



## BEA (MPF) Master Trust Scheme

31 March 2021

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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 2021.

## 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 between The Bank of East Asia, Limited as sponsor and Bank of East Asia (Trustees) Limited as trustee (the "Trustee"). There have been no amendments to the trust deed other than the variations made on 23 October 2000, 13 November 2001, 11 July 2002, 1 December 2004, 21 December 2005, 6 July 2009, 1 June 2011, 1 November 2012, 18 December 2015, 12 December 2016, 10 January 2018, 18 April 2019 and 9 April 2020 ("as amended"). The Scheme is registered under section 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\$1,543.3 million (2020: HK\$1,515.1 million) and HK\$1,736.3 million (2020: HK\$1,296.9 million) respectively. The net asset value as at 31 March 2021 was HK\$16,680.1 million (2020: HK\$13,264.5 million).

## Changes to the governing rules

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

- Enhancement of disclosure of risk factors associated with certain Constituent Funds by adding either both or one of the following two new risk factor(s), namely, "risk associated with small-capitalisation/mid-capitalisation companies" and "restricted markets risk" effective on 19 March, 2021.
- Reduction of the investment management fee of BEA China Tracker Fund and BEA Hong Kong Tracker Fund effective on 1 January, 2021.

## 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 2021 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**

Adrian David Li Man Kiu  
Tong Hon Shing  
Joseph Pang Yuk Wing  
Henry Chan Cho Yip  
Wan Chi Tak  
Cheung Man Kok  
Winnie Cheung Chi Woon (appointed on 1 October 2020)

#### ***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 (resigned on 24 April 2020)  
Adrian David Li Man Kiu  
Brian David Li Man Bun  
Daryl Ng Win Kong  
Masayuki Oku  
Rita Fan Hsu Lai Tai  
Meocre Li Kwok Wing  
Henry Tang Ying Yen  
Delman Lee  
William Junior Guilherme DOO  
David Mong Tak Yeung (appointed on 15 January 2021)  
Francisco Javier Serrado Trepas (appointed on 15 January 2021)

#### ***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 2021

## Investment analysis

### United States

- During April 2020 – March 2021, market uncertainties were seen before the presidential election, and following Biden's victory, market generally expected his policies would tend to be softer than Trump's and the U.S.-China tension would likely ease as a result. Market risk appetite lifted. The U.S. equities hit a record high on the last trading day of 2020.
- The massive rollout of vaccines in the beginning of 2021 speeded up the economic recovery. Biden passed a number of sizable stimulus packages which further supported the performance of the U.S. stock market.

### Europe

- During April 2020 – March 2021, the EU summit was a milestone in the battle to tackle the economic fallout from COVID-19. It showed that the EU was capable of coordinating its fiscal policy, and this should benefit European assets. Subsequently, European Central Bank announced the pandemic emergency purchase programme amounting Euro750 million to support the economies heavily hit by COVID-19.
- In the first half of 2021, the progress of the massive rollout of vaccines was promising. Although cases of the variant were seen in individual regions, it was within control. European Central Bank supported the economic recovery with the loose monetary policies, which benefited the market sentiment.

### China

- During April 2020 – March 2021, China was leading the economic recovery in the globe where economic activities revived in the 2nd quarter of the year. Dual circulation policy was introduced by providing policy support for sectors like consumptions and technology development, which helped speeding up the recovery. Hong Kong stock market was benefited and A-shares market hit a record high.
- In the first quarter of 2021, Chinese government implemented anti-trust investigations in tech companies and severe penalties were made to a tech giant which affected the performance of the sector. Tightening measures might be imposed by the Chinese government to cope with the potentially overheating economy. Default issues were found in the onshore bond market where capital was reallocated to other countries being underperformed last year. Consolidation was seen in the A-shares market. On the back of sustaining economic recovery, rotations between new and old economies will continue. Our investment team will closely monitor the market changes and seize the opportunities derived by the rotations.

# Investment report for the year ended 31 March 2021 (continued)

## Investment analysis (continued)

### Japan

- During April 2020 – March 2021, Yoshihide Suga won the Liberal Democratic Party's leadership race and became the prime minister of Japan, investor sentiment was largely improved. Investors expected the current economic policies would be maintained, Nikkei Stock Average Index trended up in the end of the year.
- In the first quarter of 2021, pandemic is yet to be contained and the Olympic Games was going to be held in July. Corporate earnings regained its growth momentum with Yen went down on strengthening USD which further supported exports.

### Asia

- During April 2020 – December 2020, markets continued to look towards the reopening of economies, more policy stimulus coming in near term and especially the strong balance sheet and great business prospect of Australia, Asian equities surged in the end of the year.
- In the first quarter of 2021, normalization of economies was being expected; but the vaccination progress was relatively slow and lockdowns were seen in individual cities which dampened investor sentiment. Taiwan market outperformed with industrials and IT being the key drivers.

### Global Bond

- During April 2020 – December 2020, U.S. Fed announced to keep rate low until 2023 and allowed inflation to overshoot 2%. It was expected the spread would stay stable on the back of fiscal stimulus and economic rebound from pandemic. Asian credit continued to outperform particularly Chinese property and Indonesia credits given their high pick up.
- In the first quarter of 2021, Asian credit spread widened on the back of market normalization, the rise of inflation expectation and U.S. treasury yield. However, Fed didn't give a word on the schedule of tapering, yield became range-bound. Chinese property market was affected by the tightening measures and onshore default issues and we trimmed down our holdings in the industry as a result and increased that for Thailand and Indonesia.

### Long-term Guaranteed Fund

- The fund performance was outstanding as equities rebounded remarkably after the sell-off in early 2020.
- Any qualified members are entitled to the maximum of qualifying balance (i.e. grow by current guarantee rate 1% per annum) or market value return during the qualifying period.



## Investment report for the year ended 31 March 2021 (continued)

### Trustee's Commentary

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (MPF) Conservative Fund <i>Launch date: 01/12/2000</i>	0.30 <sup>1</sup>	0.64 <sup>1</sup>	0.58 <sup>1</sup>	1.37 <sup>1</sup>
Benchmark/Performance Target (MPFA Prescribed Savings Rate)	0.00	0.03	0.02	0.40 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	+0.30	+0.61	+0.56	+0.97 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year, 5-year and 10-year annualized returns were above the benchmark/performance target.</li> </ul>			
BEA (MPF) Growth Fund <i>Launch date: 01/12/2000</i>	33.56	8.25	4.70	4.84
Benchmark/Performance Target (Lipper MPF Lifestyle (>60-80% Equity) Fund Category Median)	34.97	8.61	5.00	5.00 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-1.41	-0.36	-0.30	-0.16 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was below the benchmark/performance target because portfolio positioning was too defensive relative to the competitors during the rising markets.</li> <li>The 5-year annualized return was below the benchmark/performance target due to overweighting in bonds and underweighting in equities during strong equity markets in 2020.</li> <li>The 10-year annualized return was below the benchmark/performance target because asset allocation was relatively defensive during the rising markets in 2012 and 2020.</li> </ul>			

## Investment report for the year ended 31 March 2021 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (MPF) Balanced Fund <i>Launch date: 01/12/2000</i>	24.30	6.47	3.92	4.18
Benchmark/Performance Target (Lipper MPF Lifestyle (>40-60% Equity) Fund Category Median)	26.32	6.45	3.92	4.46 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-2.02	+0.02	0.00	-0.28 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>• The 1-year annualized return was below the benchmark/performance target because portfolio positioning was too defensive relative to the competitors during the rising markets.</li> <li>• The 5-year annualized return was above the benchmark/performance target due to overweighting in equities and underweighting in bonds during strong equity markets in 2017.</li> <li>• The 10-year annualized return was in line with benchmark/performance target due to stable asset allocation over the period.</li> </ul>			
BEA (MPF) Stable Fund <i>Launch date: 01/12/2000</i>	14.96	4.44	2.95	3.60
Benchmark/Performance Target (Lipper MPF Lifestyle (>20-40% Equity) Fund Category Median)	15.32	4.36	2.62	3.60 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-0.36	+0.08	+0.33	0.00 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>• The 1-year annualized return was below the benchmark/performance target because portfolio positioning was too defensive relative to the competitors during the rising markets.</li> <li>• The 5-year annualized return was above the benchmark/performance target due to overweighting in equities and underweighting in bonds during strong equity markets in 2017.</li> <li>• The 10-year annualized return was above the benchmark/performance target due to overweighting in equities and underweighting in bonds during strong equity markets in 2017 and 2020.</li> </ul>			

## Investment report for the year ended 31 March 2021 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (MPF) Long Term Guaranteed Fund <i>Launch date: 01/12/2000</i>	8.16	1.71	1.57	1.67
Benchmark/Performance Target (MPFA Prescribed Savings Rate)	0.00	0.03	0.02	0.40 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	+8.16	+1.68	+1.55	+1.27 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark/performance target because the stock market rebounded remarkably after March 2020's sell-off.</li> <li>The 5-year annualized return was above the benchmark/performance target due to extremely strong equity market performance since March 2020.</li> <li>The 10-year annualized return was above the benchmark/performance target because the equity investment has cumulated strong return over the past 10 year.</li> </ul> <p>However, any qualified members are entitled to the maximum of qualifying balance (i.e. grow by current guaranteed rate 1% per annum) or market value return during the qualifying period. Hence, the return of the member accounts may not be the same as the figures shown above.</p>			
BEA (MPF) Asian Equity Fund <i>Launch date: 01/09/2005</i>	61.21	12.91	5.81	7.80
Benchmark/Performance Target (Lipper MPF Asia ex Japan Equity Fund Category Median)	61.51	12.72	6.44	7.49 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-0.30	+0.19	-0.63	+0.31 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was below the benchmark/performance target because portfolio positioning was too defensive relative to the competitors during the rising markets.</li> <li>The 5-year annualized return was above the benchmark/performance target due to overweighting in China equities which outperformed in 2019 and early 2020.</li> <li>The 10-year annualized return was below the benchmark/performance target since the portfolio positioning was defensive in the first half of 2015 and 2017 while the market rallied.</li> </ul>			

## Investment report for the year ended 31 March 2021 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (MPF) Hong Kong Equity Fund <i>Launch date: 01/09/2005</i>	33.42	10.13	4.06	6.64
Benchmark/Performance Target (Lipper MPF Hong Kong Equity Fund Category Median)	40.20	11.10	5.11	7.62 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-6.78	-0.97	-1.05	-0.98 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>• The 1-year annualized return was below the benchmark/performance target because portfolio positioning was too defensive relative to the competitors during the rising markets.</li> <li>• The 5-year annualized return was below the benchmark/performance as performance was conservatively affected by the 2017 performance.</li> <li>• The 10-year annualized return was below the benchmark/performance target since the portfolio positioning was defensive in the first half of 2015 and 2017 while the market rallied.</li> </ul>			
BEA (MPF) Global Bond Fund <i>Launch date: 01/09/2005</i>	1.28	1.48	1.58	1.46
Benchmark/Performance Target (Lipper MPF Global Bond Fund Category Median)	1.50	1.31	1.10	1.88 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-0.22	+0.17	+0.48	-0.42 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>• The 1-year annualized return was below the benchmark/performance target due to the weak performance of Asian investment grade corporate bonds which the fund overweighed.</li> <li>• The 5-year annualized return was above the benchmark/performance target due to longer duration and overweighting US dollar.</li> <li>• The 10-year annualized return was above the benchmark/performance target due to longer duration and overweighting US dollar.</li> </ul>			

## Investment report for the year ended 31 March 2021 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (MPF) Greater China Equity Fund <i>Launch date: 01/12/2006</i>	57.36	15.66	7.32	7.41
Benchmark/Performance Target (Lipper MPF Greater China Equity Fund Category Median)	60.53	15.59	6.87	8.44 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-3.17	+0.07	+0.45	-1.03 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>• The 1-year annualized return was below the benchmark/performance target because portfolio positioning was too defensive relative to the competitors during the rising markets.</li> <li>• The 5-year annualized return was above the benchmark/performance target due to underweighting financial sector and positive stock selection in technology and consumer sectors.</li> <li>• The 10-year annualized return was above the benchmark/performance target due to underweighting financial sector and positive stock selection in technology and consumer sectors.</li> </ul>			
BEA (MPF) Japan Equity Fund <i>Launch date: 01/12/2006</i>	39.84	7.75	5.86	-0.19
Benchmark/Performance Target (Lipper MPF Japanese Equity Fund Category Median)	42.80	8.44	6.35	1.17 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-2.96	-0.69	-0.49	-1.36 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>• The 1-year annualized return was below the benchmark/performance target because portfolio positioning was too defensive relative to the competitors during the rising markets.</li> <li>• 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.</li> <li>• 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.</li> </ul>			

## Investment report for the year ended 31 March 2021 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (MPF) European Equity Fund <i>Launch date: 04/01/2010</i>	40.90	6.68	4.28	3.35
Benchmark/Performance Target (Lipper MPF European Equity Fund Category Median)	43.11	6.26	4.49	3.35 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-2.21	+0.42	-0.21	0.00 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>• The 1-year annualized return was below the benchmark/performance target because portfolio positioning was too defensive relative to the competitors during the rising markets.</li> <li>• The 5-year annualized return was above the benchmark/performance target due to positive contribution from stock selection in stable and defensive sectors during periods of market downturn.</li> <li>• The 10-year annualized return was below the benchmark/performance since the portfolio positioning was too defensive during rising market in 2013 and 2020.</li> </ul>			
BEA (MPF) Global Equity Fund <i>Launch date: 04/01/2010</i>	50.08	10.93	7.04	6.77
Benchmark/Performance Target (Lipper MPF Global Equity Fund Category Median)	50.35	10.05	7.24	6.08 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-0.27	+0.88	-0.20	+0.69 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>• The 1-year annualized return was below the benchmark/performance target because portfolio positioning was too defensive relative to the competitors during the rising markets.</li> <li>• The 5-year annualized return was above the benchmark/performance target due to positive stock selection especially in the US market during 2019.</li> <li>• The 10-year annualized return was below the benchmark/performance target due to negative contribution from stock selection in the US and Europe market during 2013 and 2020.</li> </ul>			

## Investment report for the year ended 31 March 2021 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (MPF) North American Equity Fund <i>Launch date: 31/01/2012</i>	52.86	13.85	N/A	11.20
Benchmark/Performance Target (Lipper MPF United States Equity Fund Category Median)	54.30	13.84	N/A	9.87 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-1.44	+0.01	N/A	+1.33 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was below the benchmark/performance target because portfolio positioning was too defensive relative to the competitors during the rising markets.</li> <li>The 5-year annualized return was above the benchmark/performance target due to more neutral stock selection and sector allocation in the US market.</li> </ul>			
BEA China Tracker Fund <i>Launch date: 31/01/2012</i>	17.42	6.28	N/A	1.20
Benchmark/Performance Target (Hang Seng China Enterprises Index)	18.92	8.26	N/A	3.59 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-1.50	-1.98	N/A	-2.39 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return corresponded to the return of the Hang Seng China Enterprises Index through investing in a single approved index-tracking collective investment scheme, namely the Hang Seng China Enterprises Index ETF. Tracking error of the fund has been on target and within 3%.</li> <li>The 5-year annualized return corresponded to the return of the Hang Seng China Enterprises Index through investing in a single approved index-tracking collective investment scheme, namely the Hang Seng China Enterprises Index ETF. Tracking error of the fund has been on target and within 3%.</li> </ul>			

## Investment report for the year ended 31 March 2021 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Hong Kong Tracker Fund <i>Launch date: 31/01/2012</i>	22.70	9.06	N/A	5.65
Benchmark/Performance Target (Hang Seng Index)	23.93	10.27	N/A	7.45 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-1.23	-1.21	N/A	-1.80 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return corresponded to the return of the Hang Seng Index through investing in a single approved index-tracking collective investment scheme, namely the Tracker Fund of Hong Kong. Tracking error of the fund has been on target and within 3%.</li> <li>The 5-year annualized return corresponded to the return of the Hang Seng Index through investing in a single approved index-tracking collective investment scheme, namely the Tracker Fund of Hong Kong. Tracking error of the fund has been on target and within 3%.</li> </ul>			
BEA (MPF) RMB & HKD Money Market Fund <i>Launch date: 03/07/2012</i>	5.74	1.30	N/A	1.00
Benchmark/Performance Target (Lipper MPF RMB and HKD Money Market Fund Category Median)	5.88	1.31	N/A	0.99 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	-0.14	-0.01	N/A	+0.01 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was below the benchmark/performance target due to conservative security selection.</li> <li>The 5-year annualized return was below the benchmark/performance target due to conservative security selection.</li> </ul>			



## Investment report for the year ended 31 March 2021 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA (MPF) Age 65 Plus Fund <i>Launch date: 01/04/2017</i>	9.01	N/A	N/A	4.69
Benchmark/Performance Target (Willis Towers Watson – MPF DIS Reference Portfolios – Age 65 Plus Fund)	7.50	N/A	N/A	4.41
Deviation from the Benchmark/Performance Target <sup>4</sup>	+1.51	N/A	N/A	+0.28
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection.</li> <li>The since launch annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection.</li> </ul>			
BEA (MPF) Core Accumulation Fund <i>Launch date: 01/04/2017</i>	29.31	N/A	N/A	8.59
Benchmark / Performance Target (Willis Towers Watson – MPF DIS Reference Portfolios – Core Accumulation Fund)	29.05	N/A	N/A	8.32
Deviation from the Benchmark / Performance Target <sup>4</sup>	+0.26	N/A	N/A	+0.27
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection.</li> <li>The since launch annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection.</li> </ul>			

## Investment report for the year ended 31 March 2021 (continued)

### Trustee's Commentary (continued)

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

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

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

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

#### **Note:**

<sup>1</sup> Fees and charges of MPF conservative fund can be deducted from either (i) the assets of the fund or (ii) members' account by way of unit deduction. BEA (MPF) Conservative Fund uses method (ii) and fund performance quoted in this Trustee's Commentary has already reflected the impact of fees and charges.

<sup>2</sup> The benchmark/performance target may not be meaningful as different funds may have different launch dates.

<sup>3</sup> The deviation from the benchmark/performance target may not be meaningful due to different funds may have different launch dates.

<sup>4</sup> The figures of the performance and the benchmark/performance target were rounded to 2 decimal places which may derive a rounding difference in deviation.

# Investment report for the year ended 31 March 2021 (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 (“APIFs”) and/or Approved Index-Tracking Collective Investment Schemes (“ITCISs”) except for BEA China Tracker Fund and BEA Hong Kong Tracker Fund which invest in a single approved ITCIS, BEA (MPF) Long Term Guaranteed Fund, BEA (MPF) Age 65 Plus Fund and BEA (MPF) Core Accumulation Fund which invests in a single APIF, 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 2021 (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 will solely invest in HK dollar-denominated instruments, namely, short-term deposits and debt securities issued by banks, corporations and governments. The BEA (MPF) Conservative Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (MPF) Conservative Fund will not enter into financial futures and options contracts for any purposes.

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

## Investment report for the year ended 31 March 2021 (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 will invest primarily in global equity and bond markets. The BEA (MPF) Balanced Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to such markets, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA (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 not engage in security lending and will not enter into repurchase agreements. The BEA (MPF) Balanced Fund will enter into financial futures and options contracts for hedging purposes only.

#### **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 a lower exposure to global equities to provide modest potential for capital appreciation.

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

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

## Investment report for the year ended 31 March 2021 (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 a Member.

**Investment policy:**

The BEA (MPF) Long Term Guaranteed Fund will invest in an APIF namely, Principal Long Term Guaranteed Fund (the “Underlying Fund”) guaranteed by Principal Insurance Company (Hong Kong) Limited. The investment manager of the Underlying Fund is Principal Asset Management Company (Asia) Limited. The Underlying Fund will invest in two or more APIFs and/or approved ITCISs and, in selecting these APIFs and approved ITCISs, the investment manager of the Underlying Fund will seek to achieve the objectives of the BEA (MPF) Long Term Guaranteed Fund. The underlying investments will 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 target geographic allocation (as set out below).

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

	<i>Min %</i>	<i>Max %</i>
<b>Asset allocation</b>		
Equity Securities	10%	55%
Debt Securities	25%	90%
Cash and Short-term Investments	0%	20%
<b>Geographical allocation</b>		
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 and the Underlying Fund will not engage in security lending and will not enter into repurchase agreement. The BEA (MPF) Long Term Guaranteed Fund and its Underlying Fund will not enter into financial futures and options contracts for any purposes.

## Investment report for the year ended 31 March 2021 (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 and/or money market instruments.

***Investment policy:***

The BEA (MPF) Asian Equity Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to the Asian (ex-Japan) equity markets, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA (MPF) Asian Equity Fund are expected normally to be invested at least 70% in equities of companies listed in the Asian equity markets (including but not limited to Singapore, Malaysia, Korea, Taiwan, Thailand, Indonesia, the Philippines, India, China and Hong Kong, but excluding Japan) and up to 30% in cash, debt securities and/or money market instruments for cash management purposes. The BEA (MPF) Asian Equity Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (MPF) Asian Equity Fund will enter into financial futures and options contracts for hedging purposes only.

## Investment report for the year ended 31 March 2021 (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 and/or money market instruments.

***Investment policy:***

The BEA (MPF) Hong Kong Equity Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to the Hong Kong equity market, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA (MPF) Hong Kong Equity Fund are expected normally to be invested 70% to 100% in equities of companies that are listed in, or derive or are expected to derive a significant portion of their revenues from Hong Kong and up to 30% in cash, debt securities and/or money market instruments for cash management purposes. The BEA (MPF) Hong Kong Equity Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (MPF) Hong Kong Equity Fund will enter into financial futures and options contracts for hedging purposes only.



## Investment report for the year ended 31 March 2021 (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 will invest in a range of APIFs and/or approved ITCISs to obtain exposure to global bond markets, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA (MPF) Global Bond Fund are expected normally to be invested at least 70% in a diversified range of global bonds denominated in various major currencies (including but not limited to, US dollars, Euro, Pounds Sterling, Japanese Yen and HK dollars), with balance being held in cash and/or money market instruments. The BEA (MPF) Global Bond Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (MPF) Global Bond Fund will enter into financial futures and options contracts for hedging purposes only.

## Investment report for the year ended 31 March 2021 (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 (the “Greater China Securities”).

***Investment policy:***

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

#### **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 will invest in a range of APIFs and/or approved ITCISs to obtain exposure to the Japanese equity market, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA (MPF) Japan Equity Fund are expected normally to be invested at least 70% in equities of companies listed in the Japanese equity market and up to 30% in cash, debt securities and/or money market instruments for cash management purposes. The BEA (MPF) Japan Equity Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (MPF) Japan Equity Fund will enter into financial futures and options contracts for hedging purposes only.

## Investment report for the year ended 31 March 2021 (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 and/or money market instruments.

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

The BEA (MPF) European Equity Fund will invest primarily in European equity markets. The BEA (MPF) European Equity Fund will invest in a range of APIFs and/ or approved ITCISs to obtain exposure to such European equity markets, selected by the Investment Manager having regard to the investment objective and investment policy. 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) and up to 30% in cash, debt securities and/or money market instruments for cash management purposes. The BEA (MPF) European Equity Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (MPF) European Equity Fund will enter into financial futures and options contracts for hedging purposes only.

## Investment report for the year ended 31 March 2021 (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 and/or money market instruments.

***Investment policy:***

The BEA (MPF) Global Equity Fund will invest primarily in global equity markets. The BEA (MPF) Global Equity Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to such global equities market, selected by the Investment Manager having regard to the investment objective and investment policy. 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, the United Kingdom, Japan, Canada, Germany, Switzerland, Australia and Spain) and up to 30% in cash, debt securities and/or money market instruments for cash management purposes. The BEA (MPF) Global Equity Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (MPF) Global Equity Fund will enter into financial futures and options contracts for hedging purposes only.

## Investment report for the year ended 31 March 2021 (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 and/or money market instruments.

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

The BEA (MPF) North American Equity Fund will invest primarily in North American equity markets. The BEA (MPF) North American Equity Fund will invest in a range of APIFs and/or approved ITCISs to obtain exposure to such North American equity markets, selected by the Investment Manager having regard to the investment objective and investment policy. 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 United States and Canada) and up to 30% in cash, debt securities and/or money market instruments for cash management purposes. The BEA (MPF) North American Equity Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (MPF) North American Equity Fund will enter into financial futures and options contracts for hedging purposes only.

## Investment report for the year ended 31 March 2021 (continued)

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

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

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

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

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

The BEA China Tracker Fund will invest directly in a single approved ITCIS, namely the Hang Seng China Enterprises Index ETF. The Hang Seng China Enterprises Index ETF aims to provide investment returns that match the performance of the Hang Seng China Enterprises Index as closely as practicable. There can, however, be no assurance that the performance of the BEA China Tracker Fund and the approved ITCIS will at any time be identical to that of the Hang Seng China Enterprises Index.

The BEA China Tracker Fund may hold cash and bank deposits for ancillary purposes, such as for meeting redemption requests or defraying operating expenses.

The BEA China Tracker Fund and the Hang Seng China Enterprises Index ETF will not engage in security lending and will not enter into repurchase agreements. The BEA China Tracker Fund will not enter into financial futures and options contracts for any purposes. However, the Hang Seng China Enterprises Index ETF may use futures contracts, warrants and options for hedging purposes or to achieve its investment objective.

## Investment report for the year ended 31 March 2021 (continued)

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

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

***Investment objective:***

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

***Investment policy:***

The BEA Hong Kong Tracker Fund will invest directly in a single approved ITCIS, namely the Tracker Fund of Hong Kong. The underlying approved ITCIS aims to provide investment results that closely correspond to the performance of the Hang Seng Index. There can, however, be no assurance that the performance of the BEA Hong Kong Tracker Fund and the underlying approved ITCIS will at any time be identical to that of the Hang Seng Index.

The BEA Hong Kong Tracker Fund may hold cash and bank deposits for ancillary purposes, such as for meeting redemption requests or defraying operating expenses.

The BEA Hong Kong Tracker Fund and the underlying approved ITCIS will not engage in security lending and will not enter into repurchase agreements. The BEA Hong Kong Tracker Fund will not enter into financial futures and options contracts for any purposes. However, the underlying approved ITCIS may use futures contracts and options for hedging purposes or to achieve its investment objective.

## Investment report for the year ended 31 March 2021 (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 will primarily invest in HKD and RMB denominated instruments, namely short-term deposits (including certificates of deposits and term deposits) placed with authorised financial institutions in Hong Kong and debt securities (including bonds, fixed and floating rate securities, convertible bonds and notes with a remaining maturity period of two years or less) issued or distributed outside mainland China (“offshore RMB debt securities”) by banks, corporations and governments. The BEA (MPF) RMB & HKD Money Market Fund will not invest in securities issued within mainland China through any qualified foreign institutional investor quota. The target ranges of asset allocation of the BEA (MPF) RMB & HKD Money Market Fund (as a percentage of its net asset value) are as follows:

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

The BEA (MPF) RMB & HKD Money Market Fund is denominated in HKD only and not in RMB. However, the BEA (MPF) RMB & HKD Money Market Fund is expected under normal circumstances to hold at least 50% of its net asset value in assets denominated and settled in RMB, and up to 50% of its net asset value in assets denominated and settled in HKD. In addition, the BEA (MPF) RMB & HKD Money Market Fund will at all times maintain an effective currency exposure to HKD of not less than 30% by investing in HKD denominated instruments and/or through currency forward contracts.

Variations to this may occur due to the timing of cashflows to and from the BEA (MPF) RMB & HKD Money Market Fund. Further, the Investment Manager may, in its discretion, vary the percentage of the BEA (MPF) RMB & HKD Money Market Fund’s holding in RMB and HKD should the Investment Manager determine, in its opinion, that variation is warranted due to market or other conditions such as changes in the exchange policy, currency control or a significant downturn in the economy.

The BEA (MPF) RMB & HKD Money Market Fund will not engage in security lending and will not enter into repurchase agreements. The BEA (MPF) RMB & HKD Money Market Fund will not enter into financial futures and options contracts for any purposes.



## Investment report for the year ended 31 March 2021 (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 by investing in a globally diversified manner.

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

The BEA (MPF) Age 65 Plus Fund will invest in a single APIF, namely the BEA Union Investment Age 65 Plus Fund under the BEA Union Investment Capital Growth Fund, which in turn invests in two APIFs as allowed under the Mandatory Provident Fund Schemes (General) Regulation (“General Regulation”). The investment manager of the BEA Union Investment Age 65 Plus Fund will from time to time rebalance the allocation between the two APIFs.

Subject to the discretion of the investment manager of the BEA Union Investment Age 65 Plus Fund and through an active asset allocation strategy investing in the two APIFs (which in turn adopt relevant active investment strategy in selecting particular global equities or global bonds), the BEA (MPF) Age 65 Plus Fund will hold around 20% of its net asset value in Higher Risk Assets, with the remainder investing in Lower Risk Assets. The asset allocation to Higher Risk Assets may vary between 15% and 25% due to differing price movements of various equity and bond markets. There is no prescribed allocation for investments in any specific countries or currencies. Through the BEA (MPF) Age 65 Plus Fund’s investment in the BEA Union Investment Age 65 Plus Fund, at least 30% of the assets of the BEA (MPF) Age 65 Plus Fund will be held in HK dollar currency investments as measured by effective currency exposure (determined in accordance with Schedule 1 to the General Regulation). The BEA (MPF) Age 65 Plus Fund adopts an active investment strategy. With this strategy, the investment manager of the BEA Union Investment Age 65 Plus Fund may allocate the assets among the two underlying APIF(s) at its discretion.

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

## Investment report for the year ended 31 March 2021 (continued)

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

#### **BEA (MPF) Core Accumulation Fund**

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

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

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

The BEA (MPF) Core Accumulation Fund will invest in a single APIF, namely the BEA Union Investment Core Accumulation Fund under the BEA Union Investment Capital Growth Fund, which in turn invests in two APIFs as allowed under the General Regulation. The investment manager of the BEA Union Investment Core Accumulation Fund will from time to time rebalance the allocation between the two APIFs.

Subject to the discretion of the investment manager of the BEA Union Investment Core Accumulation Fund and through an active asset allocation strategy investing in the two APIFs (which in turn adopt relevant active investment strategy in selecting particular global equities or global bonds), the BEA (MPF) Core Accumulation Fund will hold around 60% of its net asset value in Higher Risk Assets, with the remainder investing in Lower Risk Assets. The asset allocation to Higher Risk Assets may vary between 55% and 65% due to differing price movements of various equity and bond markets. There is no prescribed allocation for investments in any specific countries or currencies. Through the BEA (MPF) Core Accumulation Fund's investment in the BEA Union Investment Core Accumulation Fund, at least 30% of the assets of the BEA (MPF) Core Accumulation Fund will be held in HK dollar currency investments as measured by effective currency exposure (determined in accordance with Schedule 1 to the General Regulation). The BEA (MPF) Core Accumulation Fund adopts an active investment strategy. With this strategy, the investment manager of the BEA Union Investment Core Accumulation Fund may allocate the assets among the two underlying APIF(s) at its discretion.

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

## Investment report for the year ended 31 March 2021 (continued)

### Investment income and performance

	<i>BEA (MPF) Conservative Fund</i>			<i>BEA (MPF) Growth Fund</i>			<i>BEA (MPF) Balanced Fund</i>		
	2021 HK\$	2020 HK\$	2019 HK\$	2021 HK\$	2020 HK\$	2019 HK\$	2021 HK\$	2020 HK\$	2019 HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	14,184,309	30,096,323	24,513,649	(31,042,364)	(9,300,553)	(8,857,023)	(17,732,322)	(9,962,025)	(9,790,818)
Capital appreciation/(depreciation) of investments - realised and unrealised	-	-	-	1,056,504,641	(299,166,650)	(90,162,706)	421,404,847	(87,622,208)	(26,464,890)
Value of scheme assets derived from investments as at 31 March	<u>1,489,287,644</u>	<u>1,395,044,410</u>	<u>1,394,510,619</u>	<u>3,689,365,705</u>	<u>2,947,314,431</u>	<u>3,172,311,042</u>	<u>1,891,003,112</u>	<u>1,619,056,136</u>	<u>1,675,782,349</u>
	<i>BEA (MPF) Stable Fund</i>			<i>BEA (MPF) Long Term Guaranteed Fund</i>			<i>BEA (MPF) Asian Equity Fund</i>		
	2021 HK\$	2020 HK\$	2019 HK\$	2021 HK\$	2020 HK\$	2019 HK\$	2021 HK\$	2020 HK\$	2019 HK\$
Net (loss)/income excluding capital appreciation/(depreciation)	(21,168,472)	(15,697,937)	(13,272,049)	(11,168,524)	(11,024,722)	(10,793,633)	(12,124,623)	(10,691,237)	(11,135,986)
Capital appreciation/(depreciation) of investments - realised and unrealised	295,710,424	(24,793,184)	(11,071,762)	68,138,713	4,961,112	16,769,798	460,325,505	(100,063,596)	(89,589,594)
Value of scheme assets derived from investments as at 31 March	<u>1,916,346,991</u>	<u>1,756,218,375</u>	<u>1,744,764,053</u>	<u>756,565,878</u>	<u>702,454,063</u>	<u>726,549,571</u>	<u>1,125,364,596</u>	<u>735,655,659</u>	<u>862,423,464</u>

## Investment report for the year ended 31 March 2021 (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>		
	<i>2021</i> HK\$	<i>2020</i> HK\$	<i>2019</i> HK\$	<i>2021</i> HK\$	<i>2020</i> HK\$	<i>2019</i> HK\$	<i>2021</i> HK\$	<i>2020</i> HK\$	<i>2019</i> HK\$
Net (loss)/income excluding capital appreciation/(depreciation)	(8,959,039)	(6,748,515)	(5,914,103)	(3,707,821)	(3,210,392)	(2,671,440)	(19,195,833)	(15,222,499)	(15,384,726)
Capital appreciation/(depreciation) of investments - realised and unrealised	269,394,372	(108,617,135)	(36,410,774)	7,779,199	13,649,319	2,190,631	673,925,536	(53,282,110)	(75,422,807)
Value of scheme assets derived from investments as at 31 March	<u>990,190,505</u>	<u>784,259,486</u>	<u>868,990,050</u>	<u>347,562,470</u>	<u>321,708,374</u>	<u>266,743,603</u>	<u>1,801,219,454</u>	<u>1,157,583,613</u>	<u>1,253,540,025</u>
	<i>BEA (MPF) Japan Equity Fund</i>			<i>BEA (MPF) European Equity Fund</i>			<i>BEA (MPF) Global Equity Fund</i>		
	<i>2021</i> HK\$	<i>2020</i> HK\$	<i>2019</i> HK\$	<i>2021</i> HK\$	<i>2020</i> HK\$	<i>2019</i> HK\$	<i>2021</i> HK\$	<i>2020</i> HK\$	<i>2019</i> HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	460,721	(259,835)	1,117,234	(3,043,000)	2,309,214	3,450,998	(2,762,101)	(2,087,737)	(2,077,462)
Capital appreciation/(depreciation) of investments - realised and unrealised	26,995,216	(7,551,149)	(8,442,992)	35,115,991	(15,283,561)	(8,139,283)	114,906,751	(27,176,772)	5,031,853
Value of scheme assets derived from investments as at 31 March	<u>91,041,372</u>	<u>65,696,444</u>	<u>75,740,331</u>	<u>107,049,525</u>	<u>75,146,346</u>	<u>82,257,758</u>	<u>332,638,313</u>	<u>215,794,729</u>	<u>211,886,310</u>

## Investment report for the year ended 31 March 2021 (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>		
	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net (loss)/income excluding capital (depreciation)/appreciation	(740,204)	1,545,496	(457,191)	2,616,224	2,595,423	2,703,576	4,845,938	5,496,473	4,727,849
Capital appreciation/(depreciation) of investments - realised and unrealised	139,615,947	(31,181,993)	10,484,697	21,092,713	(22,666,621)	(6,943,120)	42,641,053	(43,198,125)	(5,147,300)
Value of scheme assets derived from investments as at 31 March	<u>397,921,281</u>	<u>244,334,428</u>	<u>173,348,854</u>	<u>154,729,260</u>	<u>126,560,960</u>	<u>142,715,000</u>	<u>231,630,120</u>	<u>212,467,725</u>	<u>206,094,000</u>
	<i>BEA (MPF) RMB &amp; HKD Money Market Fund</i>			<i>BEA (MPF) Age 65 Plus Fund</i>			<i>BEA (MPF) Core Accumulation Fund</i>		
	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	7,237,958	(3,094,021)	(3,404,151)	(1,099,465)	(705,794)	(395,027)	(2,561,000)	(1,655,690)	(900,592)
Capital appreciation/(depreciation) of investments - realised and unrealised	-	-	-	10,942,828	2,030,969	2,112,797	79,902,146	(12,317,670)	4,435,646
Value of scheme assets derived from investments as at 31 March	<u>135,155,842</u>	<u>114,775,687</u>	<u>127,457,478</u>	<u>164,435,892</u>	<u>100,518,042</u>	<u>62,624,037</u>	<u>397,923,096</u>	<u>236,204,094</u>	<u>150,667,748</u>

## Investment report for the year ended 31 March 2021 (continued)

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

For the year ended 31 March 2021

	<i>Dividend income</i> HK\$	<i>Interest income</i> HK\$	<i>Interest income from financial assets at fair value through profit or loss</i> HK\$	<i>Total</i> HK\$
BEA (MPF) Conservative Fund	-	1,024	14,184,965	14,185,989
BEA (MPF) Growth Fund	21,201,704	6,859	-	21,208,563
BEA (MPF) Balanced Fund	8,102,977	3,751	-	8,106,728
BEA (MPF) Stable Fund	5,301,079	4,532	-	5,305,611
BEA (MPF) Long Term Guaranteed Fund	-	57	-	57
BEA (MPF) Asian Equity Fund	329,272	190	-	329,462
BEA (MPF) Hong Kong Equity Fund	2,659,560	61	-	2,659,621
BEA (MPF) Global Bond Fund	-	96	-	96
BEA (MPF) Greater China Equity Fund	-	131	-	131
BEA (MPF) Japan Equity Fund	821,124	42	-	821,166
BEA (MPF) European Equity Fund	1,294,902	37	-	1,294,939
BEA (MPF) Global Equity Fund	694,224	208	-	694,432
BEA (MPF) North American Equity Fund	5,675,352	238	-	5,675,590
BEA China Tracker Fund	3,656,468	5	-	3,656,473
BEA Hong Kong Tracker Fund	6,449,280	9	-	6,449,289
BEA (MPF) RMB & HKD Money Market Fund	-	5,311	2,367,640	2,372,951
BEA (MPF) Age 65 Plus Fund	-	7	-	7
BEA (MPF) Core Accumulation Fund	-	11	-	11

## Investment report for the year ended 31 March 2021 (continued)

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

For the year ended 31 March 2020

	<i>Dividend income</i> HK\$	<i>Interest income</i> HK\$	<i>Interest income from financial assets at fair value through profit or loss</i> HK\$	<i>Total</i> HK\$
BEA (MPF) Conservative Fund	-	55,768	30,042,325	30,098,093
BEA (MPF) Growth Fund	43,089,249	215,083	-	43,304,332
BEA (MPF) Balanced Fund	16,476,344	91,898	-	16,568,242
BEA (MPF) Stable Fund	11,178,781	141,866	-	11,320,647
BEA (MPF) Long Term Guaranteed Fund	-	971	-	971
BEA (MPF) Asian Equity Fund	150,675	4,997	-	155,672
BEA (MPF) Hong Kong Equity Fund	3,733,905	4,374	-	3,738,279
BEA (MPF) Global Bond Fund	-	6,734	-	6,734
BEA (MPF) Greater China Equity Fund	-	7,272	-	7,272
BEA (MPF) Japan Equity Fund	1,444,352	2,630	-	1,446,982
BEA (MPF) European Equity Fund	1,552,602	1,981	-	1,554,583
BEA (MPF) Global Equity Fund	808,307	4,820	-	813,127
BEA (MPF) North American Equity Fund	4,810,773	6,123	-	4,816,896
BEA China Tracker Fund	3,572,300	307	-	3,572,607
BEA Hong Kong Tracker Fund	7,100,670	620	-	7,101,290
BEA (MPF) RMB & HKD Money Market Fund	-	10,486	2,922,853	2,933,339
BEA (MPF) Age 65 Plus Fund	-	209	-	209
BEA (MPF) Core Accumulation Fund	-	470	-	470

## Investment report for the year ended 31 March 2021 (continued)

### Performance table

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

Name of constituent funds	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	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	1,571,726,018	14.4273	1,475,243,305	14.2939	1,476,035,016	14.0067
BEA (MPF) Growth Fund	3,925,546,885	26.1641	3,092,831,791	19.5894	3,472,588,397	21.5441
BEA (MPF) Balanced Fund	2,011,558,731	23.0243	1,675,181,092	18.5232	1,801,102,148	19.6064
BEA (MPF) Stable Fund	2,092,640,255	20.5283	1,845,090,734	17.8570	1,883,616,349	18.2466
BEA (MPF) Long Term Guaranteed Fund	754,942,567	14.0193	701,426,054	12.9620	725,469,697	13.0758
BEA (MPF) Asian Equity Fund	1,133,777,189	32.2446	743,013,702	20.0021	865,708,519	22.9977
BEA (MPF) Hong Kong Equity Fund	997,021,347	27.2501	788,353,999	20.4238	873,282,069	23.5672
BEA (MPF) Global Bond Fund	355,141,686	12.5340	330,492,273	12.3751	274,085,382	11.9254
BEA (MPF) Greater China Equity Fund	1,811,928,016	27.8632	1,162,744,835	17.7066	1,260,899,438	18.7545
BEA (MPF) Japan Equity Fund	93,228,610	9.7261	66,827,179	6.9552	76,948,161	7.7774
BEA (MPF) European Equity Fund	109,877,445	14.4873	76,575,213	10.2820	84,621,752	11.9825
BEA (MPF) Global Equity Fund	338,838,208	20.8801	219,800,755	13.9127	217,869,624	15.7379
BEA (MPF) North American Equity Fund	407,724,169	26.4755	250,720,965	17.3205	178,207,595	19.0572
BEA China Tracker Fund	154,656,980	11.1551	126,991,233	9.5005	142,707,668	11.0713
BEA Hong Kong Tracker Fund	231,645,289	16.5562	212,954,356	13.4935	206,090,558	16.1752
BEA (MPF) RMB & HKD Money Market Fund	147,155,589	10.9137	121,924,916	10.3212	138,401,263	10.5571
BEA (MPF) Age 65 Plus Fund	164,374,205	12.0119	100,812,903	11.0189	62,647,178	10.7237
BEA (MPF) Core Accumulation Fund	397,614,289	13.9028	236,121,623	10.7515	150,535,894	11.2351
	<u>16,699,397,478</u>		<u>13,227,106,928</u>		<u>13,890,816,708</u>	



## Investment report for the year ended 31 March 2021 (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	BEA (MPF) Global Equity Fund	BEA (MPF) North American Equity Fund <sup>(1)</sup>	BEA China Tracker Fund <sup>(1)</sup>	BEA Hong Kong Tracker Fund <sup>(1)</sup>	BEA (MPF) RMB & HKD Money Market Fund <sup>(1)</sup>	BEA (MPF) Age 65 Plus Fund <sup>(1)</sup>	BEA (MPF) Core Accumulation Fund <sup>(1)</sup>
<b>Highest issue price per unit (HK\$)</b>																		
2021	14.4273	27.7659	24.2255	21.3956	14.3012	36.2187	31.7385	13.1532	31.9593	10.0432	14.4969	21.1296	26.4764	12.4092	18.0593	11.0392	12.2579	14.0941
2020	14.2939	23.1339	20.8484	19.1483	13.6662	25.3051	24.5436	13.0628	20.9595	8.5211	13.4623	17.7423	22.5605	11.5104	16.7771	10.5971	11.5822	12.4340
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	18.8342	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	-	-	-
<b>Lowest redemption price per unit (HK\$)</b>																		
2021	14.2946	19.1924	18.2408	17.6787	12.9072	19.6086	20.0691	12.2788	17.5231	6.5777	9.8900	13.4154	16.5638	9.3192	13.1372	10.2678	10.9542	10.5301
2020	14.0074	18.0530	17.4303	17.1042	12.4236	17.9474	18.5129	11.8263	16.0033	6.0417	8.9984	12.1765	15.0413	8.5604	12.4571	10.1978	10.6106	9.8908
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	-	-	-

<sup>(1)</sup> 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 2021 (continued)

### Performance table (continued)

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

	BEA (MPF) Conservative Fund <sup>(3)</sup>	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 <sup>(2)</sup>	BEA China Tracker Fund <sup>(2)</sup>	BEA Hong Kong Tracker Fund <sup>(2)</sup>	BEA (MPF) RMB & HKD Money Market Fund <sup>(2)</sup>	BEA (MPF) Age 65 Plus Fund <sup>(2)</sup>	BEA (MPF) Core Accumulation Fund <sup>(2)</sup>
<b>Net annualised investment return (%)</b>																		
2021	0.93	33.56	24.30	14.96	8.16	61.21	33.42	1.28	57.36	39.84	40.90	50.08	52.86	17.42	22.70	5.74	9.01	29.31
2020	2.05	(9.07)	(5.52)	(2.14)	(0.87)	(13.03)	(13.34)	3.77	(5.59)	(10.57)	(14.19)	(11.60)	(9.11)	(14.19)	(16.58)	(2.23)	2.75	(4.30)
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)	-	-	-

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

<sup>(2)</sup> The date of commencement for BEA (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.

<sup>(3)</sup> 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 2021 (continued)

### Performance table (continued)

(d) **Fund Expense Ratio (“FER”)**

Name of constituent funds	2021	
	Transaction costs for the year ended 31 March HK\$	FER for the year ended 31 March
BEA (MPF) Conservative Fund	-	0.64%
BEA (MPF) Growth Fund	2,076,045	1.39%
BEA (MPF) Balanced Fund	936,671	1.35%
BEA (MPF) Stable Fund	884,808	1.31%
BEA (MPF) Long Term Guaranteed Fund	-	2.51%
BEA (MPF) Asian Equity Fund	46,948	1.35%
BEA (MPF) Hong Kong Equity Fund	88,124	1.28%
BEA (MPF) Global Bond Fund	-	1.05%
BEA (MPF) Greater China Equity Fund	-	1.28%
BEA (MPF) Japan Equity Fund	7,959	1.70%
BEA (MPF) European Equity Fund	87,944	1.62%
BEA (MPF) Global Equity Fund	9,296	1.27%
BEA (MPF) North American Equity Fund	18,391	1.26%
BEA China Tracker Fund	139,978	1.27%
BEA Hong Kong Tracker Fund	206,857	0.72%
BEA (MPF) RMB & HKD Money Market Fund	-	0.79%
BEA (MPF) Age 65 Plus Fund	-	0.80%
BEA (MPF) Core Accumulation Fund	-	0.78%

## Investment report as at 31 March 2021 (continued)

### Investment portfolio

#### BEA (MPF) Conservative Fund

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits</b>				
<i>Hong Kong Dollar</i>				
Bank of East Asia, Limited F/D 0.18% 26 April 2021	9,812,332	9,812,332	9,812,332	0.62
Bank of East Asia, Limited F/D 0.18% 26 April 2021	9,295,546	9,295,546	9,295,546	0.59
China CITIC Bank International Limited F/D 0.42% 26 April 2021	8,348,798	8,348,798	8,348,798	0.53
China CITIC Bank International Limited F/D 0.42% 03 May 2021	28,349,482	28,349,482	28,349,482	1.80
China CITIC Bank International Limited F/D 0.64% 03 May 2021	43,146,243	43,146,243	43,146,243	2.75
China CITIC Bank International Limited F/D 0.38% 10 May 2021	4,006,049	4,006,049	4,006,049	0.26
China CITIC Bank International Limited F/D 0.36% 07 June 2021	5,217,965	5,217,965	5,217,965	0.33
China CITIC Bank International Limited F/D 0.36% 11 June 2021	9,209,478	9,209,478	9,209,478	0.59
China CITIC Bank International Limited F/D 0.40% 21 June 2021	5,752,747	5,752,747	5,752,747	0.37
China CITIC Bank International Limited F/D 0.64% 02 August 2021	24,260,802	24,260,802	24,260,802	1.54
China CITIC Bank International Limited F/D 0.64% 02 August 2021	11,065,838	11,065,838	11,065,838	0.70
China Everbright Bank Co., Ltd. F/D 0.38% 12 April 2021	30,561,745	30,561,745	30,561,745	1.94
China Everbright Bank Co., Ltd. F/D 0.38% 12 April 2021	25,387,863	25,387,863	25,387,863	1.62
China Everbright Bank Co., Ltd. F/D 0.38% 12 April 2021	14,584,262	14,584,262	14,584,262	0.93
China Everbright Bank Co., Ltd. F/D 0.38% 12 April 2021	35,498,339	35,498,339	35,498,339	2.26
China Everbright Bank Co., Ltd. F/D 0.38% 12 April 2021	19,793,448	19,793,448	19,793,448	1.26
China Everbright Bank Co., Ltd. F/D 0.38% 12 April 2021	6,120,690	6,120,690	6,120,690	0.39
China Everbright Bank Co., Ltd. F/D 0.38% 10 May 2021	2,303,667	2,303,667	2,303,667	0.15
China Everbright Bank Co., Ltd. F/D 0.38% 10 May 2021	2,302,873	2,302,873	2,302,873	0.15
China Everbright Bank Co., Ltd. F/D 0.33% 05 July 2021	5,154,713	5,154,713	5,154,713	0.33
Chong Hing Bank Limited F/D 0.80% 12 April 2021	61,916,504	61,916,504	61,916,504	3.94
Chong Hing Bank Limited F/D 0.68% 26 April 2021	4,085,172	4,085,172	4,085,172	0.26
Chong Hing Bank Limited F/D 0.68% 26 April 2021	8,931,107	8,931,107	8,931,107	0.57

## Investment report as at 31 March 2021 (continued)

### Investment portfolio (continued)

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

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits (continued)</b>				
<i>Hong Kong Dollar (continued)</i>				
Chong Hing Bank Limited F/D 0.68% 26 April 2021	36,406,391	36,406,391	36,406,391	2.32
Chong Hing Bank Limited F/D 0.70% 07 June 2021	9,818,614	9,818,614	9,818,614	0.63
Chong Hing Bank Limited F/D 0.70% 07 June 2021	2,554,309	2,554,309	2,554,309	0.16
Chong Hing Bank Limited F/D 0.70% 07 June 2021	3,398,692	3,398,692	3,398,692	0.22
Chong Hing Bank Limited F/D 0.65% 11 June 2021	2,437,677	2,437,677	2,437,677	0.16
Chong Hing Bank Limited F/D 0.70% 21 June 2021	8,052,423	8,052,423	8,052,423	0.51
Chong Hing Bank Limited F/D 0.70% 21 June 2021	3,786,945	3,786,945	3,786,945	0.24
CMB Wing Lung Bank Limited F/D 0.16% 12 April 2021	4,288,799	4,288,799	4,288,799	0.27
CMB Wing Lung Bank Limited F/D 0.11% 10 May 2021	8,007,016	8,007,016	8,007,016	0.51
CMB Wing Lung Bank Limited F/D 0.11% 10 May 2021	34,790,334	34,790,334	34,790,334	2.21
CMB Wing Lung Bank Limited F/D 0.11% 10 May 2021	7,878,527	7,878,527	7,878,527	0.50
CMB Wing Lung Bank Limited F/D 0.11% 10 May 2021	7,292,948	7,292,948	7,292,948	0.46
CMB Wing Lung Bank Limited F/D 0.11% 10 May 2021	13,273,362	13,273,362	13,273,362	0.84
CMB Wing Lung Bank Limited F/D 0.11% 10 May 2021	22,937,844	22,937,844	22,937,844	1.46
CMB Wing Lung Bank Limited F/D 0.11% 10 May 2021	22,324,123	22,324,123	22,324,123	1.42
CMB Wing Lung Bank Limited F/D 0.26% 10 May 2021	20,500,000	20,500,000	20,500,000	1.30
Credit Agricole Corporate and Investment Bank F/D 0.12% 26 April 2021	75,071,044	75,071,044	75,071,044	4.78
Credit Agricole Corporate and Investment Bank F/D 0.12% 26 April 2021	22,343,121	22,343,121	22,343,121	1.42
Credit Agricole Corporate and Investment Bank F/D 0.11% 03 May 2021	42,143,555	42,143,555	42,143,555	2.68
Dah Sing Bank, Limited F/D 0.15% 21 June 2021	38,238,427	38,238,427	38,238,427	2.43
Dah Sing Bank, Limited F/D 0.15% 05 July 2021	3,035,034	3,035,034	3,035,034	0.19
Dah Sing Bank, Limited F/D 0.15% 05 July 2021	3,192,116	3,192,116	3,192,116	0.20
Dah Sing Bank, Limited F/D 0.15% 05 July 2021	12,085,195	12,085,195	12,085,195	0.77

## Investment report as at 31 March 2021 (continued)

### Investment portfolio (continued)

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

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits (continued)</b>				
<i>Hong Kong Dollar (continued)</i>				
DBS Bank (Hong Kong) Limited F/D 0.09% 10 May 2021	31,578,049	31,578,049	31,578,049	2.01
DBS Bank (Hong Kong) Limited F/D 0.09% 10 May 2021	3,100,000	3,100,000	3,100,000	0.20
Fubon Bank (Hong Kong) Limited F/D 0.45% 19 April 2021	17,119,848	17,119,848	17,119,848	1.09
Fubon Bank (Hong Kong) Limited F/D 0.45% 19 April 2021	29,221,214	29,221,214	29,221,214	1.86
Fubon Bank (Hong Kong) Limited F/D 0.45% 26 April 2021	36,249,473	36,249,473	36,249,473	2.31
Fubon Bank (Hong Kong) Limited F/D 0.45% 26 April 2021	4,474,687	4,474,687	4,474,687	0.28
Fubon Bank (Hong Kong) Limited F/D 0.45% 10 May 2021	2,203,508	2,203,508	2,203,508	0.14
Fubon Bank (Hong Kong) Limited F/D 0.45% 07 June 2021	3,484,751	3,484,751	3,484,751	0.22
Fubon Bank (Hong Kong) Limited F/D 0.45% 11 June 2021	2,132,048	2,132,048	2,132,048	0.14
Fubon Bank (Hong Kong) Limited F/D 0.45% 11 June 2021	12,579,788	12,579,788	12,579,788	0.80
Fubon Bank (Hong Kong) Limited F/D 0.45% 11 June 2021	11,155,389	11,155,389	11,155,389	0.71
Fubon Bank (Hong Kong) Limited F/D 0.45% 11 June 2021	8,264,744	8,264,744	8,264,744	0.53
Fubon Bank (Hong Kong) Limited F/D 0.45% 05 July 2021	14,827,068	14,827,068	14,827,068	0.94
Industrial and Commercial Bank of China (Asia) Limited F/D 0.15% 26 April 2021	30,569,319	30,569,319	30,569,319	1.94
Industrial and Commercial Bank of China (Asia) Limited F/D 0.15% 03 May 2021	44,101,448	44,101,448	44,101,448	2.81
Industrial and Commercial Bank of China (Asia) Limited F/D 0.15% 03 May 2021	27,953,820	27,953,820	27,953,820	1.78
Industrial and Commercial Bank of China (Asia) Limited F/D 0.15% 03 May 2021	20,423,022	20,423,022	20,423,022	1.30
Industrial and Commercial Bank of China (Asia) Limited F/D 0.60% 02 August 2021	11,189,887	11,189,887	11,189,887	0.71
MUFG Bank, Ltd. F/D 0.13% 26 April 2021	9,012,836	9,012,836	9,012,836	0.57
MUFG Bank, Ltd. F/D 0.13% 26 April 2021	10,111,319	10,111,319	10,111,319	0.64
MUFG Bank, Ltd. F/D 0.11% 07 June 2021	10,662,968	10,662,968	10,662,968	0.68
MUFG Bank, Ltd. F/D 0.11% 07 June 2021	33,829,287	33,829,287	33,829,287	2.15
MUFG Bank, Ltd. F/D 0.11% 07 June 2021	9,708,518	9,708,518	9,708,518	0.62
MUFG Bank, Ltd. F/D 0.15% 21 June 2021	45,004,536	45,004,536	45,004,536	2.86
OCBC Wing Hang Bank Limited F/D 0.28% 12 April 2021	39,421,468	39,421,468	39,421,468	2.51
OCBC Wing Hang Bank Limited F/D 0.28% 12 April 2021	9,426,795	9,426,795	9,426,795	0.60

## Investment report as at 31 March 2021 (continued)

### Investment portfolio (continued)

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

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits (continued)</b>				
<i>Hong Kong Dollar (continued)</i>				
OCBC Wing Hang Bank Limited F/D 0.25% 19 April 2021	27,496,575	27,496,575	27,496,575	1.75
OCBC Wing Hang Bank Limited F/D 0.56% 03 May 2021	33,899,130	33,899,130	33,899,130	2.16
OCBC Wing Hang Bank Limited F/D 0.23% 05 July 2021	4,613,217	4,613,217	4,613,217	0.29
OCBC Wing Hang Bank Limited F/D 0.23% 05 July 2021	18,634,483	18,634,483	18,634,483	1.19
OCBC Wing Hang Bank Limited F/D 0.60% 02 August 2021	6,657,245	6,657,245	6,657,245	0.42
Sumitomo Mitsui Banking Corporation F/D 0.28% 12 April 2021	11,537,119	11,537,119	11,537,119	0.73
Sumitomo Mitsui Banking Corporation F/D 0.28% 12 April 2021	33,466,060	33,466,060	33,466,060	2.13
Sumitomo Mitsui Banking Corporation F/D 0.23% 26 April 2021	4,548,915	4,548,915	4,548,915	0.29
Sumitomo Mitsui Banking Corporation F/D 0.23% 10 May 2021	6,339,955	6,339,955	6,339,955	0.40
Sumitomo Mitsui Banking Corporation F/D 0.23% 10 May 2021	5,224,525	5,224,525	5,224,525	0.33
Sumitomo Mitsui Banking Corporation F/D 0.23% 10 May 2021	4,205,581	4,205,581	4,205,581	0.27
Sumitomo Mitsui Banking Corporation F/D 0.24% 21 June 2021	52,836,146	52,836,146	52,836,146	3.36
Sumitomo Mitsui Banking Corporation F/D 0.58% 02 August 2021	23,060,744	23,060,744	23,060,744	1.47
<b>Total investments</b>		<u>1,489,287,644</u>	<u>1,489,287,644</u>	<u>94.75</u>

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

## Investment report as at 31 March 2021 (continued)

### Investment portfolio (continued)

#### BEA (MPF) Growth Fund

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,052,941.2270	149,823,007	107,640,862	3.82
BEA Union Investment Asia Strategic Growth Fund - Class A	909,523.8560	495,381,263	266,753,576	12.62
BEA Union Investment Global Bond Fund - Class A	4,267,368.4220	576,052,063	540,240,537	14.67
BEA Union Investment Global Equity Fund - Class A	638,976.3920	149,060,413	72,627,612	3.80
BEA Union Investment Greater China Growth Fund - Class A	198,495.1140	85,448,177	35,798,780	2.18
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	114,521.5710	17,193,123	13,040,105	0.44
BEA Union Investment Hong Kong Growth Fund - Class A	1,587,478.7470	638,690,324	502,267,405	16.27
BEA Union Investment Money Market Fund - Class A	573,194.8350	59,136,511	57,321,415	1.51
PineBridge Fund Series – PineBridge India Equity Fund - Provident Fund Units	356,106.3286	53,599,447	36,165,234	1.37
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	601,536.4791	50,723,481	50,381,713	1.29
Schroder Institutional Pooled Funds - European Equity Fund - Class B	3,013,784.0647	120,236,724	103,234,762	3.06
<b>Approved Index-Tracking Collective Investment Schemes</b>				
<i>The United States of America</i>				
iShares Core MSCI Europe ETF	411,984.0000	172,865,381	150,284,061	4.40
iShares Europe ETF	329,827.0000	128,828,247	110,076,447	3.28
iShares Global Energy ETF	25,567.0000	4,899,728	4,460,891	0.12
iShares Global Financials ETF	10,439.0000	5,956,224	5,841,499	0.15
iShares MSCI Australia ETF	401,793.0000	77,438,005	59,309,009	1.97
iShares MSCI Japan ETF	489,141.0000	260,571,362	209,231,844	6.64
iShares Russell 2000 ETF	58,732.0000	100,884,489	101,321,702	2.57
SPDR S&P 500 ETF Trust	176,088.0000	542,577,736	456,843,364	13.82
<b>Total investments</b>		<u>3,689,365,705</u>	<u>2,882,840,818</u>	<u>93.98</u>

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



## Investment report as at 31 March 2021 (continued)

### Investment portfolio (continued)

#### BEA (MPF) Balanced Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	798,285.6070	113,588,059	83,132,307	5.65
BEA Union Investment Asia Strategic Growth Fund - Class A	352,211.0000	191,835,243	108,009,538	9.54
BEA Union Investment Global Bond Fund - Class A	4,858,027.4190	655,785,121	592,505,155	32.60
BEA Union Investment Global Equity Fund - Class A	228,841.6950	53,384,191	24,021,356	2.65
BEA Union Investment Greater China Growth Fund - Class A	87,872.9810	37,827,561	15,847,933	1.88
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	91,923.6550	13,800,498	10,627,753	0.69
BEA Union Investment Hong Kong Growth Fund - Class A	569,965.0170	229,314,025	179,720,302	11.40
BEA Union Investment Money Market Fund - Class A	298,609.2410	30,807,515	29,861,926	1.53
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	123,725.7817	18,622,622	12,965,531	0.93
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	370,475.8309	31,239,708	31,029,132	1.55
Schroder Institutional Pooled Funds - European Equity Fund - Class B	1,121,798.0412	44,754,806	38,426,294	2.22
<b>Approved Index-Tracking Collective Investment Schemes</b>				
<i>The United States of America</i>				
iShares Core MSCI Europe ETF	138,497.0000	58,112,297	51,398,840	2.89
iShares Europe ETF	92,269.0000	36,039,662	30,746,736	1.79
iShares Global Energy ETF	13,992.0000	2,681,464	2,449,095	0.13
iShares Global Financials ETF	5,465.0000	3,118,188	3,058,128	0.16
iShares MSCI Australia ETF	144,899.0000	27,926,543	21,278,104	1.39
iShares MSCI Japan ETF	153,006.0000	81,508,158	65,674,733	4.05
iShares Russell 2000 ETF	30,039.0000	51,598,263	51,822,828	2.57
SPDR S&P 500 ETF Trust	67,848.0000	209,059,188	179,521,100	10.39
<b>Total investments</b>		<u>1,891,003,112</u>	<u>1,532,096,791</u>	<u>94.01</u>

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

## Investment report as at 31 March 2021 (continued)

### Investment portfolio (continued)

#### BEA (MPF) Stable Fund

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	879,250.6900	125,108,581	96,879,102	5.98
BEA Union Investment Asia Strategic Growth Fund - Class A	250,748.4430	136,572,647	81,299,573	6.53
BEA Union Investment Global Bond Fund - Class A	7,333,868.6790	989,998,933	878,729,975	47.31
BEA Union Investment Global Equity Fund - Class A	176,875.1300	41,261,430	18,663,801	1.97
BEA Union Investment Greater China Growth Fund - Class A	56,057.6990	24,131,718	10,110,001	1.15
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	74,786.8810	11,227,754	8,737,198	0.54
BEA Union Investment Hong Kong Growth Fund - Class A	338,772.9990	136,298,541	114,967,455	6.51
BEA Union Investment Money Market Fund - Class A	952,977.4790	98,318,687	95,301,846	4.70
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	65,166.0859	9,808,492	6,669,249	0.47
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	356,754.9608	30,082,720	29,879,955	1.44
Schroder Institutional Pooled Funds - European Equity Fund - Class B	444,642.6286	17,739,284	15,230,878	0.85
<b>Approved Index-Tracking Collective Investment Schemes</b>				
<i>The United States of America</i>				
iShares Core MSCI Europe ETF	86,283.0000	36,203,697	33,120,585	1.73
iShares Europe ETF	26,344.0000	10,289,792	8,672,228	0.49
iShares Global Energy ETF	14,334.0000	2,747,006	2,517,223	0.13
iShares Global Financials ETF	5,345.0000	3,049,719	2,990,978	0.14
iShares MSCI Australia ETF	75,240.0000	14,501,088	11,087,121	0.69
iShares MSCI Japan ETF	68,226.0000	36,344,820	31,097,715	1.74
iShares Russell 2000 ETF	30,810.0000	52,922,617	53,155,800	2.53
SPDR S&P 500 ETF Trust	45,351.0000	139,739,465	127,402,662	6.68
<b>Total investments</b>		<u>1,916,346,991</u>	<u>1,626,513,345</u>	<u>91.58</u>

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

## Investment report as at 31 March 2021 (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>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
Principal Long Term Guaranteed Fund	30,977,760.4543	<u>756,565,878</u>	<u>541,059,593</u>	<u>100.22</u>
<b>Total investments</b>		<u><u>756,565,878</u></u>	<u><u>541,059,593</u></u>	<u><u>100.22</u></u>

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

## Investment report as at 31 March 2021 (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>
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Strategic Growth Fund - Class A	1,828,429.1310	995,872,210	502,610,959	87.84
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	719,325.2374	108,269,445	64,212,985	9.55
<b>Approved Index-Tracking Collective Investment Scheme</b>				
<i>The United Kingdom</i>				
iShares MSCI AC Far East ex-Japan UCITS ETF USD (Dist)	37,846.0000	21,222,941	16,704,615	1.87
<b>Total investments</b>		<u>1,125,364,596</u>	<u>583,528,559</u>	<u>99.26</u>

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

## Investment report as at 31 March 2021 (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>
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Greater China Growth Fund - Class A	87,621.6180	37,719,354	37,116,168	3.78
BEA Union Investment Hong Kong Growth Fund - Class A	2,198,631.9960	884,575,611	506,252,028	88.72
<b>Approved Index-Tracking Collective Investment Scheme</b>				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	2,369,000.0000	67,895,540	58,519,359	6.81
<b>Total investments</b>		<u>990,190,505</u>	<u>601,887,555</u>	<u>99.31</u>

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

## Investment report as at 31 March 2021 (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>
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Global Bond Fund - Class A	2,260,243.9240	305,110,328	269,931,214	85.91
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	282,769.2160	42,452,142	36,855,876	11.96
<b>Total investments</b>		<u>347,562,470</u>	<u>306,787,090</u>	<u>97.87</u>

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

## Investment report as at 31 March 2021 (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>
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Greater China Growth Fund - Class A	3,742,606.6050	1,611,117,291	633,918,286	88.92
BEA Union Investment Hong Kong Growth Fund - Class A	472,503.0770	190,102,163	137,209,057	10.49
<b>Total investments</b>		<u>1,801,219,454</u>	<u>771,127,343</u>	<u>99.41</u>

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

## Investment report as at 31 March 2021 (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>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
Fidelity Global Investment Fund - Japanese Equity Fund - Class B	473,459.7580	10,558,153	8,687,186	11.32
<b>Approved Index-Tracking Collective Investment Scheme</b>				
<i>The United States of America</i>				
iShares MSCI Japan ETF	151,082.0000	80,483,219	58,500,837	86.33
<b>Total investments</b>		<u>91,041,372</u>	<u>67,188,023</u>	<u>97.65</u>

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



## Investment report as at 31 March 2021 (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>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
Schroder Institutional Pooled Funds - European Equity Fund - Class B	937,105.3448	37,386,380	32,099,794	34.03
<b>Approved Index-Tracking Collective Investment Schemes</b>				
<i>The United States of America</i>				
iShares Core MSCI Europe ETF	83,281.0000	34,944,080	29,779,363	31.80
iShares Europe ETF	88,888.0000	34,719,065	29,471,248	31.60
<b>Total investments</b>		<u>107,049,525</u>	<u>91,350,405</u>	<u>97.43</u>

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

## Investment report as at 31 March 2021 (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>
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Global Equity Fund - Class A	1,222,634.1420	285,216,093	161,425,211	84.18
BEA Union Investment Hong Kong Growth Fund - Class A	3,642.3440	1,465,424	863,700	0.43
<b>Approved Index-Tracking Collective Investment Schemes</b>				
<i>The United States of America</i>				
iShares Core MSCI Europe ETF	12,200.0000	5,119,028	4,328,223	1.51
iShares Europe ETF	19,281.0000	7,531,031	6,704,777	2.22
iShares MSCI Australia ETF	7,525.0000	1,450,301	1,228,009	0.43
iShares MSCI Japan ETF	8,148.0000	4,340,539	3,228,691	1.28
SPDR S&P 500 ETF Trust	8,930.0000	27,515,897	13,260,702	8.12
<b>Total investments</b>		<u>332,638,313</u>	<u>191,039,313</u>	<u>98.17</u>

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

## Investment report as at 31 March 2021 (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>
<b>Approved Index-Tracking Collective Investment Schemes</b>				
<i>The United States of America</i>				
iShares Core S&P 500 ETF	51,667.0000	159,799,391	105,675,371	39.19
SPDR S&P 500 ETF Trust	77,280.0000	238,121,890	157,697,787	58.40
<b>Total investments</b>		<u>397,921,281</u>	<u>263,373,158</u>	<u>97.59</u>

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

## Investment report as at 31 March 2021 (continued)

### Investment portfolio (continued)

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

	<i> Holding units</i>	<i> Fair value HK\$</i>	<i> Cost HK\$</i>	<i> % of net assets</i>
<b>Approved Index-Tracking Collective Investment Scheme</b>				
<i>Hong Kong</i>				
Hang Seng China Enterprises Index ETF	1,390,200.0000	<u>154,729,260</u>	<u>151,243,997</u>	<u>100.05</u>
<b>Total investments</b>		<u><u>154,729,260</u></u>	<u><u>151,243,997</u></u>	<u><u>100.05</u></u>

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

## Investment report as at 31 March 2021 (continued)

### Investment portfolio (continued)

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

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Index-Tracking Collective Investment Scheme</b>				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	8,082,000.0000	<u>231,630,120</u>	<u>210,269,338</u>	<u>99.99</u>
<b>Total investments</b>		<u><u>231,630,120</u></u>	<u><u>210,269,338</u></u>	<u><u>99.99</u></u>

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

## Investment report as at 31 March 2021 (continued)

### Investment portfolio (continued)

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

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits</b>				
<i>Hong Kong Dollars</i>				
China CITIC Bank International Limited F/D 0.37% 25 May 2021	2,365,170	2,365,170	2,365,170	1.61
China CITIC Bank International Limited F/D 0.37% 25 May 2021	1,222,842	1,222,842	1,222,842	0.83
China CITIC Bank International Limited F/D 0.39% 08 June 2021	2,496,175	2,496,175	2,496,175	1.70
China CITIC Bank International Limited F/D 0.39% 08 June 2021	6,312,701	6,312,701	6,312,701	4.29
China Everbright Bank Co., Ltd. F/D 0.38% 11 May 2021	1,101,772	1,101,772	1,101,772	0.75
Chong Hing Bank Limited F/D 0.63% 27 April 2021	801,719	801,719	801,719	0.54
Chong Hing Bank Limited F/D 0.63% 11 May 2021	500,764	500,764	500,764	0.34
Chong Hing Bank Limited F/D 0.68% 25 May 2021	1,418,604	1,418,604	1,418,604	0.96
Chong Hing Bank Limited F/D 0.68% 25 May 2021	405,870	405,870	405,870	0.28
Chong Hing Bank Limited F/D 0.68% 25 May 2021	1,065,074	1,065,074	1,065,074	0.72
Chong Hing Bank Limited F/D 0.68% 25 May 2021	4,091,339	4,091,339	4,091,339	2.78
Chong Hing Bank Limited F/D 0.68% 25 May 2021	703,804	703,804	703,804	0.48
Chong Hing Bank Limited F/D 0.60% 08 June 2021	565,269	565,269	565,269	0.38
Chong Hing Bank Limited F/D 0.60% 08 June 2021	1,975,141	1,975,141	1,975,141	1.34
Chong Hing Bank Limited F/D 0.60% 08 June 2021	881,174	881,174	881,174	0.60
Chong Hing Bank Limited F/D 0.55% 15 June 2021	550,377	550,377	550,377	0.37
Fubon Bank (Hong Kong) Limited F/D 0.45% 27 April 2021	2,203,544	2,203,544	2,203,544	1.50
Fubon Bank (Hong Kong) Limited F/D 0.45% 11 May 2021	400,644	400,644	400,644	0.27
Fubon Bank (Hong Kong) Limited F/D 0.45% 15 June 2021	1,061,331	1,061,331	1,061,331	0.72
Fubon Bank (Hong Kong) Limited F/D 0.45% 15 June 2021	975,157	975,157	975,157	0.66
Fubon Bank (Hong Kong) Limited F/D 0.45% 29 June 2021	1,474,217	1,474,217	1,474,217	1.00
Fubon Bank (Hong Kong) Limited F/D 0.45% 29 June 2021	947,079	947,079	947,079	0.64
Fubon Bank (Hong Kong) Limited F/D 0.45% 29 June 2021	2,654,646	2,654,646	2,654,646	1.80
OCBC Wing Hang Bank Limited F/D 0.22% 25 May 2021	1,589,758	1,589,758	1,589,758	1.08
Sumitomo Mitsui Banking Corporation F/D 0.22% 08 June 2021	2,934,948	2,934,948	2,934,948	1.99
Sumitomo Mitsui Banking Corporation F/D 0.22% 08 June 2021	1,358,358	1,358,358	1,358,358	0.92
Sumitomo Mitsui Banking Corporation F/D 0.22% 08 June 2021	1,165,828	1,165,828	1,165,828	0.79
Sumitomo Mitsui Banking Corporation F/D 0.22% 08 June 2021	1,874,337	1,874,337	1,874,337	1.27

## Investment report as at 31 March 2021 (continued)

### Investment portfolio (continued)

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

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits (continued)</b>				
<i>Renminbi</i>				
China Construction Bank Corporation F/D 2.02% 20 April 2021	1,527,251	1,809,334	1,822,545	1.23
China Everbright Bank Co., Ltd. F/D 2.75% 25 May 2021	2,002,716	2,372,617	2,398,652	1.61
China Everbright Bank Co., Ltd. F/D 2.69% 08 June 2021	769,275	911,360	922,746	0.62
China Everbright Bank Co., Ltd. F/D 2.69% 08 June 2021	544,265	644,791	652,846	0.44
China Everbright Bank Co., Ltd. F/D 2.70% 15 June 2021	2,796,735	3,313,292	3,319,025	2.25
China Everbright Bank Co., Ltd. F/D 2.70% 15 June 2021	852,569	1,010,038	1,011,786	0.69
China Everbright Bank Co., Ltd. F/D 2.84% 29 June 2021	2,007,759	2,378,592	2,397,565	1.62
China Everbright Bank Co., Ltd. F/D 2.84% 29 June 2021	553,988	656,309	661,544	0.45
CMB Wing Lung Bank Limited F/D 2.38% 13 April 2021	609,263	721,794	732,273	0.49
CMB Wing Lung Bank Limited F/D 2.28% 27 April 2021	604,851	716,567	722,404	0.49
CMB Wing Lung Bank Limited F/D 2.69% 08 June 2021	2,230,356	2,642,301	2,675,311	1.80
CMB Wing Lung Bank Limited F/D 2.69% 08 June 2021	1,159,825	1,374,045	1,391,210	0.93
CMB Wing Lung Bank Limited F/D 2.69% 08 June 2021	1,212,855	1,436,870	1,454,820	0.98
CMB Wing Lung Bank Limited F/D 2.69% 08 June 2021	2,900,170	3,435,831	3,478,754	2.33
CMB Wing Lung Bank Limited F/D 2.69% 08 June 2021	1,057,992	1,253,404	1,269,062	0.85
CMB Wing Lung Bank Limited F/D 2.82% 29 June 2021	604,020	715,582	721,291	0.49
Credit Agricole Corporate and Investment Bank F/D 1.85% 13 April 2021	582,181	689,710	699,724	0.47
Credit Agricole Corporate and Investment Bank F/D 1.85% 13 April 2021	620,101	734,634	745,299	0.50
Credit Agricole Corporate and Investment Bank F/D 1.85% 13 April 2021	876,873	1,038,831	1,053,913	0.71
Credit Agricole Corporate and Investment Bank F/D 1.85% 13 April 2021	1,784,142	2,113,674	2,144,361	1.44
Credit Agricole Corporate and Investment Bank F/D 1.85% 13 April 2021	1,088,512	1,289,560	1,308,282	0.88
Credit Agricole Corporate and Investment Bank F/D 1.85% 13 April 2021	2,012,150	2,383,794	2,418,403	1.62
Credit Agricole Corporate and Investment Bank F/D 1.85% 13 April 2021	2,032,006	2,407,317	2,442,268	1.64

## Investment report as at 31 March 2021 (continued)

### Investment portfolio (continued)

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

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits (continued)</b>				
<i>Renminbi (continued)</i>				
Credit Agricole Corporate and Investment Bank F/D 1.85% 13 April 2021	1,507,680	1,786,148	1,812,080	1.21
Dah Sing Bank, Limited F/D 2.45% 15 June 2021	2,013,144	2,384,972	2,389,099	1.62
Dah Sing Bank, Limited F/D 2.45% 15 June 2021	1,628,653	1,929,464	1,932,804	1.31
Dah Sing Bank, Limited F/D 2.45% 15 June 2021	1,848,412	2,189,814	2,193,603	1.49
DBS Bank (Hong Kong) Limited F/D 2.43% 25 May 2021	3,614,829	4,282,488	4,329,481	2.91
DBS Bank (Hong Kong) Limited F/D 2.37% 08 June 2021	2,514,851	2,979,344	3,016,563	2.02
DBS Bank (Hong Kong) Limited F/D 2.50% 29 June 2021	2,440,951	2,891,794	2,914,861	1.97
DBS Bank (Hong Kong) Limited F/D 2.50% 29 June 2021	1,746,767	2,069,395	2,085,902	1.41
Fubon Bank (Hong Kong) Limited F/D 2.18% 29 June 2021	2,011,122	2,382,577	2,401,582	1.62
Industrial and Commercial Bank of China (Asia) Limited F/D 2.40% 22 June 2021	1,541,335	1,826,019	1,841,124	1.24
Industrial and Commercial Bank of China (Asia) Limited F/D 2.40% 22 June 2021	1,536,430	1,820,208	1,835,265	1.24
Industrial and Commercial Bank of China (Asia) Limited F/D 2.40% 22 June 2021	698,491	827,502	834,347	0.56
Industrial and Commercial Bank of China (Asia) Limited F/D 2.40% 22 June 2021	1,781,074	2,110,038	2,127,493	1.43
Industrial and Commercial Bank of China (Asia) Limited F/D 2.50% 29 June 2021	2,840,727	3,365,410	3,392,255	2.29
Industrial and Commercial Bank of China (Asia) Limited F/D 2.50% 29 June 2021	683,910	810,228	816,691	0.55
MUFG Bank, Ltd. F/D 2.17% 27 April 2021	812,460	962,522	970,362	0.65
MUFG Bank, Ltd. F/D 2.49% 15 June 2021	2,540,152	3,009,319	3,014,526	2.05
MUFG Bank, Ltd. F/D 2.49% 15 June 2021	1,715,106	2,031,886	2,035,402	1.38
MUFG Bank, Ltd. F/D 2.49% 15 June 2021	825,068	977,458	979,149	0.66
MUFG Bank, Ltd. F/D 2.53% 29 June 2021	804,640	953,257	960,861	0.65
MUFG Bank, Ltd. F/D 2.53% 29 June 2021	4,220,819	5,000,404	5,040,291	3.40
OCBC Wing Hang Bank Limited F/D 1.70% 13 April 2021	1,523,942	1,805,414	1,824,921	1.23
Sumitomo Mitsui Banking Corporation F/D 2.25% 13 April 2021	1,099,614	1,302,713	1,321,626	0.89
Sumitomo Mitsui Banking Corporation F/D 2.20% 27 April 2021	2,631,946	3,118,067	3,143,465	2.12
Sumitomo Mitsui Banking Corporation F/D 2.50% 29 June 2021	1,005,750	1,191,512	1,201,016	0.81
<b>Total investments</b>		<u>135,155,842</u>	<u>135,956,495</u>	<u>91.85</u>

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



## Investment report as at 31 March 2021 (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>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Age 65 Plus Fund - Class I	1,319,710.2100	<u>164,435,892</u>	<u>150,912,591</u>	<u>100.04</u>
<b>Total investments</b>		<u><u>164,435,892</u></u>	<u><u>150,912,591</u></u>	<u><u>100.04</u></u>

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

## Investment report as at 31 March 2021 (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>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Core Accumulation Fund - Class I	2,761,437.1690	<u>397,923,096</u>	<u>326,253,511</u>	<u>100.08</u>
<b>Total investments</b>		<u><u>397,923,096</u></u>	<u><u>326,253,511</u></u>	<u><u>100.08</u></u>

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

## Investment report for the year ended 31 March 2021 (continued)

### Statement of movements in investment portfolio

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

	% of net assets	
	As at 31 March 2021	As at 31 March 2020
<b>Short-term deposits</b>		
Hong Kong Dollar	<u>94.75</u>	<u>94.56</u>

## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA (MPF) Growth Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2021 units</i>
<b>Approved Pooled Investment Funds</b>				
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	1,013,219.8820	-	103,696.0260	909,523.8560
BEA Union Investment Global Bond Fund - Class A	4,575,642.1830	1,466,206.4300	1,774,480.1910	4,267,368.4220
BEA Union Investment Global Equity Fund - Class A	638,976.3920	-	-	638,976.3920
BEA Union Investment Greater China Growth Fund - Class A	198,495.1140	-	-	198,495.1140
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	1,648,523.2620	537,096.2570	598,140.7720	1,587,478.7470
BEA Union Investment Money Market Fund - Class A	573,194.8350	-	-	573,194.8350
PineBridge Fund Series - PineBridge India Equity Fund – Provident Fund Units	356,106.3286	-	-	356,106.3286
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	-	721,989.9112	120,453.4321	601,536.4791
Schroder Institutional Pooled Funds - European Equity Fund - Class B	3,013,784.0647	-	-	3,013,784.0647

# Investment report for the year ended 31 March 2021 (continued)

## Statement of movements in investment portfolio (continued)

### BEA (MPF) Growth Fund (continued)

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2021 units</i>
<b>Approved Index-Tracking Collective Investment Schemes</b>				
iShares Core MSCI Europe ETF	-	628,352.0000	216,368.0000	411,984.0000
iShares Europe ETF	270,460.0000	429,876.0000	370,509.0000	329,827.0000
iShares Global Energy ETF	21,709.0000	242,076.0000	238,218.0000	25,567.0000
iShares Global Financials ETF	-	107,240.0000	96,801.0000	10,439.0000
iShares Global Tech ETF	-	157,560.0000	157,560.0000	-
iShares MSCI Australia ETF	401,793.0000	-	-	401,793.0000
iShares MSCI Japan ETF	669,435.0000	24,175.0000	204,469.0000	489,141.0000
iShares Russell 2000 ETF	-	82,120.0000	23,388.0000	58,732.0000
iShares U.S. Technology ETF	-	322,943.0000	322,943.0000	-
SPDR S&P 500 ETF Trust	200,816.0000	206,327.0000	231,055.0000	176,088.0000
Tracker Fund of Hong Kong	3,927,500.0000	3,687,500.0000	7,615,000.0000	-
Vanguard FTSE Developed Europe UCITS ETF	794,945.0000	138,440.0000	933,385.0000	-

## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA (MPF) Balanced Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2021 units</i>
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	949,537.6290	-	151,252.0220	798,285.6070
BEA Union Investment Asia Strategic Growth Fund - Class A	414,804.1160	-	62,593.1160	352,211.0000
BEA Union Investment Global Bond Fund - Class A	4,756,042.6610	1,060,729.7190	958,744.9610	4,858,027.4190
BEA Union Investment Global Equity Fund - Class A	228,841.6950	-	-	228,841.6950
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	-	19,447.7430	91,923.6550
BEA Union Investment Hong Kong Growth Fund - Class A	580,172.7520	278,736.3040	288,944.0390	569,965.0170
BEA Union Investment Money Market Fund - Class A	298,609.2410	-	-	298,609.2410
PineBridge Fund Series - PineBridge India Equity Fund – Provident Fund Units	123,725.7817	-	-	123,725.7817
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	-	370,475.8309	-	370,475.8309
Schroder Institutional Pooled Funds - European Equity Fund - Class B	1,121,798.0412	-	-	1,121,798.0412

# Investment report for the year ended 31 March 2021 (continued)

## Statement of movements in investment portfolio (continued)

### BEA (MPF) Balanced Fund (continued)

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2021 units</i>
<b>Approved Index-Tracking Collective Investment Schemes</b>				
iShares Core MSCI Europe ETF	-	244,790.0000	106,293.0000	138,497.0000
iShares Europe ETF	98,284.0000	180,452.0000	186,467.0000	92,269.0000
iShares Global Energy ETF	12,192.0000	123,673.0000	121,873.0000	13,992.0000
iShares Global Financials ETF	-	54,989.0000	49,524.0000	5,465.0000
iShares Global Tech ETF	-	71,576.0000	71,576.0000	-
iShares MSCI Australia ETF	144,899.0000	-	-	144,899.0000
iShares MSCI Japan ETF	252,940.0000	-	99,934.0000	153,006.0000
iShares Russell 2000 ETF	-	42,032.0000	11,993.0000	30,039.0000
iShares U.S. Technology ETF	-	139,259.0000	139,259.0000	-
SPDR S&P 500 ETF Trust	81,333.0000	86,928.0000	100,413.0000	67,848.0000
Tracker Fund of Hong Kong	2,123,000.0000	1,911,500.0000	4,034,500.0000	-
Vanguard FTSE Developed Europe UCITS ETF	267,872.0000	73,554.0000	341,426.0000	-

## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA (MPF) Stable Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2021 units</i>
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	937,094.1160	-	57,843.4260	879,250.6900
BEA Union Investment Asia Strategic Growth Fund - Class A	288,224.9370	-	37,476.4940	250,748.4430
BEA Union Investment Global Bond Fund - Class A	7,464,426.0950	1,169,299.8940	1,299,857.3100	7,333,868.6790
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	334,538.9690	279,837.3640	275,603.3340	338,772.9990
BEA Union Investment Money Market Fund - Class A	952,977.4790	-	-	952,977.4790
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	65,166.0859	-	-	65,166.0859
Schroder Institutional Pooled Funds - Asia ex Japan ex HK Equity Fund - Class B	-	382,127.4130	25,372.4522	356,754.9608
Schroder Institutional Pooled Funds - European Equity Fund - Class B	444,642.6286	-	-	444,642.6286



## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA (MPF) Stable Fund (continued)

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2021 units</i>
<b>Approved Index-Tracking Collective Investment Schemes</b>				
iShares Core MSCI Europe ETF	-	186,168.0000	99,885.0000	86,283.0000
iShares Europe ETF	64,031.0000	158,920.0000	196,607.0000	26,344.0000
iShares Global Energy ETF	13,698.0000	126,883.0000	126,247.0000	14,334.0000
iShares Global Financials ETF	-	56,646.0000	51,301.0000	5,345.0000
iShares Global Tech ETF	-	65,998.0000	65,998.0000	-
iShares MSCI Australia ETF	75,240.0000	-	-	75,240.0000
iShares MSCI Japan ETF	156,461.0000	40,493.0000	128,728.0000	68,226.0000
iShares Russell 2000 ETF	-	43,281.0000	12,471.0000	30,810.0000
iShares U.S. Technology ETF	-	134,161.0000	134,161.0000	-
SPDR S&P 500 ETF Trust	56,510.0000	86,758.0000	97,917.0000	45,351.0000
Tracker Fund of Hong Kong	2,342,500.0000	2,008,500.0000	4,351,000.0000	-
Vanguard FTSE Developed Europe UCITS ETF	144,682.0000	79,191.0000	223,873.0000	-

## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA (MPF) Long Term Guaranteed Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2021 units</i>
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Pooled Investment Fund</b>				
Principal Long Term Guaranteed Fund	31,574,419.3145	2,664,947.8221	3,261,606.6823	30,977,760.4543

## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA (MPF) Asian Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2021 units</i>
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Asia Strategic Growth Fund - Class A	1,966,029.3140	9,990.8320	147,591.0150	1,828,429.1310
PineBridge Fund Series - PineBridge India Equity Fund - Provident Fund Units	705,863.4462	43,876.0415	30,414.2503	719,325.2374
<b>Approved Index-Tracking Collective Investment Scheme</b>				
iShares MSCI AC Far East ex-Japan UCITS ETF USD (Dist)	42,392.0000	35,755.0000	40,301.0000	37,846.0000

## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA (MPF) Hong Kong Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2021 units</i>
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Greater China Growth Fund- Class A	-	87,621.6180	-	87,621.6180
BEA Union Investment Hong Kong Growth Fund - Class A	2,371,540.7790	12,392.2210	185,301.0040	2,198,631.9960
<b>Approved Index-Tracking Collective Investment Scheme</b>				
Tracker Fund of Hong Kong	<u>3,633,000.0000</u>	<u>269,000.0000</u>	<u>1,533,000.0000</u>	<u>2,369,000.0000</u>

## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA (MPF) Global Bond Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2021 units</i>
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Global Bond Fund - Class A	2,143,909.9620	339,826.8020	223,492.8400	2,260,243.9240
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	<u>267,525.0980</u>	<u>42,887.9820</u>	<u>27,643.8640</u>	<u>282,769.2160</u>

## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA (MPF) Greater China Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2021 units</i>
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Greater China Growth Fund - Class A	3,901,388.4850	50,847.2310	209,629.1110	3,742,606.6050
BEA Union Investment Hong Kong Growth Fund - Class A	419,909.5560	97,212.1310	44,618.6100	472,503.0770

## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA (MPF) Japan Equity Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2021 units</i>
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Pooled Investment Fund</b>				
Fidelity Global Investment Fund - Japanese Equity Fund - Class B	511,886.2150	-	38,426.4570	473,459.7580
<b>Approved Index-Tracking Collective Investment Scheme</b>				
iShares MSCI Japan ETF	151,444.0000	20,476.0000	20,838.0000	151,082.0000

## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA (MPF) European Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2021 units</i>
<b>Approved Pooled Investment Fund</b>				
Schroder Institutional Pooled Funds - European Equity Fund - Class B	1,193,408.4695	-	256,303.1247	937,105.3448
<b>Approved Index-Tracking Collective Investment Schemes</b>				
iShares Core MSCI Europe ETF	-	83,281.0000	-	83,281.0000
iShares Europe ETF	46,757.0000	42,731.0000	600.0000	88,888.0000
Vanguard FTSE Developed Europe UCITS ETF	143,362.0000	18,416.0000	161,778.0000	-



## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA (MPF) Global Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2021 units</i>
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Global Equity Fund - Class A	1,209,736.6190	39,402.9710	26,505.4480	1,222,634.1420
BEA Union Investment Hong Kong Growth Fund - Class A	3,642.3440	-	-	3,642.3440
<b>Approved Index-Tracking Collective Investment Schemes</b>				
iShares Core MSCI Europe ETF	-	12,200.0000	-	12,200.0000
iShares Europe ETF	19,281.0000	-	-	19,281.0000
iShares MSCI Australia ETF	7,525.0000	-	-	7,525.0000
iShares MSCI Japan ETF	8,148.0000	-	-	8,148.0000
SPDR S&P 500 ETF Trust	8,930.0000	-	-	8,930.0000
Vanguard FTSE Developed Europe UCITS ETF	16,675.0000	-	16,675.0000	-

## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA (MPF) North American Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2021 units</i>
<b>Approved Index-Tracking Collective Investment Schemes</b>				
iShares Core S&P 500 ETF	49,226.0000	7,871.0000	5,430.0000	51,667.0000
SPDR S&P 500 ETF Trust	72,948.0000	13,051.0000	8,719.0000	77,280.0000

## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA China Tracker Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2021 units</i>
<b>Approved Index-Tracking Collective Investment Scheme</b>				
Hang Seng China Enterprises Index ETF	1,308,800.0000	412,200.0000	330,800.0000	1,390,200.0000

## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA Hong Kong Tracker Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2021 units</i>
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Index-Tracking Collective Investment Scheme</b>				
Tracker Fund of Hong Kong	8,908,500.0000	1,865,000.0000	2,691,500.0000	8,082,000.0000

## Investment report for the year ended 31 March 2021 (continued)

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

#### *BEA (MPF) RMB & HKD Money Market Fund*

	% of net assets	
	As at 31 March 2021	As at 31 March 2020
<b>Short-term deposits</b>		
Hong Kong Dollar	30.61	46.36
Renminbi	61.24	47.78
	<u>91.85</u>	<u>94.14</u>

## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA (MPF) Age 65 Plus Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2021 units</i>
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Age 65 Plus Fund - Class I	886,637.0430	557,089.0710	124,015.9040	1,319,710.2100

## Investment report for the year ended 31 March 2021 (continued)

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

#### BEA (MPF) Core Accumulation Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2021 units</i>
	<i>As at 31 March 2020 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Core Accumulation Fund - Class I	2,135,854.0030	777,784.9600	152,201.7940	2,761,437.1690

# 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 153, 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 2021, 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 2021, 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 ("HKSAs") and with reference to Practice Note 860.1 (Revised), *The Audit of Retirement Schemes* issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Scheme in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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



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

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

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

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

In preparing the financial statements, the Investment Manager and the Trustee of the Scheme are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Investment Manager and the Trustee either 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.

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

# Independent auditor's report to the Trustee of BEA (MPF) 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)*

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

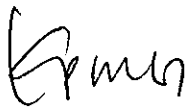
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

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

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

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

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



Certified Public Accountants

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

20 September 2021

## 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 2021 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 20 September 2021.

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 2021 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 2020, 31 December 2020 and 31 March 2021; 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 2020, 31 December 2020 and 31 March 2021; 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 2021.
2. As at 31 March 2021, 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 2021 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

20 September 2021

## Statement of changes in net assets available for benefits - Master Trust Scheme for the year ended 31 March 2021

	Note	2021 HK\$	2020 HK\$
<b>Income</b>			
Net gain/(loss) on investments in constituent funds	9	3,618,436,263	(859,897,402)
Interest on bank deposits	10(b)	1,841,716	1,856,622
<b>Total investment income/(loss)</b>		<u>3,620,277,979</u>	<u>(858,040,780)</u>
<b>Expenses</b>			
Administrative and other expenses		1,805,137	1,916,510
<b>Total operating expenses</b>		<u>1,805,137</u>	<u>1,916,510</u>
<b>Net profit/(loss)</b>		<u>3,618,472,842</u>	<u>(859,957,290)</u>
<b>Contributions received and receivable</b>			
	12		
From employers			
– Mandatory		521,454,041	515,937,372
– Additional voluntary		300,959,744	281,873,101
From members			
– Mandatory		508,979,849	501,232,770
– Additional voluntary		51,397,246	40,641,116
		<u>1,382,790,880</u>	<u>1,339,684,359</u>
<b>Contribution surcharge</b>		<u>644,134</u>	<u>504,166</u>
<b>Transfers in</b>			
Group transfers in from other schemes		14,312,802	45,620,031
Individual transfers in from other schemes		145,541,697	129,279,984
Special contributions		9,258	-
		<u>159,863,757</u>	<u>174,900,015</u>

## Statement of changes in net assets available for benefits - Master Trust Scheme for the year ended 31 March 2021 (continued)

	Note	2021 HK\$	2020 HK\$
<b>Benefits paid and payable</b>	13		
Retirement		206,090,257	205,408,340
Early retirement		82,546,124	64,640,126
Terminal illness		3,342,983	534,586
Death		11,338,612	12,534,062
Permanent departure		71,837,175	50,964,658
Total incapacity		3,871,366	3,866,202
Small balance		4,832	3,916
Refund of contributions to leavers or employers		89,137,375	71,028,304
		<u>468,168,724</u>	<u>408,980,194</u>
<b>Transfers out</b>			
Group transfers out to other schemes		195,479,177	126,960,790
Individual transfers out to other schemes		939,572,018	660,273,094
		<u>1,135,051,195</u>	<u>787,233,884</u>
<b>Forfeitures</b>		<u>15,577,839</u>	<u>13,895,226</u>
<b>Long service payments and severance payments</b>		<u>117,484,997</u>	<u>86,744,066</u>
<b>Fees and expenses deduction for conservative fund</b>		<u>9,854,043</u>	<u>12,002,246</u>
<b>Changes in net assets available for benefits attributable to members</b>		3,415,634,815	(653,724,366)
<b>Net assets available for benefits attributable to members at the beginning of the year</b>		<u>13,264,496,163</u>	<u>13,918,220,529</u>
<b>Net assets available for benefits attributable to members at the end of the year</b>		<u>16,680,130,978</u>	<u>13,264,496,163</u>

The notes on pages 105 to 153 form part of these financial statements.



## Statement of net assets available for benefits - Master Trust Scheme as at 31 March 2021

	Note	2021 HK\$	2020 HK\$
<b>Assets</b>			
Investments	7	16,699,397,478	13,227,106,928
Contributions receivables			
- from employers		38,838,390	40,643,978
- from members		31,268,641	31,476,481
- from other schemes		806,875	421,776
Interest receivables		154,328	154,061
Other receivables		373,887	156,314
Bank balances	8, 10(b)	14,002,188	12,613,831
<b>Total assets</b>		<u>16,784,841,787</u>	<u>13,312,573,369</u>
<b>Liabilities</b>			
Benefits payables	8	101,686,597	44,433,869
Forfeitures payable		1,690,129	1,543,430
Accruals and other payables		1,334,083	2,099,907
<b>Total liabilities (excluding net assets available for benefits attributable to members)</b>		<u>104,710,809</u>	<u>48,077,206</u>
<b>Net assets available for benefits attributable to members</b>		<u>16,680,130,978</u>	<u>13,264,496,163</u>

Approved and authorised for issue by the Trustee on 20 September 2021.




)  
)  
) 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 153 form part of these financial statements.

## Cash flow statement - Master Trust Scheme for the year ended 31 March 2021

	2021 HK\$	2020 HK\$
<b>Cash flows from operating activities</b>		
Net profit/(loss)	3,618,472,842	(859,957,290)
Adjustments for:		
Net (gain)/loss on investments in constituent funds	(3,618,436,263)	859,897,402
Interest on bank deposits	(1,841,716)	(1,856,622)
Fees and expenses deduction for conservative fund	(9,854,043)	(12,002,246)
	<u>(11,659,180)</u>	<u>(13,918,756)</u>
Payments on purchase of investments	(3,151,775,822)	(2,532,260,114)
Proceeds from sale of investments	3,297,921,535	2,336,072,492
(Increase)/decrease in other receivables	(217,573)	127,222
(Decrease)/increase in accruals and other payables	(765,824)	563,279
Interest received on bank deposits	1,841,449	1,865,080
	<u>135,344,585</u>	<u>(207,550,797)</u>
<b>Net cash generated from/(used in) operating activities</b>		
<b>Cash flows from financing activities</b>		
Contributions and transfers in received	1,544,927,100	1,512,958,628
Benefits paid, transfers out, long service payments and severance payments	(1,663,452,188)	(1,291,576,149)
Forfeitures paid	(15,431,140)	(13,743,114)
	<u>(133,956,228)</u>	<u>207,639,365</u>
<b>Net cash (used in)/generated from financing activities</b>		
<b>Net increase in cash and cash equivalents</b>	1,388,357	88,568
<b>Cash and cash equivalents at the beginning of the year</b>	<u>12,613,831</u>	<u>12,525,263</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>14,002,188</u>	<u>12,613,831</u>
<b>Analysis of balance of cash and cash equivalents</b>		
Bank balances	<u>14,002,188</u>	<u>12,613,831</u>

The notes on pages 105 to 153 form part of these financial statements.

## Statement of comprehensive income - Constituent funds for the year ended 31 March 2021

		2021																	
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\$	
<b>Income</b>																			
	-	1,056,504,641	421,404,847	295,710,424	68,138,713	460,325,505	269,394,372	7,779,199	673,925,536	26,995,216	35,115,991	114,906,751	139,615,947	21,092,713	42,641,053	-	10,942,828	79,902,146	
Net gain on investments	9	-	1,056,504,641	421,404,847	295,710,424	68,138,713	460,325,505	269,394,372	7,779,199	673,925,536	26,995,216	35,115,991	114,906,751	139,615,947	21,092,713	42,641,053	-	10,942,828	79,902,146
Dividend income		-	21,201,704	8,102,977	5,301,079	-	329,272	2,659,560	-	821,124	1,294,902	694,224	5,675,352	3,656,468	6,449,280	-	-	-	-
Interest income	10(b)	1,024	6,859	3,751	4,532	57	190	61	96	131	42	37	208	238	5	9	5,311	7	11
Interest income from financial assets at fair value through profit or loss	10(c)	14,184,965	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange gain/(loss)		-	1,057,871	1,011,783	753,293	-	229,699	-	820	944,371	(2,669,368)	234,279	(436,894)	-	-	-	-	-	-
Other income		-	-	-	-	107	-	-	-	829	-	-	-	-	-	-	-	-	-
<b>Total investment income</b>		<b>14,185,989</b>	<b>1,078,771,075</b>	<b>430,523,358</b>	<b>301,769,328</b>	<b>68,138,877</b>	<b>460,884,666</b>	<b>272,053,993</b>	<b>7,779,295</b>	<b>673,926,487</b>	<b>28,761,582</b>	<b>33,741,562</b>	<b>115,835,462</b>	<b>144,854,643</b>	<b>24,749,186</b>	<b>49,090,342</b>	<b>8,297,090</b>	<b>10,942,835</b>	<b>79,902,157</b>
<b>Expenses</b>																			
Trustee, administration and custodian fees	10(a)	-	16,592,404	8,652,796	9,128,497	3,350,606	4,544,819	4,246,535	1,629,946	7,080,516	377,150	439,457	1,309,403	1,580,219	378,058	588,399	597,492	401,726	964,775
Investment management fees	10(a)	-	11,400,001	5,945,978	6,273,887	7,445,792	3,121,795	2,918,090	1,120,549	4,863,117	259,117	301,770	899,195	1,085,233	405,713	634,549	410,681	217,135	521,368
Sponsor fees	10(a)	-	16,254,006	8,475,349	8,940,275	372,290	4,452,904	4,159,468	835,386	6,937,743	348,513	406,245	1,210,398	1,460,674	44,700	69,693	40,758	401,726	964,775
Auditor's remuneration		-	97,813	68,183	68,183	-	37,456	18,846	30,604	37,456	-	-	-	-	-	-	-	37,612	37,612
Legal and other professional fees		-	8,531	4,372	4,512	-	2,529	2,227	787	4,045	-	-	705	825	-	-	-	346	825
Safe custody and bank charges		1,680	190,201	86,232	64,275	-	16,989	5,277	5,786	5,865	17,263	18,414	8,967	58,799	7,378	10,838	10,201	-	-
License and registration fees		-	4,500	4,500	4,500	-	4,500	4,500	4,500	4,500	-	-	4,500	4,500	36,352	56,577	-	-	-
Printing and postage expenses		-	529,661	282,675	305,296	-	131,071	130,720	54,293	202,987	-	-	41,088	48,820	13,333	21,636	-	17,603	43,628
Fund price publication expenses		-	14,594	14,594	14,594	-	14,594	14,594	14,594	14,594	-	-	14,594	14,594	14,594	14,594	-	14,594	14,594
Professional indemnity insurance		-	108,419	56,453	59,215	-	27,840	26,116	10,190	40,514	-	-	2,510	2,998	-	-	-	3,262	7,966
Transaction costs		-	2,076,045	936,671	884,808	-	46,948	88,124	-	7,959	87,944	9,296	18,391	139,978	206,857	-	-	-	-
Miscellaneous expenses		-	755,064	288,568	142,292	-	282,339	4,163	1,282	5,447	49,306	195,405	1,030	1,241	142	209	-	5,468	5,468
<b>Total operating expenses</b>		<b>1,680</b>	<b>48,031,239</b>	<b>24,816,371</b>	<b>25,890,334</b>	<b>11,168,688</b>	<b>12,683,784</b>	<b>11,618,660</b>	<b>3,707,917</b>	<b>19,196,784</b>	<b>1,059,308</b>	<b>1,449,235</b>	<b>3,501,686</b>	<b>4,276,294</b>	<b>1,040,248</b>	<b>1,603,352</b>	<b>1,059,132</b>	<b>1,099,472</b>	<b>2,561,011</b>
<b>Profit before taxation</b>		<b>14,184,309</b>	<b>1,030,739,836</b>	<b>405,706,987</b>	<b>275,878,994</b>	<b>56,970,189</b>	<b>448,200,882</b>	<b>260,435,333</b>	<b>4,071,378</b>	<b>654,729,703</b>	<b>27,702,274</b>	<b>32,292,327</b>	<b>112,333,776</b>	<b>140,578,349</b>	<b>23,708,938</b>	<b>47,486,990</b>	<b>7,237,958</b>	<b>9,843,363</b>	<b>77,341,146</b>
Overseas withholding tax	15	-	(5,277,559)	(2,034,462)	(1,337,043)	-	-	-	-	(246,337)	(219,336)	(189,126)	(1,702,606)	-	-	-	-	-	-
<b>Changes in net assets attributable to members from operations</b>		<b>14,184,309</b>	<b>1,025,462,277</b>	<b>403,672,525</b>	<b>274,541,951</b>	<b>56,970,189</b>	<b>448,200,882</b>	<b>260,435,333</b>	<b>4,071,378</b>	<b>654,729,703</b>	<b>27,455,937</b>	<b>32,072,991</b>	<b>112,144,650</b>	<b>138,875,743</b>	<b>23,708,938</b>	<b>47,486,990</b>	<b>7,237,958</b>	<b>9,843,363</b>	<b>77,341,146</b>

The notes on pages 105 to 153 form part of these financial statements.

## Statement of comprehensive income - Constituent funds for the year ended 31 March 2021 (continued)

		2020																	
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\$	
<b>Income</b>																			
Net (loss)/gain on investments	9	-	(299,166,650)	(87,622,208)	(24,793,184)	4,961,112	(100,063,596)	(108,617,135)	13,649,319	(53,282,110)	(7,551,149)	(15,283,561)	(27,176,772)	(31,181,993)	(22,666,621)	(43,198,125)	-	2,030,969	(12,317,670)
Dividend income		-	43,089,249	16,476,344	11,178,781	-	150,675	3,733,905	-	-	1,444,352	1,552,602	808,307	4,810,773	3,572,300	7,100,670	-	-	-
Interest income	10(b)	55,768	215,083	91,898	141,866	971	4,997	4,374	6,734	7,272	2,630	1,981	4,820	6,123	307	620	10,486	209	470
Interest income from financial assets at fair value through profit or loss	10(c)	30,042,325	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,922,853
Exchange (loss)/gain		-	(262,752)	(246,330)	(394,830)	-	(50,001)	-	-	(3,457)	(285,237)	2,162,604	113,001	919,960	-	-	-	-	(5,021,968)
Other income		-	-	-	-	119	-	-	-	-	838	-	-	-	-	-	-	-	-
<b>Total investment income/(loss)</b>		<b>30,098,093</b>	<b>(256,125,070)</b>	<b>(71,300,296)</b>	<b>(13,867,367)</b>	<b>4,962,202</b>	<b>(99,957,925)</b>	<b>(104,878,856)</b>	<b>13,656,053</b>	<b>(53,278,295)</b>	<b>(6,388,566)</b>	<b>(11,566,374)</b>	<b>(26,250,644)</b>	<b>(25,445,137)</b>	<b>(19,094,014)</b>	<b>(36,096,835)</b>	<b>(2,088,629)</b>	<b>2,031,178</b>	<b>(12,317,200)</b>
<b>Expenses</b>																			
Trustee, administration and custodian fees	10(a)	-	15,555,502	8,141,149	8,606,168	3,307,744	3,833,838	3,773,722	1,402,948	5,570,538	355,398	401,839	1,058,866	1,028,299	351,526	559,817	572,692	248,481	605,258
Investment management fees	10(a)	-	10,745,968	5,622,703	5,942,264	7,350,541	2,649,562	2,608,215	968,151	3,848,468	245,513	277,630	731,550	710,138	420,418	669,433	395,438	135,018	329,119
Sponsor fees	10(a)	-	15,179,868	7,945,879	8,401,349	367,527	3,740,168	3,681,322	8,401,349	5,435,762	327,072	369,777	974,400	946,565	39,269	62,636	37,262	248,481	605,258
Auditor's remuneration		-	94,638	65,978	65,979	-	36,257	18,259	29,631	36,258	-	-	-	-	-	-	-	35,658	52,809
Legal and other professional fees		-	3,687	1,957	2,102	-	925	903	370	1,377	-	-	-	-	-	-	-	113	268
Safe custody and bank charges	1,770	177,943	82,447	60,059	-	10,932	5,215	5,617	5,256	-	1,016	270	-	6,686	7,994	-	-	-	-
License and registration fees		-	4,500	4,500	4,500	-	4,500	4,500	4,500	-	-	-	-	33,878	53,941	-	-	-	-
Printing and postage expenses		-	786,410	411,421	435,918	-	190,117	190,588	67,445	273,550	-	-	34,967	30,373	21,760	33,173	-	16,287	39,009
Fund price publication expenses		-	14,594	14,594	14,594	-	14,594	14,594	14,594	-	-	14,594	14,594	14,594	14,594	14,594	-	14,594	14,594
Professional indemnity insurance		-	103,275	53,872	56,361	-	25,293	24,657	8,483	36,011	-	-	-	-	-	-	-	1,903	4,377
Transaction costs		-	1,366,576	637,147	668,447	-	14,682	164,753	-	-	9,201	8,383	1,642	18,159	89,043	203,212	-	-	-
Miscellaneous expenses		-	660,391	243,077	103,309	-	276,040	66	-	-	51,929	214,815	-	-	10	17	-	5,468	5,468
<b>Total operating expenses</b>		<b>1,770</b>	<b>44,693,352</b>	<b>23,224,724</b>	<b>24,361,050</b>	<b>11,025,812</b>	<b>10,796,908</b>	<b>10,486,794</b>	<b>3,217,126</b>	<b>15,226,314</b>	<b>989,113</b>	<b>1,273,460</b>	<b>2,816,289</b>	<b>2,748,128</b>	<b>977,184</b>	<b>1,604,817</b>	<b>1,005,392</b>	<b>706,003</b>	<b>1,656,160</b>
<b>Profit/(loss) before taxation</b>		<b>30,096,323</b>	<b>(300,818,422)</b>	<b>(94,525,020)</b>	<b>(38,228,417)</b>	<b>(6,063,610)</b>	<b>(110,754,833)</b>	<b>(115,365,650)</b>	<b>10,438,927</b>	<b>(68,504,609)</b>	<b>(7,377,679)</b>	<b>(12,839,834)</b>	<b>(29,066,933)</b>	<b>(28,193,265)</b>	<b>(20,071,198)</b>	<b>(37,701,652)</b>	<b>(3,094,021)</b>	<b>1,325,175</b>	<b>(13,973,360)</b>
Overseas withholding tax	15	-	(7,648,781)	(3,059,213)	(2,262,704)	-	-	-	-	-	(433,305)	(134,513)	(197,576)	(1,443,232)	-	-	-	-	-
<b>Changes in net assets attributable to members from operations</b>		<b>30,096,323</b>	<b>(308,467,203)</b>	<b>(97,584,233)</b>	<b>(40,491,121)</b>	<b>(6,063,610)</b>	<b>(110,754,833)</b>	<b>(115,365,650)</b>	<b>10,438,927</b>	<b>(68,504,609)</b>	<b>(7,810,984)</b>	<b>(12,974,347)</b>	<b>(29,264,509)</b>	<b>(29,636,497)</b>	<b>(20,071,198)</b>	<b>(37,701,652)</b>	<b>(3,094,021)</b>	<b>1,325,175</b>	<b>(13,973,360)</b>

The notes on pages 105 to 153 form part of these financial statements.

## Statement of assets and liabilities - Constituent funds as at 31 March 2021

		2021																	
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\$	
<b>Assets</b>																			
Investments	7,10(c)	1,489,287,644	3,689,365,705	1,891,003,112	1,916,346,991	756,565,878	1,125,364,596	990,190,505	347,562,470	1,801,219,454	91,041,372	107,049,525	332,638,313	397,921,281	154,729,260	231,630,120	135,155,842	164,435,892	397,923,096
Derivative financial instruments	6	-	-	-	-	-	-	-	-	-	192,440	27,088	-	-	-	-	-	-	-
Amounts receivable on sale of investments		-	-	-	-	1,967,206	-	-	-	-	-	-	-	-	688,834	-	-	-	99,810
Amounts receivable on subscriptions		2,508,510	891,892	2,237	448,593	-	412,492	615,958	3,276,123	2,219,892	113,834	707	46,137	1,201,838	14,344	138,031	36,596	88,658	-
Interest, dividend and other receivables		1,032,220	1,749,382	674,061	450,595	-	24	20	15	41	211	6	88,721	760,836	1	2	216,505	2	3
Prepayments		-	91,945	47,386	49,184	-	26,429	23,451	9,004	-	-	-	7,529	8,993	-	-	-	-	-
Bank balances	10(b)	83,352,848	242,251,614	125,258,323	180,604,561	274,601	11,427,782	9,244,502	5,111,276	15,434,036	2,912,971	3,203,715	6,711,569	9,738,076	187,193	1,591,219	12,240,703	783,592	388,506
<b>Total assets</b>		<b>1,576,181,222</b>	<b>3,934,350,538</b>	<b>2,016,985,119</b>	<b>2,097,899,924</b>	<b>758,807,685</b>	<b>1,137,231,323</b>	<b>1,000,074,436</b>	<b>355,958,888</b>	<b>1,818,913,507</b>	<b>94,260,828</b>	<b>110,281,041</b>	<b>339,492,269</b>	<b>409,631,024</b>	<b>155,619,632</b>	<b>233,359,372</b>	<b>147,649,646</b>	<b>165,308,144</b>	<b>398,411,415</b>
<b>Liabilities</b>																			
Derivative financial instruments	6	-	-	-	-	-	-	-	-	-	-	3,326	30,012	-	-	-	-	-	-
Amounts payable on purchase of investments		-	-	-	-	481	-	-	-	-	-	-	-	-	1,255,898	-	522,513	-	-
Amounts payable on redemptions		4,455,204	3,717,344	2,881,296	2,727,000	2,241,326	2,096,029	1,923,786	462,466	4,939,093	916,033	269,363	263,684	1,214,675	882,227	338,510	390,199	260,700	488,227
Accruals and other payables	10(a)	-	5,086,309	2,545,092	2,532,669	1,623,311	1,358,105	1,129,303	354,736	2,046,398	116,185	134,233	387,051	662,168	80,425	119,675	103,858	150,726	308,899
<b>Total liabilities (excluding net assets attributable to members)</b>		<b>4,455,204</b>	<b>8,803,653</b>	<b>5,426,388</b>	<b>5,259,669</b>	<b>3,865,118</b>	<b>3,454,134</b>	<b>3,053,089</b>	<b>817,202</b>	<b>6,985,491</b>	<b>1,032,218</b>	<b>403,596</b>	<b>654,061</b>	<b>1,906,855</b>	<b>962,652</b>	<b>1,714,083</b>	<b>494,057</b>	<b>933,939</b>	<b>797,126</b>
<b>Net assets attributable to members</b>	2(c), 4(b)	<b>1,571,726,018</b>	<b>3,925,546,885</b>	<b>2,011,558,731</b>	<b>2,092,640,255</b>	<b>754,942,567</b>	<b>1,133,777,189</b>	<b>997,021,347</b>	<b>355,141,686</b>	<b>1,811,928,016</b>	<b>93,228,610</b>	<b>109,877,445</b>	<b>338,838,208</b>	<b>407,724,169</b>	<b>154,656,980</b>	<b>231,645,289</b>	<b>147,155,589</b>	<b>164,374,205</b>	<b>397,614,289</b>

## Statement of assets and liabilities - Constituent funds as at 31 March 2021 (continued)

		2021																	
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\$	
<b>Represented by:</b>																			
Number of units outstanding	4(a) 108,940,952.3620	150,035,830.7140	87,366,736.3540	101,939,229.5480	53,850,121.9288	35,161,793.4610	36,587,767.5110	28,334,223.8190	65,029,410.4550	9,585,441.7500	7,584,409.8640	16,227,773.5450	15,400,034.4170	13,864,186.5450	13,991,482.8620	13,483,516.9660	13,684,337.0530	28,599,530.0940	
Net asset value per unit	4(b) 14.4273	26.1641	23.0243	20.5283	14.0193	32.2446	27.2501	12.5340	27.8632	9.7261	14.4873	20.8801	26.4755	11.1551	16.5562	10.9137	12.0119	13.9028	

Approved and authorised for issue by the Trustee on 20 September 2021.



  
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 ) For and on behalf of  
 ) Bank of East Asia (Trustees) Limited  
 ) 東亞銀行(信託)有限公司  
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The notes on pages 105 to 153 form part of these financial statements.

Statement of assets and liabilities - Constituent funds as at 31 March 2021 (continued)

		2020																	
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\$	
<b>Assets</b>																			
Investments	7,10(c)	1,395,044,410	2,947,314,431	1,619,056,136	1,756,218,375	702,454,063	735,655,659	784,259,486	321,708,374	1,157,583,613	65,696,444	75,146,346	215,794,729	244,334,428	126,560,960	212,467,725	114,775,687	100,518,042	236,204,094
Derivative financial instruments	6	-	-	-	-	-	-	-	-	57,315	208,065	4,435	36,906	-	-	-	-	-	-
Amounts receivable on sale of investments		-	-	-	-	4,123,531	5,870,083	-	-	2,411,601	-	-	-	115,834	142,846	-	102,252	239,369	-
Amounts receivable on subscriptions		8,823,147	255,636	-	84,876	-	259,376	1,146,245	649,536	823,841	125,173	289,316	-	2,626,648	491,984	600,888	353,680	400,449	116,655
Interest, dividend and other receivables		4,003,270	3,013,319	1,098,474	641,754	-	10	14	24	176	192,705	120,314	784,310	1	2	278,458	1	2	-
Prepayments		-	77,771	40,658	42,820	-	19,030	18,299	7,189	-	-	-	-	-	-	-	-	-	-
Bank balances	10(b)	72,349,946	181,773,625	77,411,355	112,615,304	1,020,765	3,015,835	5,063,718	9,240,058	7,625,989	726,899	2,238,910	6,985,217	7,766,772	108,287	1,540,412	6,750,301	128,146	441,584
<b>Total assets</b>		<b>1,480,220,773</b>	<b>3,132,434,782</b>	<b>1,697,606,623</b>	<b>1,869,603,129</b>	<b>707,598,359</b>	<b>744,819,993</b>	<b>790,487,762</b>	<b>331,605,181</b>	<b>1,166,060,611</b>	<b>69,017,608</b>	<b>78,075,342</b>	<b>222,904,695</b>	<b>255,549,064</b>	<b>127,277,066</b>	<b>214,751,873</b>	<b>122,158,126</b>	<b>101,148,890</b>	<b>237,001,704</b>
<b>Liabilities</b>																			
Amounts payable on purchase of investments		-	31,910,262	18,973,536	20,707,886	57,075	-	-	-	-	1,122,946	2,459,143	3,165,082	19,034	785,293	-	-	-	-
Amounts payable on redemptions		4,977,468	3,580,584	1,324,499	1,609,205	5,087,221	915,552	1,288,203	786,547	2,038,717	2,109,879	263,669	389,027	1,172,556	191,540	888,294	149,055	230,529	685,680
Accruals and other payables	10(a)	-	4,112,145	2,127,496	2,195,304	1,028,009	890,739	845,560	326,361	1,277,059	80,550	113,514	255,770	490,461	75,259	123,930	84,155	105,458	194,401
<b>Total liabilities (excluding net assets attributable to members)</b>		<b>4,977,468</b>	<b>39,602,991</b>	<b>22,425,531</b>	<b>24,512,395</b>	<b>6,172,305</b>	<b>1,806,291</b>	<b>2,133,763</b>	<b>1,112,908</b>	<b>3,315,776</b>	<b>2,190,429</b>	<b>1,500,129</b>	<b>3,103,940</b>	<b>4,828,099</b>	<b>285,833</b>	<b>1,797,517</b>	<b>233,210</b>	<b>335,987</b>	<b>880,081</b>
<b>Net assets attributable to members</b>	2(c), 4(b)	<b>1,475,243,305</b>	<b>3,092,831,791</b>	<b>1,675,181,092</b>	<b>1,845,090,734</b>	<b>701,426,054</b>	<b>743,013,702</b>	<b>788,353,999</b>	<b>330,492,273</b>	<b>1,162,744,835</b>	<b>66,827,179</b>	<b>76,575,213</b>	<b>219,800,755</b>	<b>250,720,965</b>	<b>126,991,233</b>	<b>212,954,356</b>	<b>121,924,916</b>	<b>100,812,903</b>	<b>236,121,623</b>

## Statement of assets and liabilities - Constituent funds as at 31 March 2021 (continued)

		2020																	
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\$	
<b>Represented by:</b>																			
Number of units outstanding	4(a) 103,208,141.4940	157,882,853.4430	90,436,694.5670	103,326,094.0300	54,114,203.3838	37,146,851.7160	38,599,734.1650	26,706,229.4630	65,667,274.7780	9,608,298.2630	7,447,512.4030	15,798,548.4420	14,475,408.3110	13,366,795.1960	15,782,005.2430	11,813,038.1650	9,149,061.9470	21,961,637.7880	
Net asset value per unit	4(b) 14.2939	19.5894	18.5232	17.8570	12.9620	20.0021	20.4238	12.3751	17.7066	6.9552	10.2820	13.9127	17.3205	9.5005	13.4935	10.3212	11.0189	10.7515	

Approved and authorised for issue by the Trustee on 20 September 2021.



  
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 ) 東亞銀行 (信託) 有限公司  
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The notes on pages 105 to 153 form part of these financial statements.



## Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 March 2021

	2021																	
	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\$
<b>Net assets attributable to members at the beginning of the year</b>	1,475,243,305	3,092,831,791	1,675,181,092	1,845,090,734	701,426,054	743,013,702	788,353,999	330,492,273	1,162,744,835	66,827,179	76,575,213	219,800,755	250,720,965	126,991,233	212,954,356	121,924,916	100,812,903	236,121,623
Proceeds on subscription of units	676,857,251	280,471,409	171,373,659	238,585,123	141,216,652	134,507,479	240,363,711	145,479,743	326,783,487	28,107,695	30,606,419	68,201,263	197,928,685	61,675,330	87,301,316	75,409,563	92,295,320	154,611,717
Payments on redemption of units	(594,558,847)	(473,218,592)	(238,668,545)	(265,577,553)	(144,670,328)	(191,944,874)	(292,131,696)	(124,901,708)	(332,330,009)	(29,162,201)	(29,377,178)	(61,308,460)	(179,801,224)	(57,718,521)	(116,097,373)	(57,416,848)	(38,577,381)	(70,460,197)
<b>Net subscription/(redemption)</b>	82,298,404	(192,747,183)	(67,294,886)	(26,992,430)	(3,453,676)	(57,437,395)	(51,767,985)	20,578,035	(5,546,522)	(1,054,506)	1,229,241	6,892,803	18,127,461	3,956,809	(28,796,057)	17,992,715	53,717,939	84,151,520
<b>Changes in net assets attributable to members from operations</b>	14,184,309	1,025,462,277	403,672,525	274,541,951	56,970,189	448,200,882	260,435,333	4,071,378	654,729,703	27,455,937	32,072,991	112,144,650	138,875,743	23,708,938	47,486,990	7,237,958	9,843,363	77,341,146
<b>Net assets attributable to members at the end of the year</b>	1,571,726,018	3,925,546,885	2,011,558,731	2,092,640,255	754,942,567	1,133,777,189	997,021,347	355,141,686	1,811,928,016	93,228,610	109,877,445	338,838,208	407,724,169	154,656,980	231,645,289	147,155,589	164,374,205	397,614,289

The notes on pages 105 to 153 form part of these financial statements.

## Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 March 2021 (continued)

	2020																	
	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\$
<b>Net assets attributable to members at the beginning of the year</b>	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
Proceeds on subscription of units	424,717,538	285,408,792	161,982,132	224,183,173	109,657,701	101,308,201	227,397,744	137,212,194	172,698,335	21,080,473	24,957,932	64,362,946	170,168,214	45,580,216	122,891,673	44,932,855	58,764,217	134,955,780
Payments on redemption of units	(455,605,572)	(356,698,195)	(190,318,955)	(222,217,667)	(127,637,734)	(113,248,185)	(196,960,164)	(91,244,230)	(202,348,329)	(23,390,471)	(20,030,124)	(33,167,306)	(68,018,347)	(41,225,453)	(78,326,223)	(58,315,181)	(21,923,667)	(35,396,691)
<b>Net (redemption)/subscription</b>	<b>(30,888,034)</b>	<b>(71,289,403)</b>	<b>(28,336,823)</b>	<b>1,965,506</b>	<b>(17,980,033)</b>	<b>(11,939,984)</b>	<b>30,437,580</b>	<b>45,967,964</b>	<b>(29,649,994)</b>	<b>(2,309,998)</b>	<b>4,927,808</b>	<b>31,195,640</b>	<b>102,149,867</b>	<b>4,354,763</b>	<b>44,565,450</b>	<b>(13,382,326)</b>	<b>36,840,550</b>	<b>99,559,089</b>
<b>Changes in net assets attributable to members from operations</b>	<b>30,096,323</b>	<b>(308,467,203)</b>	<b>(97,584,233)</b>	<b>(40,491,121)</b>	<b>(6,063,610)</b>	<b>(110,754,833)</b>	<b>(115,365,650)</b>	<b>10,438,927</b>	<b>(68,504,609)</b>	<b>(7,810,984)</b>	<b>(12,974,347)</b>	<b>(29,264,509)</b>	<b>(29,636,497)</b>	<b>(20,071,198)</b>	<b>(37,701,652)</b>	<b>(3,094,021)</b>	<b>1,325,175</b>	<b>(13,973,360)</b>
<b>Net assets attributable to members at the end of the year</b>	<b>1,475,243,305</b>	<b>3,092,831,791</b>	<b>1,675,181,092</b>	<b>1,845,090,734</b>	<b>701,426,054</b>	<b>743,013,702</b>	<b>788,353,999</b>	<b>330,492,273</b>	<b>1,162,744,835</b>	<b>66,827,179</b>	<b>76,575,213</b>	<b>219,800,755</b>	<b>250,720,965</b>	<b>126,991,233</b>	<b>212,954,356</b>	<b>121,924,916</b>	<b>100,812,903</b>	<b>236,121,623</b>

The notes on pages 105 to 153 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 2021:

- 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.

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

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

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

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

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

#### *Business model assessment*

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

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

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

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

## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

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

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

#### (ii) Classification of financial liabilities

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

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

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

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

Financial liabilities measured at amortised cost include benefits payables, forfeitures payable, amounts payable on redemptions, amounts payable on 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.

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

#### (iv) Measurement

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

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

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

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

## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

#### (v) Fair value measurement principles

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

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

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

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

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

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

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

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



## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

#### (vii) Impairment (continued)

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

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

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

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

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

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

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

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

#### *Measurement of ECLs*

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

## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

#### (vii) Impairment (continued)

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

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

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

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

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

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

##### *Write-off*

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

#### (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.

## 2 Summary of significant accounting policies (continued)

### (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.

### (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. 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.

## 2 Summary of significant accounting policies (continued)

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

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.

### (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.

## 2 Summary of significant accounting policies (continued)

### (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, other receivables, prepayments, bank balances, amount receivable on sales of investments, amounts receivable on subscriptions, interest, dividend and other receivables.

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

### (k) *Contributions*

Contributions are accounted for on an accruals basis.

### (l) *Benefits*

Benefits are accounted for on an accruals basis.

### (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.

## 2 Summary of significant accounting policies (continued)

### (o) *Related parties (continued)*

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

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

### (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

A number of new standards are effective from 1 April 2020 but they do not have a material effect on the Scheme's financial statements.

The Scheme and its constituent funds have consistently applied the accounting policies as set out in note 2 to all periods presented in these financial statements.

#### 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>	
	2021 Units	2020 Units	2021 Units	2020 Units	2021 Units	2020 Units	2021 Units	2020 Units	2021 Units	2020 Units
Balance at the beginning of the year	103,208,141.4940	105,380,508.6350	157,882,853.4430	161,185,352.2160	90,436,694.5670	91,863,175.0720	103,326,094.0300	103,231,172.5870	54,114,203.3838	55,482,037.8524
Units issued	47,058,944.3230	29,990,235.0170	11,793,422.2580	13,252,026.3950	7,931,983.5620	8,188,285.6670	11,952,038.1190	12,088,854.6140	10,136,069.9210	8,271,066.6005
Units redeemed	(41,326,133.4550)	(32,162,602.1580)	(19,640,444.9870)	(16,554,525.1680)	(11,001,941.7750)	(9,614,766.1720)	(13,338,902.6010)	(11,993,933.1710)	(10,400,151.3760)	(9,638,901.0691)
Balance at the end of the year	<u>108,940,952.3620</u>	<u>103,208,141.4940</u>	<u>150,035,830.7140</u>	<u>157,882,853.4430</u>	<u>87,366,736.3540</u>	<u>90,436,694.5670</u>	<u>101,939,229.5480</u>	<u>103,326,094.0300</u>	<u>53,850,121.9288</u>	<u>54,114,203.3838</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>	
	2021 Units	2020 Units	2021 Units	2020 Units	2021 Units	2020 Units	2021 Units	2020 Units	2021 Units	2020 Units
Balance at the beginning of the year	37,146,851.7160	37,643,267.8660	38,599,734.1650	37,055,030.3040	26,706,229.4630	22,983,239.9800	65,667,274.7780	67,231,938.4880	9,608,298.2630	9,893,771.6230
Units issued	4,768,004.6550	4,491,411.2420	9,426,274.9090	10,291,530.1360	11,380,477.6550	11,127,099.4970	12,755,428.5250	9,285,752.1010	3,331,780.9930	2,722,518.5170
Units redeemed	(6,753,062.9100)	(4,987,827.3920)	(11,438,241.5630)	(8,746,826.2750)	(9,752,483.2990)	(7,404,110.0140)	(13,393,292.8480)	(10,850,415.8110)	(3,354,637.5060)	(3,007,991.8770)
Balance at the end of the year	<u>35,161,793.4610</u>	<u>37,146,851.7160</u>	<u>36,587,767.5110</u>	<u>38,599,734.1650</u>	<u>28,334,223.8190</u>	<u>26,706,229.4630</u>	<u>65,029,410.4550</u>	<u>65,667,274.7780</u>	<u>9,585,441.7500</u>	<u>9,608,298.2630</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>	
	2021 Units	2020 Units	2021 Units	2020 Units	2021 Units	2020 Units	2021 Units	2020 Units	2021 Units	2020 Units
Balance at the beginning of the year	7,447,512.4030	7,062,103.0920	15,798,548.4420	13,843,664.0960	14,475,408.3110	9,351,180.1360	13,366,795.1960	12,889,886.1100	15,782,005.2430	12,741,144.5300
Units issued	2,423,991.7730	2,044,877.5530	3,820,809.3240	4,060,780.0190	8,880,092.5460	8,598,107.8930	5,807,507.7860	4,396,863.1480	5,863,995.7880	8,143,297.8060
Units redeemed	(2,287,094.3120)	(1,659,468.2420)	(3,391,584.2210)	(2,105,895.6730)	(7,955,466.4400)	(3,473,879.7180)	(5,310,116.4370)	(3,919,954.0620)	(7,654,518.1690)	(5,102,437.0930)
Balance at the end of the year	<u>7,584,409.8640</u>	<u>7,447,512.4030</u>	<u>16,227,773.5450</u>	<u>15,798,548.4420</u>	<u>15,400,034.4170</u>	<u>14,475,408.3110</u>	<u>13,864,186.5450</u>	<u>13,366,795.1960</u>	<u>13,991,482.8620</u>	<u>15,782,005.2430</u>
	<i>BEA (MPF) RMB &amp; HKD Money Market Fund</i>		<i>BEA (MPF) Age 65 Plus Fund</i>		<i>BEA (MPF) Core Accumulation Fund</i>					
	2021 Units	2020 Units	2021 Units	2020 Units	2021 Units	2020 Units				
Balance at the beginning of the year	11,813,038.1650	13,109,754.5150	9,149,061.9470	5,841,928.3200	21,961,637.7880	13,398,661.4380				
Units issued	7,033,934.4230	4,330,441.6270	7,776,904.4820	5,271,167.7000	12,102,373.1440	11,630,885.0220				
Units redeemed	(5,363,455.6220)	(5,627,157.9770)	(3,241,629.3760)	(1,964,034.0730)	(5,464,480.8380)	(3,067,908.6720)				
Balance at the end of the year	<u>13,483,516.9660</u>	<u>11,813,038.1650</u>	<u>13,684,337.0530</u>	<u>9,149,061.9470</u>	<u>28,599,530.0940</u>	<u>21,961,637.7880</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>	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	1,571,726,018	1,475,243,305	3,925,546,885	3,092,831,791	2,011,558,731	1,675,181,092	2,092,640,255	1,845,090,734	754,942,567	701,426,054
Net assets attributable to members per unit	14.4273	14.2939	26.1641	19.5894	23.0243	18.5232	20.5283	17.8570	14.0193	12.9620
	<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>	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	1,133,777,189	743,013,702	997,021,347	788,353,999	355,141,686	330,492,273	1,811,928,016	1,162,744,835	93,228,610	66,827,179
Net assets attributable to members per unit	32.2446	20.0021	27.2501	20.4238	12.5340	12.3751	27.8632	17.7066	9.7261	6.9552
	<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>	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	109,877,445	76,575,213	338,838,208	219,800,755	407,724,169	250,720,965	154,656,980	126,991,233	231,645,289	212,954,356
Net assets attributable to members per unit	14.4873	10.2820	20.8801	13.9127	26.4755	17.3205	11.1551	9.5005	16.5562	13.4935
	<i>BEA (MPF) RMB &amp; HKD Money Market Fund</i>		<i>BEA (MPF) Age 65 Plus Fund</i>		<i>BEA (MPF) Core Accumulation Fund</i>					
	2021	2020	2021	2020	2021	2020				
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$				
Net assets attributable to members	147,155,589	121,924,916	164,374,205	100,812,903	397,614,289	236,121,623				
Net assets attributable to members per unit	10.9137	10.3212	12.0119	11.0189	13.9028	10.7515				



## 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 for 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 a 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 a 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 and/or 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 and/or 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 (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 and/or 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 and/or 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 and/or 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 returns that match the performance of the Hang Seng Index as closely as practicable.

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 by investing in a globally diversified manner.

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

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

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

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

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

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

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

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

## 5 Financial risk management (continued)

### (a) Market risk (continued)

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

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset or liability. The Investment Manager monitors all the Scheme's foreign currency positions on a daily basis. Except for BEA (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% (2020: 5%) are illustrated below. The analysis is performed on the same basis as 2020.

#### As at 31 March

	2021		2020	
	Net direct exposure HK\$	Estimated change had the HKD weakened by 5% HK\$	Net direct exposure HK\$	Estimated change had the HKD weakened by 5% HK\$
<b>BEA (MPF) Growth Fund</b>				
British Pound	462	23	170,408,807	8,520,440
<b>BEA (MPF) Balanced Fund</b>				
British Pound	285	14	57,422,689	2,871,134
<b>BEA (MPF) Stable Fund</b>				
British Pound	303	15	31,015,164	1,550,758
<b>BEA (MPF) Asian Equity Fund</b>				
British Pound	21,222,994	1,061,150	15,530,414	776,521
<b>BEA (MPF) Japan Equity Fund</b>				
Japanese Yen	(35,417,560)	(1,770,878)	(26,082,685)	(1,304,134)
<b>BEA (MPF) European Equity Fund</b>				
British Pound	(11,045,234)	(552,262)	22,306,507	1,115,325
Euro	(30,267,675)	(1,513,384)	(20,742,569)	(1,037,128)

## 5 Financial risk management (continued)

### (a) Market risk (continued)

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

*Sensitivity analysis (continued)*

**As at 31 March (continued)**

	2021	<i>Estimated change had the HKD weakened by 5% HK\$</i>	2020	<i>Estimated change had the HKD weakened by 5% HK\$</i>
	<i>Net direct exposure HK\$</i>		<i>Net direct exposure HK\$</i>	
<b>BEA (MPF) Global Equity Fund</b>				
British Pound	2,583,977	129,199	3,574,526	178,726
<b>BEA (MPF) RMB &amp; HKD Money Market Fund</b>				
Renminbi	93,407,704	4,670,385	62,442,201	3,122,110

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. Indirect interest rate risk from underlying collective investment schemes are managed by the Investment Manager. Accordingly, it is considered that they did not have significant direct interest rate risk exposure.

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

## 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 relevant market indices (the "potential movement") based on historical experience. If the relevant market indices had changed by the following percentages, which are based on the Investment Manager's best estimate of the potential movement as at the reporting date, with all other variables held constant, it is estimated that the net assets attributable to members and the 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 2020 for all constituent funds.

BEA (MPF) Conservative Fund and BEA (MPF) RMB & HKD Money Market Fund, as they only invest 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)

	% of possible reasonable shift	Estimated increase 2021 HK\$	Estimated increase 2020 HK\$
BEA (MPF) Growth Fund (note (a))	5%	197,259,944	149,080,668
BEA (MPF) Balanced Fund (note (b))	5%	101,632,533	84,695,802
BEA (MPF) Stable Fund (note (c))	5%	104,125,998	95,021,775
BEA (MPF) Long Term Guaranteed Fund (note (d))	5%	37,828,294	35,122,703
BEA (MPF) Asian Equity Fund (note (e))	5%	61,308,217	36,685,846
BEA (MPF) Hong Kong Equity Fund (note (f))	5%	53,189,081	39,676,861
BEA (MPF) Global Bond Fund (note (g))	5%	17,124,884	16,145,410
BEA (MPF) Greater China Equity Fund (note (h))	5%	100,466,297	54,580,921
BEA (MPF) Japan Equity Fund (note (i))	5%	3,885,738	3,146,511
BEA (MPF) European Equity Fund (note (j))	5%	4,860,632	3,429,064
BEA (MPF) Global Equity Fund (note (k))	5%	16,883,773	10,123,461
BEA (MPF) North American Equity Fund (note (l))	5%	19,236,661	11,568,343
BEA China Tracker Fund (note (m))	5%	7,881,845	6,490,964
BEA Hong Kong Tracker Fund (note (n))	5%	11,345,588	10,636,127
BEA (MPF) Age 65 Plus Fund (note (o))	5%	8,596,350	6,211,415
BEA (MPF) Core Accumulation Fund (note (p))	5%	20,610,297	11,836,149

## 5 Financial risk management (continued)

### (a) Market risk (continued)

(iii) Other price risk (continued)

#### *Sensitivity analysis (continued)*

Notes:

- (a) 25% (75% Citi WGBI HKD + 25% Citi WGBI HKD-Hedged) + 24% FTSE MPF Hong Kong Index + 14% FTSE MPF Europe Index + 14% FTSE MPF North America Index + 9% FTSE MPF AP ex Japan ex Hong Kong + 9% FTSE MPF Japan Index + 5% HK MPF Prescribed Savings Rate
- (b) 45% (75% Citi WGBI HKD + 25% Citi WGBI HKD-Hedged) + 17% FTSE MPF Hong Kong Index + 10% FTSE MPF Europe Index + 10% FTSE MPF North America Index + 6.5% FTSE MPF AP ex Japan ex Hong Kong + 6.5% FTSE MPF Japan Index + 5% HK MPF Prescribed Savings Rate
- (c) 60% (75% Citi WGBI HKD + 25% Citi WGBI HKD-Hedged) + 10% FTSE MPF Hong Kong Index + 10% Hong Kong MPF Prescribed Savings Rate + 6% FTSE MPF Europe Index + 6% FTSE MPF North America Index + 4% FTSE MPF AP ex Japan ex Hong Kong + 4% FTSE MPF Japan Index
- (d) 100% underlying APIF at reporting date
- (e) 100% FTSE MPF Asia Pacific ex JP, AU & NZ Hedged Index
- (f) 100% FTSE MPF Hong Kong Index
- (g) 65% FTSE WGBI HKD + 35% FTSE WGBI HKD-Hedged
- (h) 100% FTSE MPF Greater China Index
- (i) 100% FTSE MPF Japan Hedged Index
- (j) 100% FTSE MPF Europe Hedged Index
- (k) 100% FTSE MPF All-World Hedged Index
- (l) 100% FTSE MPF USA Hedged Index
- (m) 100% Hang Seng China Enterprise Total Return Index
- (n) 100% Hang Seng Total Return Index
- (o) 100% MPF Age 65 Plus Fund RP (Net of 0.95% Max fee)
- (p) 100% MPF Core Accumulation Fund RP (Net of 0.95% Max fee)

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



## 5 Financial risk management (continued)

### (b) Credit risk

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

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

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

At the reporting date, only BEA (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**

	2021	2020
<b>Rating (S&amp;P/Moody's)</b>		
AA-/Aa3	21.12%	9.42%
A+/A1	26.43%	20.86%
A/A2	3.79%	20.81%
A-/A3	20.10%	20.56%
BBB+/Baa1	19.03%	19.05%
BBB/Baa2	9.53%	9.30%
Total	100.00%	100.00%

#### *BEA (MPF) RMB & HKD Money Market Fund*

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

	2021	2020
<b>Rating (S&amp;P/Moody's)</b>		
AA-/Aa3	20.78%	9.45%
A+/A1	28.44%	8.85%
A/A2	4.81%	34.16%
A-/A3	18.28%	19.77%
BBB+/Baa1	18.51%	18.56%
BBB/Baa2	9.18%	9.21%
Total	100.00%	100.00%

## 5 Financial risk management (continued)

### (b) Credit risk (continued)

The Scheme and its constituent funds' investments are held by the custodians and the majority of the Scheme and its constituent funds' cash is deposited with The Bank of East Asia, Limited and The Bank of New York Mellon (the "Banks"). Bankruptcy or insolvency of the custodians and the Banks may cause to Scheme and its constituent funds' execution of their rights with respect to the assets held by the custodians and the Banks to be delayed or limited.

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

Other than the outlined above, there were no significant concentrations of credit risk at both 31 March 2021 and 2020.

#### Amounts arising from ECLs

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

The Scheme and its constituent funds monitor changes in credit risk on these exposures by tracking published external credit ratings of the counterparties and perform on-going review of the counterparties. The Investment Manager considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. There is no impairment allowance recognized on contributions receivables, interest receivables, other receivables, bank balances, amounts receivable on sales of investments, amounts receivable on subscriptions, interest, dividend and other receivables and prepayments.

### (c) Liquidity risk

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

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

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

As at 31 March 2021 and 2020, 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 2021**

#### *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 503,450,619	HKD 35,610,000	30 April 2021	<u>192,440</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 3,311,808	HKD 30,310,000	30 April 2021	42,325
GBP 1,030,186	HKD 11,030,000	30 April 2021	<u>(15,237)</u>
			<u>27,088</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 2,176,962	HKD 16,920,000	30 April 2021	<u>(3,326)</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 19,641,548	HKD 152,660,000	30 April 2021	<u>(30,012)</u>

## 6 Derivative financial instruments (continued)

### As at 31 March 2020

#### 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 362,849,340	HKD 26,140,000	28 April 2020	<u>57,315</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 2,436,076	HKD 20,960,000	28 April 2020	217,431
GBP 792,751	HKD 7,620,000	28 April 2020	<u>(9,366)</u>
			<u>208,065</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 1,426,158	HKD 11,060,000	28 April 2020	<u>4,435</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 11,867,029	HKD 92,030,000	28 April 2020	<u>36,906</u>

## 7 Investments

### (a) The Scheme

#### Investments in constituent funds

	2021 HK\$	2020 HK\$
BEA (MPF) Conservative Fund	1,571,726,018	1,475,243,305
BEA (MPF) Growth Fund	3,925,546,885	3,092,831,791
BEA (MPF) Balanced Fund	2,011,558,731	1,675,181,092
BEA (MPF) Stable Fund	2,092,640,255	1,845,090,734
BEA (MPF) Long Term Guaranteed Fund	754,942,567	701,426,054
BEA (MPF) Asian Equity Fund	1,133,777,189	743,013,702
BEA (MPF) Hong Kong Equity Fund	997,021,347	788,353,999
BEA (MPF) Global Bond Fund	355,141,686	330,492,273
BEA (MPF) Greater China Equity Fund	1,811,928,016	1,162,744,835
BEA (MPF) Japan Equity Fund	93,228,610	66,827,179
BEA (MPF) European Equity Fund	109,877,445	76,575,213
BEA (MPF) Global Equity Fund	338,838,208	219,800,755
BEA (MPF) North American Equity Fund	407,724,169	250,720,965
BEA China Tracker Fund	154,656,980	126,991,233
BEA Hong Kong Tracker Fund	231,645,289	212,954,356
BEA (MPF) RMB & HKD Money Market Fund	147,155,589	121,924,916
BEA (MPF) Age 65 Plus Fund	164,374,205	100,812,903
BEA (MPF) Core Accumulation Fund	397,614,289	236,121,623
	<hr/>	<hr/>
Investments at fair value	16,699,397,478	13,227,106,928
	<hr/>	<hr/>
Investments at cost	12,340,115,869	11,851,330,562
	<hr/>	<hr/>

## 7 Investments (continued)

### (b) Constituent funds

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

	2021 HK\$	2020 HK\$
Short-term deposits	1,489,287,644	1,395,044,410

#### *BEA (MPF) Growth Fund*

	2021 HK\$	2020 HK\$
Approved Pooled Investment Funds	2,395,344,533	1,901,547,118
Approved Index-Tracking Collective Investment Schemes	1,294,021,172	1,045,767,313
Investments	3,689,365,705	2,947,314,431

#### *BEA (MPF) Balanced Fund*

	2021 HK\$	2020 HK\$
Approved Pooled Investment Funds	1,420,959,349	1,206,080,789
Approved Index-Tracking Collective Investment Schemes	470,043,763	412,975,347
Investments	1,891,003,112	1,619,056,136

#### *BEA (MPF) Stable Fund*

	2021 HK\$	2020 HK\$
Approved Pooled Investment Funds	1,620,548,787	1,468,346,930
Approved Index-Tracking Collective Investment Schemes	295,798,204	287,871,445
Investments	1,916,346,991	1,756,218,375

## 7 Investments (continued)

### (b) Constituent funds (continued)

#### *BEA (MPF) Long Term Guaranteed Fund*

	2021 HK\$	2020 HK\$
Approved Pooled Investment Fund	756,565,878	702,454,063

#### *BEA (MPF) Asian Equity Fund*

	2021 HK\$	2020 HK\$
Approved Pooled Investment Funds	1,104,141,655	720,125,246
Approved Index-Tracking Collective Investment Scheme	21,222,941	15,530,413
Investments	1,125,364,596	735,655,659

#### *BEA (MPF) Hong Kong Equity Fund*

	2021 HK\$	2020 HK\$
Approved Pooled Investment Funds	922,294,965	697,612,436
Approved Index-Tracking Collective Investment Scheme	67,895,540	86,647,050
Investments	990,190,505	784,259,486

#### *BEA (MPF) Global Bond Fund*

	2021 HK\$	2020 HK\$
Approved Pooled Investment Funds	347,562,470	321,708,374

#### *BEA (MPF) Greater China Equity Fund*

	2021 HK\$	2020 HK\$
Approved Pooled Investment Funds	1,801,219,454	1,157,583,613

## 7 Investments (continued)

### (b) Constituent funds (continued)

#### *BEA (MPF) Japan Equity Fund*

	2021 HK\$	2020 HK\$
Approved Pooled Investment Fund	10,558,153	7,719,244
Approved Index-Tracking Collective Investment Scheme	80,483,219	57,977,200
Investments	<u>91,041,372</u>	<u>65,696,444</u>

#### *BEA (MPF) European Equity Fund*

	2021 HK\$	2020 HK\$
Approved Pooled Investment Fund	37,386,380	31,808,155
Approved Index-Tracking Collective Investment Schemes	69,663,145	43,338,191
Investments	<u>107,049,525</u>	<u>75,146,346</u>

#### *BEA (MPF) Global Equity Fund*

	2021 HK\$	2020 HK\$
Approved Pooled Investment Funds	286,681,517	185,096,567
Approved Index-Tracking Collective Investment Schemes	45,956,796	30,698,162
Investments	<u>332,638,313</u>	<u>215,794,729</u>

#### *BEA (MPF) North American Equity Fund*

	2021 HK\$	2020 HK\$
Approved Index-Tracking Collective Investment Schemes	397,921,281	244,334,428
Investments	<u>397,921,281</u>	<u>244,334,428</u>



**7 Investments (continued)**

**(b) Constituent funds (continued)**

*BEA China Tracker Fund*

	2021 HK\$	2020 HK\$
Approved Index-Tracking Collective Investment Scheme	154,729,260	126,560,960

*BEA (MPF) Hong Kong Tracker Fund*

	2021 HK\$	2020 HK\$
Approved Index-Tracking Collective Investment Scheme	231,630,120	212,467,725

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

	2021 HK\$	2020 HK\$
Short-term deposits	135,155,842	114,775,687

*BEA (MPF) Age 65 Plus Fund*

	2021 HK\$	2020 HK\$
Approved Pooled Investment Fund	164,435,892	100,518,042

*BEA (MPF) Core Accumulation Fund*

	2021 HK\$	2020 HK\$
Approved Pooled Investment Fund	397,923,096	236,204,094

Total investments at fair value	<u>16,019,431,056</u>	<u>12,810,793,002</u>
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Total investments at cost	<u>11,922,715,569</u>	<u>11,765,067,736</u>
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## 8 Bank balances

As at 31 March 2021, the Scheme placed bank deposits amounted to HK\$14,002,188 (2020: HK\$12,613,831).

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 payables</i>	
	<i>2021</i>	<i>2020</i>
	HK\$	HK\$
As at beginning of the year	44,433,869	53,051,874
Benefits	468,168,724	408,980,194
Transfers out	1,135,051,195	787,233,884
Long service payments and severance payments	117,484,997	86,744,066
Benefits paid, transfers out, long service payments and severance payments	<u>(1,663,452,188)</u>	<u>(1,291,576,149)</u>
As at the end of the year	<u>101,686,597</u>	<u>44,433,869</u>

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

### (a) *The Scheme*

	<i>2021</i>	<i>2020</i>
	HK\$	HK\$
Change in unrealised gain/(loss) in value of constituent funds	2,983,505,243	(1,180,914,734)
Realised gain on sale of constituent funds	<u>634,931,020</u>	<u>321,017,332</u>
Net gain/(loss) on investments in constituent funds	<u>3,618,436,263</u>	<u>(859,897,402)</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>	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Change in unrealised gain/(loss) in value of investments	-	-	794,445,426	(374,501,581)	288,196,531	(121,650,261)	180,829,337	(53,915,909)	45,583,032	(13,900,262)
Realised gain on sale of investments	-	-	262,059,215	75,334,931	133,208,316	34,028,053	114,881,087	29,122,725	22,555,681	18,861,374
Net gain/(loss) on investments	-	-	1,056,504,641	(299,166,650)	421,404,847	(87,622,208)	295,710,424	(24,793,184)	68,138,713	4,961,112
	<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>	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Change in unrealised gain/(loss) in value of investments	421,889,890	(107,261,246)	237,299,717	(120,638,552)	2,939,120	12,374,456	627,623,061	(83,556,245)	24,626,780	(7,962,573)
Realised gain on sale of investments	38,435,615	7,197,650	32,094,655	12,021,417	4,840,079	1,274,863	46,302,475	30,274,135	2,368,436	411,424
Net gain/(loss) on investments	460,325,505	(100,063,596)	269,394,372	(108,617,135)	7,779,199	13,649,319	673,925,536	(53,282,110)	26,995,216	(7,551,149)
	<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>	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Change in unrealised gain/(loss) in value of investments	36,218,212	(14,825,241)	113,271,136	(27,176,772)	129,977,189	(31,518,796)	20,736,292	(22,035,106)	40,443,715	(45,388,203)
Realised (loss)/gain on sale of investments	(1,102,221)	(458,320)	1,635,615	-	9,638,758	336,803	356,421	(631,515)	2,197,338	2,190,078
Net gain/(loss) on investments	35,115,991	(15,283,561)	114,906,751	(27,176,772)	139,615,947	(31,181,993)	21,092,713	(22,666,621)	42,641,053	(43,198,125)

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

### (b) Constituent funds (continued)

	<i>BEA (MPF) RMB &amp; HKD Money Market Fund</i>		<i>BEA (MPF) Age 65 Plus Fund</i>		<i>BEA (MPF) Core Accumulation Fund</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Change in unrealised gain/(loss) in value of investments	-	-	9,551,246	1,363,055	77,046,190	(12,632,363)
Realised gain on sale of investments	-	-	1,391,582	667,914	2,855,956	314,693
Net gain/(loss) on investments	-	-	10,942,828	2,030,969	79,902,146	(12,317,670)

## 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) Management fees

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

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

## 10 Transactions with related parties (continued)

### (a) Management fees (continued)

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

Name of Constituent Fund	Sponsor <sup>(6)</sup> (p.a. of NAV)	Trustee/ Administrator/ Custodian <sup>(6)</sup> (p.a. of NAV)	Investment Manager <sup>(6)</sup> (p.a. of NAV)	Total (p.a. of NAV)
BEA (MPF) Conservative Fund <sup>(1)</sup>	0.03%	0.45%	0.31%	0.79%
BEA (MPF) Growth Fund	0.44%	0.45%	0.31%	1.20%
BEA (MPF) Balanced Fund	0.44%	0.45%	0.31%	1.20%
BEA (MPF) Stable Fund	0.44%	0.45%	0.31%	1.20%
BEA (MPF) Long Term Guaranteed Fund <sup>(2), (3)</sup>	Up to 0.05%	0.45%	1.00%	Up to 1.50%
BEA (MPF) Asian Equity Fund	0.44%	0.45%	0.31%	1.20%
BEA (MPF) Hong Kong Equity Fund	0.44%	0.45%	0.31%	1.20%
BEA (MPF) Global Bond Fund	0.23%	0.45%	0.31%	0.99%
BEA (MPF) Greater China Equity Fund	0.44%	0.45%	0.31%	1.20%
BEA (MPF) Japan Equity Fund	0.415%	0.45%	0.31%	1.175%
BEA (MPF) European Equity Fund	0.415%	0.45%	0.31%	1.175%
BEA (MPF) Global Equity Fund	0.415%	0.45%	0.31%	1.175%
BEA (MPF) North American Equity Fund	0.415%	0.45%	0.31%	1.175%
BEA China Tracker Fund <sup>(4)</sup>	0.03%	0.26%	0.20%	0.49%
BEA Hong Kong Tracker Fund <sup>(4)</sup>	0.03%	0.26%	0.20%	0.49%
BEA (MPF) RMB & HKD Money Market Fund	0.03%	0.45%	0.31%	0.79%
BEA (MPF) Age 65 Plus Fund <sup>(5)</sup>	0.295%	0.295%	0.16%	0.75%
BEA (MPF) Core Accumulation Fund <sup>(5)</sup>	0.295%	0.295%	0.16%	0.75%

(1) For BEA (MPF) Conservative Fund, the management fees are only deducted when the net investment return exceeds the prescribed savings rate prescribed by the Mandatory Provident Fund Schemes Authority. The maximum amount deducted must not exceed the excess between the net investment return and the prescribed savings rate subject to a maximum fee equal to 0.79% per annum of the net asset value of the constituent fund.

(2) All constituent funds other than BEA (MPF) Long Term Guaranteed Fund are managed by the Investment Manager. The investment management fee of BEA (MPF) Long Term Guaranteed Fund will be deducted from the BEA (MPF) Long Term Guaranteed Fund and paid to Principal Asset Management Company (Asia) Limited, the investment manager of the underlying insurance policy.

(3) The Sponsor has determined that the total fees payable out of the BEA (MPF) Long Term Guaranteed Fund (being the aggregate of the fees payable to the Sponsor and the investment manager of the Principal Long Term Guaranteed Fund) will not exceed 1.50% per annum of the net asset value of the BEA (MPF) Long Term Guaranteed Fund. If the total fees payable out of BEA (MPF) Long Term Guaranteed Fund would exceed this amount, the Sponsor will reduce its fee accordingly.

(4) With effect from 1 January 2021, the investment management fee for BEA China Tracker Fund and BEA Hong Kong Tracker Fund was reduced from 0.31% to 0.20% per annum of the net asset value of the relevant constituent fund.

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

(6) The fees payable to the Trustee are for its trustee and administrative functions, while the fees payable to the investment manager are for their investment management functions. As for the Sponsor, its fees are for its services related to product support, dissemination of MPF marketing materials and product development activities.

## 10 Transactions with related parties (continued)

### (a) Management fees (continued)

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

	2021 HK\$	2020 HK\$
BEA (MPF) Growth Fund	4,297,063	3,289,860
BEA (MPF) Balanced Fund	2,202,119	1,781,247
BEA (MPF) Stable Fund	2,277,235	1,959,099
BEA (MPF) Long Term Guaranteed Fund	1,623,311	1,028,009
BEA (MPF) Asian Equity Fund	1,252,784	803,531
BEA (MPF) Hong Kong Equity Fund	1,101,977	819,982
BEA (MPF) Global Bond Fund	320,812	293,034
BEA (MPF) Greater China Equity Fund	1,995,744	1,229,670
BEA (MPF) Japan Equity Fund	100,244	69,082
BEA (MPF) European Equity Fund	115,595	79,515
BEA (MPF) Global Equity Fund	356,259	225,053
BEA (MPF) North American Equity Fund	421,096	253,572
BEA China Tracker Fund	69,212	65,710
BEA Hong Kong Tracker Fund	103,429	108,798
BEA (MPF) RMB & HKD Money Market Fund	103,858	84,155
BEA (MPF) Age 65 Plus Fund	109,763	66,105
BEA (MPF) Core Accumulation Fund	265,397	153,499

## 10 Transactions with related parties (continued)

### (b) Bank balances

As at 31 March 2021, the Scheme and its constituent funds placed bank deposits amounted to HK\$14,002,188 (2020: HK\$12,613,831) and HK\$316,246,282 (2020: HK\$277,000,627) 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\$1,841,716 (2020: HK\$1,856,622) and HK\$8,110 (2020: HK\$235,250) respectively. Bank charges incurred are not disclosed as the Trustee considers the amounts immaterial.

### (c) Investments

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

	<i>BEA (MPF) Growth Fund</i>		<i>BEA (MPF) Balanced Fund</i>		<i>BEA (MPF) Stable Fund</i>		<i>BEA (MPF) Asian Equity Fund</i>		<i>BEA (MPF) Hong Kong Equity Fund</i>	
	2021 HK\$	2020 HK\$	2021 HK\$	2020 HK\$	2021 HK\$	2020 HK\$	2021 HK\$	2020 HK\$	2021 HK\$	2020 HK\$
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	149,823,007	138,156,418	113,588,059	124,588,832	125,108,581	122,956,119	-	-	-	-
BEA Union Investment Asia Strategic Growth Fund - Class A	495,381,263	339,489,454	191,835,243	138,984,267	136,572,647	96,572,647	995,872,210	658,737,782	-	-
BEA Union Investment Global Bond Fund - Class A	576,052,063	602,383,293	655,785,121	626,133,016	989,998,933	982,691,695	-	-	-	-
BEA Union Investment Global Equity Fund - Class A	149,060,413	97,201,089	53,384,191	34,811,399	41,261,430	26,906,245	-	-	-	-
BEA Union Investment Greater China Growth Fund - Class A	85,448,177	52,611,130	37,827,561	23,290,734	24,131,718	14,858,093	-	-	37,719,354	-
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	17,193,123	16,893,077	13,800,498	16,428,395	11,227,754	11,031,813	-	-	-	-
BEA Union Investment Hong Kong Growth Fund - Class A	638,690,324	484,929,603	229,314,025	170,663,617	136,298,541	98,407,983	-	-	884,575,611	697,612,436
BEA Union Investment Money Market Fund - Class A	59,136,511	58,586,244	30,807,515	30,520,850	98,318,687	97,403,828	-	-	-	-
	<i>BEA (MPF) Global Bond Fund</i>		<i>BEA (MPF) Greater China Equity Fund</i>		<i>BEA (MPF) Global Equity Fund</i>		<i>BEA (MPF) Age 65 Plus Fund</i>		<i>BEA (MPF) Core Accumulation Fund</i>	
	2021 HK\$	2020 HK\$	2021 HK\$	2020 HK\$	2021 HK\$	2020 HK\$	2021 HK\$	2020 HK\$	2021 HK\$	2020 HK\$
BEA Union Investment Global Bond Fund - Class A	305,110,328	282,245,747	-	-	-	-	-	-	-	-
BEA Union Investment Global Equity Fund - Class A	-	-	-	-	285,216,093	184,025,135	-	-	-	-
BEA Union Investment Greater China Growth Fund - Class A	-	-	1,611,117,291	1,034,063,018	-	-	-	-	-	-
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	42,452,142	39,462,627	-	-	-	-	-	-	-	-
BEA Union Investment Hong Kong Growth Fund - Class A	-	-	190,102,163	123,520,595	1,465,424	1,071,432	-	-	-	-
BEA Union Investment Age 65 Plus Fund - Class I	-	-	-	-	-	-	164,435,892	100,518,042	-	-
BEA Union Investment Core Accumulation Fund - Class I	-	-	-	-	-	-	-	-	397,923,096	236,204,094

## 10 Transactions with related parties (continued)

### (c) Investments (continued)

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

	<i>BEA (MPF) Conservative Fund</i>			
	2021		2020	
	<i>Nominal value</i> HK\$	<i>Fair value</i> HK\$	<i>Nominal value</i> HK\$	<i>Fair value</i> HK\$
Bank of East Asia, Limited F/D 0.18% 26 April 2021	9,812,332	9,812,332	-	-
Bank of East Asia, Limited F/D 0.18% 26 April 2021	9,295,546	9,295,546	-	-
Bank of East Asia, Limited F/D 2.40% 04 May 2020	-	-	9,695,154	9,695,154
Bank of East Asia, Limited F/D 2.40% 04 May 2020	-	-	9,184,539	9,184,539
	<u>19,107,878</u>	<u>19,107,878</u>	<u>18,879,693</u>	<u>18,879,693</u>

	<i>BEA (MPF) RMB &amp; HKD Money Market Fund</i>			
	2021		2020	
	<i>Nominal value</i> HK\$	<i>Fair value</i> HK\$	<i>Nominal value</i> HK\$	<i>Fair value</i> HK\$
Bank of East Asia, Limited F/D 1.41% 16 June 2020	-	-	1,458,576	1,458,576
	<u>-</u>	<u>-</u>	<u>1,458,576</u>	<u>1,458,576</u>

Interest income derived from short-term deposits during the year ended 31 March 2021 amounted to HK\$166,686 (2020: HK\$493,653).

### (d) 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 2021 and 2020.

## 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.



## **12 Contributions received and receivable (continued)**

Any contributions made to the Scheme by the employers or members in excess of their mandatory contributions are voluntary contributions (including tax deductible voluntary contributions effective from 1 April 2019). The maximum tax deductible limit per year of assessment for tax deductible voluntary contributions in the year of assessment 2020/2021 is HK\$60,000.

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

## **13 Benefits paid and payable**

Members will become entitled to benefits in respect of mandatory contributions and tax deductible voluntary contributions (effective from 1 April 2019) to the Scheme in the circumstances set out in the MPF Ordinance. Currently, these circumstances include where the members (i) reach the age of 65; (ii) permanently cease employment or self-employment, after reaching the age of 60 or cease employment or self-employment as a result of total incapacity; (iii) have a terminal illness; (iv) permanently depart from Hong Kong; (v) die or (vi) have the right to claim a small balance pursuant to the MPF Ordinance.

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

## **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 2021 and 2020.

## **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 2021, 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 (2020: HK\$Nil).

## **17 Security lending arrangements**

During the year ended 31 March 2021, the Scheme and its constituent funds did not enter into any security lending arrangements (2020: HK\$Nil).

## **18 Negotiability of assets**

As at 31 March 2021, there were no statutory or contractual requirements restricting the negotiability of the assets of the Scheme and its constituent funds (2020: HK\$Nil).

## **19 Commitments**

As at 31 March 2021, the Scheme and its constituent funds had no commitments (2020: HK\$Nil).

## **20 Contingent liabilities and capital commitment**

As at 31 March 2021, there were no contingent liabilities or capital commitments outstanding for the Scheme and its constituent funds (2020: HK\$Nil).

## **21 Marketing expenses**

During the year ended 31 March 2021, 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 (2020: 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 collective investment schemes in which its constituent funds invest but are not consolidated by the constituent funds meet the definition of structured entities because:

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

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

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

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

### **As at 31 March 2021**

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "investments" HK\$ (in millions)</i>
<b>BEA (MPF) Growth Fund</b>			
- Approved Pooled Investment Funds	11	24,566	2,395
- Approved Index-Tracking Collective Investment Schemes	8	3,385,559	1,294
<b>BEA (MPF) Balanced Fund</b>			
- Approved Pooled Investment Funds	11	24,566	1,421
- Approved Index-Tracking Collective Investment Schemes	8	3,385,559	470

## 23 Involvement with unconsolidated structured entities (continued)

As at 31 March 2021 (continued)

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "investments" HK\$ (in millions)</i>
<b>BEA (MPF) Stable Fund</b>			
– Approved Pooled Investment Funds	11	24,566	1,621
– Approved Index-Tracking Collective Investment Schemes	8	3,385,559	296
<b>BEA (MPF) Long Term Guaranteed Fund</b>			
– Approved Pooled Investment Fund	1	4,066	757
<b>BEA (MPF) Asian Equity Fund</b>			
– Approved Pooled Investment Funds	2	3,234	1,104
– Approved Index-Tracking Collective Investment Scheme	1	19,580	21
<b>BEA (MPF) Hong Kong Equity Fund</b>			
– Approved Pooled Investment Fund	2	6,556	922
– Approved Index-Tracking Collective Investment Scheme	1	94,396	68
<b>BEA (MPF) Global Bond Fund</b>			
– Approved Pooled Investment Funds	2	8,237	348
<b>BEA (MPF) Greater China Equity Fund</b>			
– Approved Pooled Investment Funds	2	6,556	1,801

## 23 Involvement with unconsolidated structured entities (continued)

As at 31 March 2021 (continued)

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "investments" HK\$ (in millions)</i>
<b>BEA (MPF) Japan Equity Fund</b>			
– Approved Pooled Investment Fund	1	10,409	11
– Approved Index-Tracking Collective Investment Scheme	1	99,535	80
<b>BEA (MPF) European Equity Fund</b>			
– Approved Pooled Investment Fund	1	1,779	37
– Approved Index-Tracking Collective Investment Schemes	2	44,845	70
<b>BEA (MPF) Global Equity Fund</b>			
– Approved Pooled Investment Funds	2	5,988	287
– Approved Index-Tracking Collective Investment Schemes	5	2,837,057	46
<b>BEA (MPF) North American Equity Fund</b>			
– Approved Index-Tracking Collective Investment Schemes	2	4,715,612	398
<b>BEA China Tracker Fund</b>			
– Approved Index-Tracking Collective Investment Scheme	1	22,474	155
<b>BEA Hong Kong Tracker Fund</b>			
– Approved Index-Tracking Collective Investment Scheme	1	94,396	232

## 23 Involvement with unconsolidated structured entities (continued)

### As at 31 March 2021 (continued)

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "investments" HK\$ (in millions)</i>
<b>BEA (MPF) Age 65 Plus Fund</b>			
– Approved Pooled Investment Fund	1	704	164
<b>BEA (MPF) Core Accumulation Fund</b>			
– Approved Pooled Investment Fund	1	1,753	398

### As at 31 March 2020

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "investments" HK\$ (in millions)</i>
<b>BEA (MPF) Growth Fund</b>			
– Approved Pooled Investment Funds	10	18,774	1,902
– Approved Index-Tracking Collective Investment Schemes	7	2,021,083	1,046
<b>BEA (MPF) Balanced Fund</b>			
– Approved Pooled Investment Funds	10	18,774	1,206
– Approved Index-Tracking Collective Investment Schemes	7	2,021,083	413
<b>BEA (MPF) Stable Fund</b>			
– Approved Pooled Investment Funds	10	18,774	1,468
– Approved Index-Tracking Collective Investment Schemes	7	2,021,083	288
<b>BEA (MPF) Long Term Guaranteed Fund</b>			
– Approved Pooled Investment Fund	1	3,724	702

## 23 Involvement with unconsolidated structured entities (continued)

As at 31 March 2020 (continued)

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "investments" HK\$ (in millions)</i>
<b>BEA (MPF) Asian Equity Fund</b>			
– Approved Pooled Investment Funds	2	2,129	720
– Approved Index-Tracking Collective Investment Scheme	1	14,547	16
<b>BEA (MPF) Hong Kong Equity Fund</b>			
– Approved Pooled Investment Fund	1	2,841	698
– Approved Index-Tracking Collective Investment Scheme	1	79,675	87
<b>BEA (MPF) Global Bond Fund</b>			
– Approved Pooled Investment Funds	2	7,733	322
<b>BEA (MPF) Greater China Equity Fund</b>			
– Approved Pooled Investment Funds	2	4,563	1,158
<b>BEA (MPF) Japan Equity Fund</b>			
– Approved Pooled Investment Fund	1	6,853	8
– Approved Index-Tracking Collective Investment Scheme	1	68,926	58
<b>BEA (MPF) European Equity Fund</b>			
– Approved Pooled Investment Fund	1	1,606	32
– Approved Index-Tracking Collective Investment Schemes	2	24,304	43

## 23 Involvement with unconsolidated structured entities (continued)

As at 31 March 2020 (continued)

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in millions)</i>	<i>Carrying amount included in "investments" HK\$ (in millions)</i>
<b>BEA (MPF) Global Equity Fund</b>			
– Approved Pooled Investment Funds	2	4,322	185
– Approved Index-Tracking Collective Investment Schemes	5	1,936,627	31
<b>BEA (MPF) North American Equity Fund</b>			
– Approved Index-Tracking Collective Investment Schemes	2	3,094,693	244
<b>BEA China Tracker Fund</b>			
– Approved Index-Tracking Collective Investment Scheme	1	21,500	127
<b>BEA Hong Kong Tracker Fund</b>			
– Approved Index-Tracking Collective Investment Scheme	1	79,675	212
<b>BEA (MPF) Age 65 Plus Fund</b>			
– Approved Pooled Investment Fund	1	537	101
<b>BEA (MPF) Core Accumulation Fund</b>			
– Approved Pooled Investment Fund	1	1,126	236

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 2021

	<i>BEA (MPF) Age 65 Plus Fund HK\$</i>	<i>BEA (MPF) Core Accumulation Fund HK\$</i>
<b>(a) Payments for services</b>		
Trustee, administration and custodian fees	401,726	964,775
Investment management fees	217,135	521,368
Sponsor fees	401,726	964,775
	<hr/>	<hr/>
<b>Total payments for services</b>	<b>1,020,587</b>	<b>2,450,918</b>
	<hr/>	<hr/>
<b>(b) Out-of-pocket expenses</b>		
Auditor’s remuneration	37,612	37,612
Legal and other professional fees	346	825
Printing and postage expenses	17,603	43,628
Fund price publication expenses	14,594	14,594
Professional indemnity insurance	3,262	7,966
Miscellaneous expenses	5,468	5,468
	<hr/>	<hr/>
<b>Total out-of-pocket expenses</b>	<b>78,885</b>	<b>110,093</b>
	<hr/>	<hr/>
<b>(c) Payments other than (a) and (b) above</b>		
	-	-
	<hr/>	<hr/>
<b>Total payments</b>	<b>1,099,472</b>	<b>2,561,011</b>
	<hr/>	<hr/>
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	0.057%	0.033%
	<hr/>	<hr/>

The net asset value used for calculating the percentage is the average of the net asset value of the DIS constituent funds as at the last dealing day of each month during the year ended 31 March 2021.

**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 2020

	<i>BEA (MPF) Age 65 Plus Fund HK\$</i>	<i>BEA (MPF) Core Accumulation Fund HK\$</i>
<b>(a) Payments for services</b>		
Trustee, administration and custodian fees	248,481	605,258
Investment management fees	135,018	329,119
Sponsor fees	248,481	605,258
<b>Total payments for services</b>	631,980	1,539,635
<b>(b) Out-of-pocket expenses</b>		
Auditor's remuneration	35,658	52,809
Legal and other professional fees	113	268
Printing and postage expenses	16,287	39,009
Fund price publication expenses	14,594	14,594
Professional indemnity insurance	1,903	4,377
Miscellaneous expenses	5,468	5,468
<b>Total out-of-pocket expenses</b>	74,023	116,525
<b>(c) Payments other than (a) and (b) above</b>		
	-	-
<b>Total payments</b>	706,003	1,656,160
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	0.086%	0.056%

The net asset value used for calculating the percentage is the average of the net asset value of the DIS constituent funds as at the last dealing day of each month during the year ended 31 March 2020.

## 25 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2021

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 2021 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*

Annual Improvements to HKFRSs 2018-2020 Cycle

*1 January 2022*

Amendments to HKAS 1, *Classification of Liabilities as Current or Non-current*

*1 January 2023*

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.