/A2	37.39%	33.07%
A-/A3	19.88%	25.67%
BBB+/Baa1	16.86%	16.31%
BBB/Baa2	-	8.02%
Total	100.00%	100.00%

5 Financial risk management (continued)

(b) Credit risk (continued)

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

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

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

Amounts arising from ECL

Impairment on contributions receivables, interest receivables, bank balances, amounts receivable on sales 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 considers that these exposures have low credit risk based on the external credit ratings of the counterparties.

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

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

(c) Liquidity risk

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

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

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

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

6 Derivative financial instruments

Derivative financial instruments represent outstanding forward foreign exchange contracts. As at year end, BEA (MPF) Japan Equity Fund, BEA (MPF) European Equity Fund, BEA (MPF) Global Equity Fund and BEA (MPF) North American Equity Fund had outstanding forward foreign exchange contracts as follows:

As at 31 March 2019

BEA (MPF) Japan Equity Fund

<i>Contract to deliver</i>	<i>In exchange for</i>	<i>Settlement date</i>	<i>Fair value HK\$</i>
JPY 405,634,600	HKD 28,840,000	26 April 2019	<u>72,510</u>

BEA (MPF) European Equity Fund

<i>Contract to deliver</i>	<i>In exchange for</i>	<i>Settlement date</i>	<i>Fair value HK\$</i>
EUR 2,162,487	HKD 19,090,000	26 April 2019	21,394
GBP 1,233,324	HKD 12,730,000	26 April 2019	<u>101,909</u>
			<u>123,303</u>

BEA (MPF) Global Equity Fund

<i>Contract to deliver</i>	<i>In exchange for</i>	<i>Settlement date</i>	<i>Fair value HK\$</i>
USD 1,384,745	HKD 10,860,000	26 April 2019	<u>(1,207)</u>

BEA (MPF) North American Equity Fund

<i>Contract to deliver</i>	<i>In exchange for</i>	<i>Settlement date</i>	<i>Fair value HK\$</i>
USD 8,453,829	HKD 66,300,000	26 April 2019	<u>(7,369)</u>

6 Derivative financial instruments (continued)

As at 31 March 2018

BEA (MPF) Japan Equity Fund

<i>Contract to deliver</i>	<i>In exchange for</i>	<i>Settlement date</i>	<i>Fair value HK\$</i>
JPY395,575,810	HKD29,470,000	27 April 2018	<u>228,739</u>

BEA (MPF) European Equity Fund

<i>Contract to deliver</i>	<i>In exchange for</i>	<i>Settlement date</i>	<i>Fair value HK\$</i>
EUR2,166,335	HKD21,130,000	27 April 2018	150,223
GBP1,265,675	HKD14,090,000	27 April 2018	162,452
			<u>312,675</u>

BEA (MPF) Global Equity Fund

<i>Contract to deliver</i>	<i>In exchange for</i>	<i>Settlement date</i>	<i>Fair value HK\$</i>
USD1,260,719	HKD9,880,000	27 April 2018	<u>(5,661)</u>

BEA (MPF) North American Equity Fund

<i>Contract to deliver</i>	<i>In exchange for</i>	<i>Settlement date</i>	<i>Fair value HK\$</i>
USD6,614,945	HKD51,840,000	27 April 2018	<u>(29,701)</u>

7 Investments

(a) The Scheme

Investments in constituent funds

	2019 HK\$	2018 HK\$
BEA (MPF) Conservative Fund	1,476,035,016	1,364,500,948
BEA (MPF) Growth Fund	3,472,588,397	3,679,503,995
BEA (MPF) Balanced Fund	1,801,102,148	1,890,241,026
BEA (MPF) Stable Fund	1,883,616,349	1,917,364,619
BEA (MPF) Long Term Guaranteed Fund	725,469,697	730,791,070
BEA (MPF) Asian Equity Fund	865,708,519	999,653,245
BEA (MPF) Hong Kong Equity Fund	873,282,069	926,078,224
BEA (MPF) Global Bond Fund	274,085,382	258,304,327
BEA (MPF) Greater China Equity Fund	1,260,899,438	1,410,292,365
BEA (MPF) Japan Equity Fund	76,948,161	80,427,737
BEA (MPF) European Equity Fund	84,621,752	94,618,593
BEA (MPF) Global Equity Fund	217,869,624	197,517,565
BEA (MPF) North American Equity Fund	178,207,595	139,042,472
BEA China Tracker Fund	142,707,668	144,507,271
BEA Hong Kong Tracker Fund	206,090,558	188,092,560
BEA (MPF) RMB & HKD Money Market Fund	138,401,263	125,231,501
BEA (MPF) Age 65 Plus Fund	62,647,178	34,328,350
BEA (MPF) Core Accumulation Fund	150,535,894	76,290,575
Investments at fair value	<u>13,890,816,708</u>	<u>14,256,786,443</u>
Investments at cost	<u>11,334,125,608</u>	<u>10,972,092,426</u>

7 Investments (continued)

(b) Constituent funds

BEA (MPF) Conservative Fund

	2019 HK\$	2018 HK\$
Short-term deposits	1,394,510,619	1,291,369,408

BEA (MPF) Growth Fund

	2019 HK\$	2018 HK\$
Approved Pooled Investment Funds	1,928,321,909	2,118,105,986
Approved Index-Tracking Funds	1,243,989,133	1,371,352,735
Investments	3,172,311,042	3,489,458,721

BEA (MPF) Balanced Fund

	2019 HK\$	2018 HK\$
Approved Pooled Investment Funds	1,221,673,184	1,269,015,513
Approved Index-Tracking Funds	454,109,165	499,793,828
Investments	1,675,782,349	1,768,809,341

BEA (MPF) Stable Fund

	2019 HK\$	2018 HK\$
Approved Pooled Investment Funds	1,474,553,070	1,365,047,284
Approved Index-Tracking Funds	270,210,983	314,615,856
Investments	1,744,764,053	1,679,663,140

7 Investments (continued)

(b) Constituent funds (continued)

BEA (MPF) Long Term Guaranteed Fund

	2019 HK\$	2018 HK\$
Approved Pooled Investment Fund	726,549,571	731,930,593

BEA (MPF) Asian Equity Fund

	2019 HK\$	2018 HK\$
Approved Pooled Investment Funds	851,081,069	990,092,206
Approved Index-Tracking Fund	11,342,395	4,945,000
Investments	862,423,464	995,037,206

BEA (MPF) Hong Kong Equity Fund

	2019 HK\$	2018 HK\$
Approved Pooled Investment Fund	696,838,350	794,710,230
Approved Index-Tracking Fund	172,151,700	125,820,160
Investments	868,990,050	920,530,390

BEA (MPF) Global Bond Fund

	2019 HK\$	2018 HK\$
Approved Pooled Investment Funds	266,743,603	251,502,655

BEA (MPF) Greater China Equity Fund

	2019 HK\$	2018 HK\$
Approved Pooled Investment Funds	1,253,540,025	1,406,945,804

7 Investments (continued)

(b) Constituent funds (continued)

BEA (MPF) Japan Equity Fund

	2019 HK\$	2018 HK\$
Approved Pooled Investment Fund	12,413,172	17,550,496
Approved Index-Tracking Fund	63,327,159	61,509,088
	<hr/>	<hr/>
Investments	75,740,331	79,059,584
	<hr/>	<hr/>

BEA (MPF) European Equity Fund

	2019 HK\$	2018 HK\$
Approved Pooled Investment Fund	40,063,517	44,351,689
Approved Index-Tracking Funds	42,194,241	47,867,711
	<hr/>	<hr/>
Investments	82,257,758	92,219,400
	<hr/>	<hr/>

BEA (MPF) Global Equity Fund

	2019 HK\$	2018 HK\$
Approved Pooled Investment Fund	181,671,045	165,021,888
Approved Index-Tracking Funds	30,215,265	26,139,735
	<hr/>	<hr/>
Investments	211,886,310	191,161,623
	<hr/>	<hr/>

BEA (MPF) North American Equity Fund

	2019 HK\$	2018 HK\$
Approved Index-Tracking Funds	173,348,854	135,326,126
	<hr/>	<hr/>

BEA China Tracker Fund

	2019 HK\$	2018 HK\$
Approved Index-Tracking Fund	142,715,000	143,791,680
	<hr/>	<hr/>

7 Investments (continued)

(b) Constituent funds (continued)

BEA Hong Kong Tracker Fund

	2019 HK\$	2018 HK\$
Approved Index-Tracking Fund	206,094,000	187,963,200

BEA (MPF) RMB & HKD Money Market Fund

	2019 HK\$	2018 HK\$
Short-term deposits	127,457,478	117,130,526

BEA (MPF) Age 65 Plus Fund

	2019 HK\$	2018 HK\$
Approved Pooled Investment Fund	62,624,037	34,288,486

BEA (MPF) Core Accumulation Fund

	2019 HK\$	2018 HK\$
Approved Pooled Investment Fund	150,667,748	76,346,539

Total investments at fair value	13,198,406,292	13,592,534,422
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Total investments at cost	11,127,780,575	10,748,100,753
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8 Bank balances

As at 31 March 2019, the Scheme placed bank deposits amounted to HK\$12,525,263 (2018: HK\$15,812,319).

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 is liability for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities.

	<i>Benefits payable</i>	
	2019 HK\$	2018 HK\$
As at beginning of the year	76,780,349	28,187,609
Benefits	395,408,375	418,044,160
Transfer out	967,847,004	981,355,320
Long service payments and severance payments	76,257,327	93,616,780
Benefits paid, transfer out, long service payments and severance payments paid	(1,463,241,181)	(1,444,423,520)
As at the end of the year	<u>53,051,874</u>	<u>76,780,349</u>

9 Net (loss)/gain on constituent funds/investments

(a) The Scheme

	2019 HK\$	2018 HK\$
Change in unrealised (loss)/gain in value of constituent funds	(728,002,917)	1,328,322,128
Realised gain on sale of constituent funds	<u>362,692,216</u>	<u>504,243,395</u>
Net (loss)/gain on investments in constituent funds	<u>(365,310,701)</u>	<u>1,832,565,523</u>

9 Net gain/(loss) on constituent funds/investments (continued)

(b) Constituent funds

	<i>BEA (MPF) Conservative Fund</i>		<i>BEA (MPF) Growth Fund</i>		<i>BEA (MPF) Balanced Fund</i>		<i>BEA (MPF) Stable Fund</i>		<i>BEA (MPF) Long Term Guaranteed Fund</i>	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Change in unrealised (loss)/gain in value of investment	-	-	(322,252,586)	250,287,317	(103,483,432)	114,048,525	(57,842,810)	85,054,013	605,498	787,699
Realised gain on sale of investments	-	-	232,089,880	285,938,859	77,018,542	114,603,759	46,771,048	104,897,995	16,164,300	14,167,784
Net (loss)/gain on investments	-	-	(90,162,706)	536,226,176	(26,464,890)	228,652,284	(11,071,762)	189,952,008	16,769,798	14,955,483
	<i>BEA (MPF) Asian Equity Fund</i>		<i>BEA (MPF) Hong Kong Equity Fund</i>		<i>BEA (MPF) Global Bond Fund</i>		<i>BEA (MPF) Greater China Equity Fund</i>		<i>BEA (MPF) Japan Equity Fund</i>	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Change in unrealised (loss)/gain in value of investments	(101,762,443)	204,611,892	(59,540,925)	187,570,277	1,774,617	15,569,885	(113,483,218)	294,160,408	(8,549,286)	5,533,119
Realised gain on sale of investments	12,172,849	31,987,293	23,130,151	24,817,985	416,014	-	38,060,411	63,716,750	106,294	8,499,266
Net (loss)/gain on investments	(89,589,594)	236,599,185	(36,410,774)	212,388,262	2,190,631	15,569,885	(75,422,807)	357,877,158	(8,442,992)	14,032,385
	<i>BEA (MPF) European Equity Fund</i>		<i>BEA (MPF) Global Equity Fund</i>		<i>BEA (MPF) North American Equity Fund</i>		<i>BEA China Tracker Fund</i>		<i>BEA Hong Kong Tracker Fund</i>	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Change in unrealised (loss)/gain in value of investments	(10,692,255)	2,720,763	4,503,875	23,934,775	8,702,251	11,680,773	(7,331,044)	19,529,350	(9,521,516)	29,130,221
Realised gain on sale of investments	2,552,972	8,693,252	527,978	-	1,782,446	2,943,489	387,924	2,410,650	4,374,216	6,012,129
Net (loss)/gain on investments	(8,139,283)	11,414,015	5,031,853	23,934,775	10,484,697	14,624,262	(6,943,120)	21,940,000	(5,147,300)	35,142,350

9 Net gain/(loss) on constituent funds/investments (continued)

(b) Constituent funds (continued)

	<i>BEA (MPF) RMB & HKD Money Market Fund</i>	
	<i>2019</i>	<i>2018</i>
	<i>HK\$</i>	<i>HK\$</i>
Change in unrealised gain/(loss) in value of investments	-	-
Realised gain/(loss) on sale of investments	-	-
Net gain/(loss) on investments	-	-

	<i>BEA (MPF) Age 65 Plus Fund</i>	
	<i>2019</i>	<i>2018</i>
	<i>HK\$</i>	<i>HK\$</i>
Change in unrealised gain in value of investments	1,991,813	617,186
Realised gain on sale of investments	120,984	46,675
Net gain on investments	2,112,797	663,861

	<i>BEA (MPF) Core Accumulation Fund</i>	
	<i>2019</i>	<i>2018</i>
	<i>HK\$</i>	<i>HK\$</i>
Change in unrealised gain in value of investments	4,226,566	3,029,192
Realised gain on sale of investments	209,080	151,567
Net gain on investments	4,435,646	3,180,759

10 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) Sponsor's fees

The Sponsor, The Bank of East Asia, Limited, is entitled to receive a fee equal to 1.20% per annum of the net asset value of BEA (MPF) Growth Fund, BEA (MPF) Balanced Fund, BEA (MPF) Stable Fund, BEA (MPF) Asian Equity Fund, BEA (MPF) Hong Kong Equity Fund and BEA (MPF) Greater China Equity Fund. This fee is calculated and accrued on each valuation day and payable monthly in arrears.

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

For BEA (MPF) Long Term Guaranteed Fund, the Sponsor has determined that the total fees payable will not exceed 1.50% per annum of the net asset value of the constituent fund.

For BEA (MPF) Global Bond Fund, the Sponsor is entitled to receive a fee equal to 0.99% per annum of the net asset value of the constituent fund.

For BEA (MPF) Japan Equity Fund, BEA (MPF) European Equity Fund, BEA (MPF) Global Equity Fund and BEA (MPF) North American Equity Fund, the Sponsor is entitled to receive a fee equal to 1.175% per annum of the net asset value of the respective constituent funds.

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

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

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

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

10 Transactions with related parties (continued)

(a) Sponsor's fees (continued)

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

	2019 HK\$	2018 HK\$
BEA (MPF) Growth Fund	3,519,422	3,799,294
BEA (MPF) Balanced Fund	1,825,183	1,940,363
BEA (MPF) Stable Fund	1,903,554	1,965,417
BEA (MPF) Asian Equity Fund	871,486	1,040,650
BEA (MPF) Hong Kong Equity Fund	883,606	970,473
BEA (MPF) Global Bond Fund	227,449	215,186
BEA (MPF) Greater China Equity Fund	1,270,967	1,483,290
BEA (MPF) Japan Equity Fund	76,408	80,281
BEA (MPF) European Equity Fund	84,486	94,680
BEA (MPF) Global Equity Fund	215,359	199,564
BEA (MPF) North American Equity Fund	174,678	140,620
BEA China Tracker Fund	73,038	75,510
BEA Hong Kong Tracker Fund	103,111	97,263
BEA (MPF) RMB & HKD Money Market Fund	91,483	82,316
BEA (MPF) Age 65 Plus Fund	38,933	21,159
BEA (MPF) Core Accumulation Fund	92,976	47,351

10 Transactions with related parties (continued)

(b) Investment management fees

All constituent funds other than BEA (MPF) Long Term Guaranteed Fund are managed by the Investment Manager. No investment manager has been appointed for BEA (MPF) Long Term Guaranteed Fund as it is a feeder fund investing in a single approved pooled investment fund managed by Principal Asset Management Company (Asia) Limited.

Except for BEA (MPF) Long Term Guaranteed Fund, no separate investment management fees are charged as they are paid out of the sponsor's fees.

The investment management fees are calculated and accrued on each valuation day and payable monthly in arrears.

The investment management fees charged for the year are disclosed in the statement of comprehensive income.

For BEA (MPF) Long Term Guaranteed Fund, the investment management fee of 1.50% per annum of its net asset value is charged to the constituent fund. The investment management fee is shared by Principal Asset Management Company (Asia) Limited and the Sponsor. As at 31 March 2019, the investment management fees payable was HK\$1,079,874 (2018: HK\$1,139,523).

(c) Trustee's fees

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

(d) Bank balances

As at 31 March 2019, the Scheme and its constituent funds placed bank deposits amounted to HK\$12,525,263 (2018: HK\$15,812,319) and HK\$414,376,503 (2018: HK\$248,460,397) 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\$1,859,389 (2018: HK\$1,854,922) and HK\$170,959 (2018: HK\$28,734) respectively. Bank charges incurred are not disclosed as the Trustee considers the amounts immaterial.

10 Transactions with related parties (continued)

(e) Investments (continued)

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

	2019		2018	
	Nominal value HK\$	Fair value HK\$	Nominal value HK\$	Fair value HK\$
Bank of East Asia, Limited F/D 1.23% 11 April 2018	-	-	21,166,896	21,166,896
Bank of East Asia, Limited F/D 1.00% 02 May 2018	-	-	15,309,266	15,309,266
Bank of East Asia, Limited F/D 1.25% 15 August 2018	-	-	3,134,536	3,134,536
Bank of East Asia, Limited F/D 1.70% 17 June 2019	15,591,052	15,591,052	-	-
Bank of East Asia, Limited F/D 1.75% 24 June 2019	9,506,984	9,506,984	-	-
Bank of East Asia, Limited F/D 1.75% 24 June 2019	9,006,280	9,006,280	-	-
	<u>34,104,316</u>	<u>34,104,316</u>	<u>39,610,698</u>	<u>39,610,698</u>

Interest income derived from short-term deposits during the year ended 31 March 2019 amounted to HK\$ 973,838 (2018: HK\$382,065).

(f) Brokerage commission

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

11 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 10.

12 Contributions received and receivable

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

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

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

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

13 Benefits paid and payable

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

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

14 Bank loans, overdrafts and other borrowings

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

15 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.

16 Soft commission arrangements

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

17 Security lending arrangements

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

18 Negotiability of assets

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

19 Commitments

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

20 Contingent liabilities and capital commitment

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

21 Marketing expenses

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

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 18 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 funds in which its constituent funds invest but are not consolidated by the constituent funds meet the definition of structured entities because:

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

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

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

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

As at 31 March 2019

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "investments" HK\$ (in millions)</i>
BEA (MPF) Growth Fund			
– Approved Pooled Investment Funds	10	18,501	1,928
– Approved Index-Tracking Funds	6	2,309,661	1,244
BEA (MPF) Balanced Fund			
– Approved Pooled Investment Funds	10	18,501	1,222
– Approved Index-Tracking Funds	6	2,309,661	454

23 Involvement with unconsolidated structured entities (continued)

As at 31 March 2019 (continued)

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "investments" HK\$ (in millions)</i>
BEA (MPF) Stable Fund			
– Approved Pooled Investment Funds	10	18,501	1,475
– Approved Index-Tracking Funds	6	2,309,661	270
BEA (MPF) Long Term Guaranteed Fund			
– Approved Pooled Investment Fund	1	3,701	727
BEA (MPF) Asian Equity Fund			
– Approved Pooled Investment Funds	2	2,286	851
– Approved Index-Tracking Fund	1	19,791	11
BEA (MPF) Hong Kong Equity Fund			
– Approved Pooled Investment Fund	1	2,864	697
– Approved Index-Tracking Fund	1	90,525	172
BEA (MPF) Global Bond Fund			
– Approved Pooled Investment Funds	2	6,899	267
BEA (MPF) Greater China Equity Fund			
– Approved Pooled Investment Funds	2	4,701	1,254

23 Involvement with unconsolidated structured entities (continued)

As at 31 March 2019 (continued)

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "investment" HK\$ (in millions)</i>
BEA (MPF) Japan Equity Fund			
– Approved Pooled Investment Fund	1	7,595	12
– Approved Index-Tracking Fund	1	106,798	63
BEA (MPF) European Equity Fund			
– Approved Pooled Investment Fund	1	1,838	40
– Approved Index-Tracking Funds	2	30,182	42
BEA (MPF) Global Equity Fund			
– Approved Pooled Investment Funds	2	4,066	182
– Approved Index-Tracking Funds	5	2,219,136	30
BEA (MPF) North American Equity Fund			
– Approved Index-Tracking Funds	2	3,403,464	173
BEA China Tracker Fund			
– Approved Index-Tracking Fund	1	27,293	143
BEA Hong Kong Tracker Fund			
– Approved Index-Tracking Fund	1	90,525	206

23 Involvement with unconsolidated structured entities (continued)

As at 31 March 2019 (continued)

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "investment" HK\$ (in millions)</i>
BEA (MPF) Age 65 Plus Fund			
– Approved Pooled Investment Fund	1	455	63
BEA (MPF) Core Accumulation Fund			
– Approved Pooled Investment Fund	1	860	151

As at 31 March 2018

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "investments" HK\$ (in millions)</i>
BEA (MPF) Growth Fund			
– Approved Pooled Investment Funds	10	23,904	2,118
– Approved Index-Tracking Funds	6	2,311,985	1,371
BEA (MPF) Balanced Fund			
– Approved Pooled Investment Funds	10	23,904	1,269
– Approved Index-Tracking Funds	6	2,311,985	500
BEA (MPF) Stable Fund			
– Approved Pooled Investment Funds	10	23,904	1,365
– Approved Index-Tracking Funds	6	2,311,985	315
BEA (MPF) Long Term Guaranteed Fund			
– Approved Pooled Investment Fund	1	3,625	732

23 Involvement with unconsolidated structured entities (continued)

As at 31 March 2018 (continued)

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "investments" HK\$ (in millions)</i>
BEA (MPF) Asian Equity Fund			
– Approved Pooled Investment Funds	2	2,532	990
– Approved Index-Tracking Fund	1	20,746	5
BEA (MPF) Hong Kong Equity Fund			
– Approved Pooled Investment Fund	1	3,152	795
– Approved Index-Tracking Funds	2	132,470	126
BEA (MPF) Global Bond Fund			
– Approved Pooled Investment Funds	2	6,813	252
BEA (MPF) Greater China Equity Fund			
– Approved Pooled Investment Funds	2	5,158	1,407
BEA (MPF) Japan Equity Fund			
– Approved Pooled Investment Fund	1	8,980	18
– Approved Index-Tracking Fund	1	166,238	62
BEA (MPF) European Equity Fund			
– Approved Pooled Investment Fund	1	1,835	44
– Approved Index-Tracking Fund	1	21,706	48

23 Involvement with unconsolidated structured entities (continued)

As at 31 March 2018 (continued)

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "investments" HK\$ (in millions)</i>
BEA (MPF) Global Equity Fund			
– Approved Pooled Investment Funds	2	4,106	165
– Approved Index-Tracking Funds	4	2,200,891	26
BEA (MPF) North American Equity Fund			
– Approved Index-Tracking Funds	3	3,110,995	135
BEA China Tracker Fund			
– Approved Index-Tracking Fund	1	36,641	144
BEA Hong Kong Tracker Fund			
– Approved Index-Tracking Fund	1	95,829	188
BEA (MPF) Age 65 Plus Fund			
– Approved Pooled Investment Fund	1	367	34
BEA (MPF) Core Accumulation Fund			
– Approved Pooled Investment Fund	1	557	76

During the year, the constituent funds did not provide financial support to the 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 (MPF) Age 65 Plus Fund and BEA (MPF) Core Accumulation Fund are designated as default investment strategy ("DIS") constituent funds with effect from 1 April 2017. Payments for services, out-of-pocket expenses and other payments charged to the DIS constituent funds are disclosed below. Payments for services and out-of-pocket expenses are those defined in the MPF Ordinance.

During the year ended 31 March 2019

	<i>BEA (MPF) Age 65 Plus Fund HK\$</i>	<i>BEA (MPF) Core Accumulation Fund HK\$</i>
(a) Payments for services		
Sponsor's fees	355,767	810,287
Total payments for services	355,767	810,287
(b) Out-of-pocket expenses		
Professional indemnity insurance	945	2,259
Auditor's remuneration	12,254	54,510
Printing and postage expenses	6,167	13,895
Fund price publication expenses	14,594	14,594
Miscellaneous expenses	5,468	5,468
Total out-of-pocket expenses	39,428	90,726
(c) Payments other than (a) and (b) above	-	-
Total payments	395,195	901,013
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	0.081%	0.081%

The net asset value used for calculating the percentage is the average of the net asset value of the DIS constituent funds as at the last dealing day of each month during the period from 1 April 2018 to 31 March 2019.

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 2018

	<i>BEA (MPF) Age 65 Plus Fund HK\$</i>	<i>BEA (MPF) Core Accumulation Fund HK\$</i>
(a) Payments for services		
Sponsor's fees	127,746	322,230
Total payments for services	127,746	322,230
(b) Out-of-pocket expenses		
Professional indemnity insurance	180	456
Auditor's remuneration	-	9,500
Printing and postage expenses	3,156	8,588
Fund price publication expenses	14,178	14,178
Miscellaneous expenses	-	-
Total out-of-pocket expenses	17,514	32,722
(c) Payments other than (a) and (b) above	-	-
Total payments	145,260	354,952
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	0.095%	0.070%

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

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

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

*Effective for
accounting periods
beginning on or after*

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

1 January 2019

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