



BEA (MPF) Value Scheme

31 March 2018

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Scheme report

The Trustee has pleasure in presenting the annual reports and the financial statements of the BEA (MPF) Value Scheme (“the Scheme”) for the year ended 31 March 2018.

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 17 August 2012, as amended, between The Bank of East Asia, Limited as sponsor and Bank of East Asia (Trustees) Limited as trustee (“the Trustee”). The Scheme is registered under section 21 of the MPF Ordinance.

Financial development

The Scheme commenced operations on 25 October 2012. The total contributions received and receivable including contribution surcharge and transfers in, and benefits paid and payable including transfers out and long service payments and severance payments during the year were HK\$23.6 million (2017: HK\$20.9 million) and HK\$7.7 million (2017: HK\$4.1 million) respectively. The net asset value as at 31 March 2018 was HK\$81.7 million (2017: HK\$55.6 million).

Changes to the governing rule

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

1. the number of free installment in a calendar year for the phased withdrawal; and
2. certain other areas, such as the change of legal advisers, consolidated asset size of the Sponsor, cut-off time for receiving instructions to change investment allocation, aggregate market value and respective weightings of the top 10 largest constituent stocks of FTSE® Greater China HKD Index and Hang Seng Index and the avenue through which real-time update of these indices can be obtained.

Default Investment Strategy

The Scheme has established 2 new constituent funds and adopted the default investment strategy (“DIS”) as the Scheme’s default investment choice. With effect from 1 April 2017, the 2 new constituent funds were offered to members. Below table summarized the details of the new constituent funds:

Name of New Constituent Fund	BEA Age 65 Plus Fund	BEA Core Accumulation Fund
Type of Fund	Mixed Assets Fund – Global	Mixed Assets Fund – Global
Investment Structure	Invest in an APIF (level 1) named BEA Union Investment Age 65 Plus Fund, a sub-fund of BEA Union Investment Capital Growth Fund, which in turn invests in two APIF (level 2)	Invest in an APIF (level 1) named BEA Union Investment Core Accumulation Fund, a sub-fund of BEA Union Investment Capital Growth Fund, which in turn invests in two APIF (level 2)

Scheme report (continued)

Default Investment Strategy (continued)

Name of New Constituent Fund (continued)	BEA Age 65 Plus Fund (continued)	BEA Core Accumulation Fund (continued)
Investment Objective and Policy	<p>The objective is to provide stable growth to scheme members by investing in a globally diversified manner. The Fund will hold around 20% of its net asset value in Higher Risk Assets (such as global equities), with the remainder investing in Lower Risk Assets (such as global bonds and money market instruments). The asset allocation to Higher Risk Assets may vary between 15% and 25% due to differing price movements of various equity and bond markets. The 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. The BEA Union Investment Age 65 Plus Fund will not invest in any structured deposits or products, and will not enter into any securities lending, repurchase transactions or other similar transactions.</p> <p>There is no prescribed allocation for investments in any specific countries or currencies. At least 30% of the assets of the Fund will be held in Hong Kong dollar currency investments.</p>	<p>The objective is to provide capital growth to scheme members by investing in a globally diversified manner. The Fund will hold around 60% of its net asset value in Higher Risk Assets (such as global equities), with the remainder investing in Lower Risk Assets (such as global bonds and money market instruments). The asset allocation to Higher Risk Assets may vary between 55% and 65% due to differing price movements of various equity and bond markets. The 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. The BEA Union Investment Core Accumulation Fund will not invest in any structured deposits or products, and will not enter into any securities lending, repurchase transactions or other similar transactions.</p> <p>There is no prescribed allocation for investments in any specific countries or currencies. At least 30% of the assets of the Fund will be held in Hong Kong dollar currency investments.</p>
Management Fees (% of Net Asset Value per annum)	0.75%	0.75%
Denomination Currency	Hong Kong dollar	Hong Kong dollar

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 2018 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, Hutchison House
10 Harcourt Road
Central, Hong Kong

Deacons

(retired on 31 January 2018)

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

Scheme report (continued)

Particulars of the service providers (continued)

Auditor

KPMG

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

Directors of the Trustee, Custodian and Administrator

David Li Kwok Po
Joseph Pang Yuk Wing
Cheung Man Kok
Tong Hon Shing
Adrian David Li Man Kiu
Raymond Ng Kai Man

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

Directors of the Investment Manager

Hermann Alexander Schindler
Gunter Karl Haueisen
Brian David Li Man Bun
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

Scheme report (continued)

Particulars of the service providers (continued)

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
Richard Li Tzar Kai (retired on 5 May 2017)
Stephen Charles Li Kwok Sze
Kuok Khoon Ean (retired on 5 May 2017)
Isidro Fainé Casas
Peter Lee Ka Kit
Adrian David Li Man Kiu
Brian David Li Man Bun
Daryl Ng Win Kong
Masayuki Oku
Rita Fan Hsu Lai Tai
Meocre Li Kwok Wing
Henry Tang Ying Yen
Chan Kin Por
Delman Lee

Business address of the Directors of the Sponsor and Banker

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

Further information

Scheme members can obtain further information about the Scheme and its operations from Mr Henry Chan Cho Yip, Senior MPF Marketing and Customer Services Manager, at the Trustee. Scheme members can also contact BEA (MPF) hotline at 2211 1777 or visit the website at <http://www.hkbea.com> for queries or further information.

Investment report for the year ended 31 March 2018

Investment Analysis

United States

- During April 2017 – March 2018, the Federal Reserve continued to normalise policy. The Federal Reserve's "dot plot" suggested policy-makers expected there would be three rate hikes in 2018.
- We remained our positive stance in the U.S. tax reform which President Trump signed into law in December 2017, as it would help to further boost growth in the coming years.
- The risk of a global escalation of protectionism triggered by the U.S. had contributed to a significant correction in the equity markets. However, the economic environment and expectations of corporate profits had largely held steady.

Europe

- During April 2017 – March 2018, the Britain's Conservative government lost its majority in June's general election after a resurgence of support for the Labour Party and a weak campaign by the prime minister, Theresa May. The government was in a minority and reliant on votes from a small Northern Ireland party to execute its agenda. This left Britain in a much weaker negotiating position for the Brexit negotiations. Many argued that May had lost her mandate to pursue a "hard Brexit" and adding to the economic uncertainty.
- Capital market environment in Europe remained positive, but this had been overshadowed by trade disputes.

China

- During April 2017 – March 2018, the People's Bank of China ("PBOC") announced selective cuts to its required reserve ratio ("RRR") which would take effect in 2018, so as to boost lending to under-served areas of the economy such as agriculture and SMEs. The PBOC stressed that this was a structural adjustment and not a shift towards looser monetary policy. While industrial production slowed in September 2017 due to environmental protection measures, the resilience of the Purchasing Managers' Index suggested that economic momentum remained strong. The lower RRR would help boost banks' earnings and was taken very positively by the market.
- Mainland China's real estate sector rebounded as home prices had stabilised and the announcement of accelerated shanty town clearance programmes was expected to help absorb inventory in 2018. Data also indicated a rebound of home sales and new home starts in November 2017.
- Despite the fact that the reported 2017 Chinese corporate earnings had mostly met expectations, the potential trade war between the U.S. and China drove both onshore and offshore Chinese equity markets lower in March 2018.

Investment report for the year ended 31 March 2018 (continued)

Investment Analysis (continued)

Japan

- During April 2017 – March 2018, Japan's economy continued to show signs of recovery, with strong industrial activity, low inventory levels, a tight employment market, and a slightly inflationary trend in consumer prices.
- Economic data gained momentum close end of 2017, raising market confidence about Japan's economic recovery.
- The Japanese yen appreciated against the U.S. dollar, which was treated as a safe haven currency when market volatility increased.

Asia

- During April 2017 – March 2018, the United Nations Security Council passed another raft of sanctions against North Korea to censure the regime's attempt to develop a nuclear weapon capable of striking the continental U.S. These sanctions banned exports of textiles and placed a cap on sales of crude oil and refined petroleum.
- Encouraged by the strength of the domestic economy and the possibility of stronger-than-expected inflation, the Bank of Korea raised its benchmark interest rate in November 2017. This was the first time the Bank of Korea raised rates since 2011 and flagged the start of a new rate cycle.

Global Bond

- During April 2017 – March 2018, economic data in the U.S. and Europe remained strong and this could result into further monetary tightening by central banks, the impact to global bond market should be gradual and in an orderly manner. We expected positive factors to global bond market would continue, including steady appreciation of non-U.S. currencies and moderate inflation pressure.

Investment report for the year ended 31 March 2018 (continued)

Trustee's Commentary

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA MPF Conservative Fund <i>Launch date: 25/10/2012</i>	0.26	0.44	N/A	0.41
Benchmark / Performance Target	0.01	0.01	N/A	N/A**
Deviation from the Benchmark / Performance Target*	+0.25	+0.43	N/A	N/A**
Trustee's commentary	<ul style="list-style-type: none"> The 1-year and 5-year annualized returns were above the benchmark / performance target (i.e. prescribed savings rate). 			
BEA Growth Fund <i>Launch date: 25/10/2012</i>	16.49	5.97	N/A	6.08
Benchmark / Performance Target	15.24	5.40	N/A	N/A**
Deviation from the Benchmark / Performance Target*	+1.25	+0.57	N/A	N/A**
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the market median due to overweighting in equities and underweighting in cash compared to peers. The 5-year annualized return was above the market median due to overweighting in equities and larger weighting in bonds compared to peers. 			

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

** The comparison between the performance and the market median may not be meaningful as different funds may have different launch dates.

Investment report for the year ended 31 March 2018 (continued)

Trustee's Commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Balanced Fund <i>Launch date: 25/10/2012</i>	13.58	5.00	N/A	4.97
Benchmark / Performance Target	12.52	4.04	N/A	N/A**
Deviation from the Benchmark / Performance Target*	+1.06	+0.96	N/A	N/A**
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the market median due to overweighting in equities and underweighting in cash compared to peers. The 5-year annualized return was above the market median due to overweighting in equities and larger weighting in bonds compared to peers. 			
BEA Stable Fund <i>Launch date: 25/10/2012</i>	10.78	3.39	N/A	3.42
Benchmark / Performance Target	9.24	2.50	N/A	N/A**
Deviation from the Benchmark / Performance Target*	+1.54	+0.89	N/A	N/A**
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the market median due to overweighting in equities and underweighting in cash compared to peers. The 5-year annualized return was above the market median due to overweighting in equities and larger weighting in bonds compared to peers. 			
BEA Global Equity Fund <i>Launch date: 25/10/2012</i>	14.23	8.11	N/A	8.73
Benchmark / Performance Target	12.51	7.69	N/A	N/A**
Deviation from the Benchmark / Performance Target*	+1.72	+0.42	N/A	N/A**
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the market median due to good stock selection especially in the US market. The 5-year annualized return was above the market median due to good stock selection especially in the US market. 			

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

** The comparison between the performance and the market median may not be meaningful as different funds may have different launch dates.

Investment report for the year ended 31 March 2018 (continued)

Trustee's Commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Asian Equity Fund <i>Launch date: 25/10/2012</i>	28.32	6.90	N/A	6.61
Benchmark / Performance Target	23.56	7.25	N/A	N/A**
Deviation from the Benchmark / Performance Target*	+4.76	-0.35	N/A	N/A**
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the market median due to overweighting in Hong Kong and China equities. The 5-year annualized return was below the market median due to country allocation. 			
BEA Greater China Equity Fund <i>Launch date: 25/10/2012</i>	30.37	10.01	N/A	9.65
Benchmark / Performance Target	26.84	9.30	N/A	N/A**
Deviation from the Benchmark / Performance Target*	+3.53	+0.71	N/A	N/A**
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the market median due to positive sector and stock selection especially in Taiwan. The 5-year annualized return was above the market median due to positive sector and stock selection. 			

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

** The comparison between the performance and the market median may not be meaningful as different funds may have different launch dates.

Investment report for the year ended 31 March 2018 (continued)

Trustee's Commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Greater China Tracker Fund <i>Launch date: 25/10/2012</i>	25.26	9.38	N/A	8.23
Benchmark / Performance Target	26.04	10.48	N/A	N/A**
Deviation from the Benchmark / Performance Target*	-0.78	-1.10	N/A	N/A**
Trustee's commentary	<ul style="list-style-type: none"> The 1-year and 5-year annualized returns were able to correspond to the return of the Index 			
BEA Hong Kong Tracker Fund <i>Launch date: 25/10/2012</i>	27.43	8.77	N/A	7.82
Benchmark / Performance Target	29.46	10.21	N/A	N/A**
Deviation from the Benchmark / Performance Target*	-2.03	-1.44	N/A	N/A**
Trustee's commentary	<ul style="list-style-type: none"> The 1-year and 5-year annualized returns were able to correspond to the return of the Index. 			
BEA Global Bond Fund <i>Launch date: 25/10/2012</i>	6.64	1.23	N/A	1.00
Benchmark / Performance Target	4.26	0.52	N/A	N/A**
Deviation from the Benchmark / Performance Target*	+2.38	+0.71	N/A	N/A**
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was above the market median due to longer duration and higher exposure to foreign currency compared to peers. The 5-year annualized return was above the market median due to longer duration and overweighting US dollar. 			

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

** The comparison between the performance and the market median may not be meaningful as different funds may have different launch dates.

Investment report for the year ended 31 March 2018 (continued)

Trustee's Commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Age 65 Plus Fund <i>Launch date: 01/04/2017</i>	N/A	N/A	N/A	N/A
Benchmark / Performance Target	N/A	N/A	N/A	N/A
Deviation from the Benchmark / Performance Target*	N/A	N/A	N/A	N/A
Trustee's commentary	<ul style="list-style-type: none"> The fund was launched on 1st April, 2017. Annualised returns are only available for presentation of performance figures for periods of more than 1 year. 			
BEA Core Accumulation Fund <i>Launch date: 01/04/2017</i>	N/A	N/A	N/A	N/A
Benchmark / Performance Target	N/A	N/A	N/A	N/A
Deviation from the Benchmark / Performance Target*	N/A	N/A	N/A	N/A
Trustee's commentary	<ul style="list-style-type: none"> The fund was launched on 1st April, 2017. Annualised returns are only available for presentation of performance figures for periods of more than 1 year. 			

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

** The comparison between the performance and the market median may not be meaningful as different funds may have different launch dates.

Investment report for the year ended 31 March 2018 (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 fund performance of constituent funds ("CFs"). BEA Trustees identifies underperformance issues by referencing to the benchmark of non-index tracking CFs, and the performance differences or abnormal tracking error for the index-tracking CFs.

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 the CFs are identified to be underperformed, 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.

Further 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 the regular reports and meetings.

Investment objectives and policies of the Scheme and the constituent funds

The Scheme commenced operations on 25 October 2012. The Scheme offers 12 constituent funds with different investment policies. The constituent funds of the Scheme are BEA MPF Conservative Fund, BEA Growth Fund, BEA Balanced Fund, BEA Stable Fund, BEA Global Equity Fund, BEA Asian Equity Fund, BEA Greater China Equity Fund, BEA Greater China Tracker Fund, BEA Hong Kong Tracker Fund, BEA Global Bond Fund, BEA Age 65 Plus Fund and BEA Core Accumulation Fund.

BEA Growth Fund, BEA Balanced Fund, BEA Stable Fund and BEA Asian Equity Fund invest in approved pooled investment funds. BEA Global Equity Fund, BEA Greater China Equity Fund, BEA Global Bond Fund, BEA Age 65 Plus Fund and BEA Core Accumulation Fund invest in a single approved pooled investment fund. BEA Greater China Tracker Fund and BEA Hong Kong Tracker Fund invest in a single approved index-tracking fund and BEA MPF Conservative Fund invests directly in a portfolio of Hong Kong dollar deposits and Hong Kong dollar 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 2018 (continued)

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

BEA MPF Conservative Fund

Investment objective:

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

Investment policy:

The BEA MPF Conservative Fund solely invests in Hong Kong dollar denominated instruments, namely, short-term deposits and debt securities issued by banks, corporations and governments and such instruments will satisfy the requirements set out in section 37 of the Hong Kong Mandatory Provident Fund Schemes (General) Regulation.

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

BEA 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 Growth Fund invests primarily in global equity and bond markets. The BEA Growth Fund invests in a range of Approved Pooled Investment Funds managed by the Investment Manager to obtain exposure to such markets (such Approved Pooled Investment Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA Growth Fund). The underlying assets of the BEA 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 Investment Manager invests the assets of the BEA Growth Fund only in Approved Pooled Investment Funds which do not enter into financial futures and options contracts other than for hedging purposes. The Approved Pooled Investment Funds may, however, engage in securities lending.

The BEA Growth Fund will enter into financial futures and options contracts for hedging purposes only. The BEA Growth Fund will not engage in securities lending.

Investment report for the year ended 31 March 2018 (continued)

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

BEA 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 Balanced Fund invests primarily in global equity and bond markets. The BEA Balanced Fund invests in a range of Approved Pooled Investment Funds managed by the Investment Manager to obtain exposure to such markets (such Approved Pooled Investment Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA Balanced Fund). The underlying assets of the BEA 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 Investment Manager invests the assets of the BEA Balanced Fund only in Approved Pooled Investment Funds which do not enter into financial futures and options contracts other than for hedging purposes. The Approved Pooled Investment Funds may, however, engage in securities lending.

The BEA Balanced Fund will enter into financial futures and options contracts for hedging purposes only. The BEA Balanced Fund will not engage in securities lending.

Investment report for the year ended 31 March 2018 (continued)

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

BEA Stable Fund

Investment objective:

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

Investment policy:

The BEA Stable Fund invests primarily in the global equity and bond markets. The BEA Stable Fund invests in a range of Approved Pooled Investment Funds managed by the Investment Manager to obtain exposure to such markets (such Approved Pooled Investment Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA Stable Fund). The underlying assets of the BEA 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 Investment Manager invests the assets of the BEA Stable Fund only in Approved Pooled Investment Funds which do not enter into financial futures and options contracts other than for hedging purposes. The Approved Pooled Investment Funds may, however, engage in securities lending.

The BEA Stable Fund will enter into financial futures and options contracts for hedging purposes only. The BEA Stable Fund will not engage in securities lending.

Investment report for the year ended 31 March 2018 (continued)

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

BEA Global Equity Fund

Investment objective:

To provide investors with long-term capital growth through investing in a diversified global portfolio.

Investment policy:

The BEA Global Equity Fund invests directly in a single Approved Pooled Investment Fund, namely the BEA Union Investment Global Equity Fund (a sub-fund of the BEA Union Investment Capital Growth Fund), to obtain exposure to the global equity markets. The Approved Pooled Investment Fund's portfolio primarily consists of global equity securities, including but not limited to common stocks, preferred stocks, American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs"), International Depositary Receipts ("IDRs"), approved Exchange Traded Funds ("ETFs"), warrants, or debt securities convertible into common or preferred stocks, or ADRs, GDRs or IDRs, to the extent permitted under Schedule 1 of the Hong Kong Mandatory Provident Fund Schemes (General) Regulation.

In managing the asset allocation of the Approved Pooled Investment Fund's portfolio, the manager of the Approved Pooled Investment Fund from time to time makes reference to the geographic allocation by one or more global stock market indices. As an indication, the geographic allocation of the Approved Pooled Investment Fund is expected to be:

United States	– 0% - 65%
Europe	– 0% - 40%
Others	– 0% - 50%

Please note that the above figures are for indicative purposes only. The actual allocation of the Approved Pooled Investment Fund's portfolio between countries and regions may vary from time to time and may be different from that as shown above according to the perception of the Approved Pooled Investment Fund's manager of prevailing and anticipated global market conditions and will be decided on the basis of the macro-economic analysis of the Approved Pooled Investment Fund's manager of the global markets and economic growth, inflation and interest rate trends.

Investment report for the year ended 31 March 2018 (continued)

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

BEA Global Equity Fund (continued)

Normally not less than 70% of the Approved Pooled Investment Fund's assets will be invested in equities. Up to 10% of the assets of the Approved Pooled Investment Fund may be invested in other securities (as permitted under Schedule 1 to the Hong Kong Mandatory Provident Fund Schemes (General) Regulation). Any remaining assets may be held in money market instruments, cash or cash equivalents. In times of extreme volatility of the markets or during severe adverse market conditions, the Approved Pooled Investment Fund may hold a substantial portion of its assets in money market instruments, cash or cash equivalents to safeguard the investment portfolio of the Approved Pooled Investment Fund.

Subject to the restrictions imposed by the Hong Kong Mandatory Provident Fund Schemes Ordinance, the Approved Pooled Investment Fund may enter into financial futures, options and currency forward contracts for hedging purposes to reduce risk and protect asset value, consistent with the investment objective of the Approved Pooled Investment Fund. The Approved Pooled Investment Fund may engage in securities lending.

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

The BEA Global Equity Fund will not enter into financial futures and options contracts for any purposes and will not engage in securities lending.

The Investment Manager is also the manager of the Approved Pooled Investment Fund.

Investment report for the year ended 31 March 2018 (continued)

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

BEA 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.

Investment policy:

The BEA Asian Equity Fund invests primarily in Asian ex-Japan equity markets. The BEA Asian Equity Fund invests in a range of Approved Pooled Investment Funds managed by the Investment Manager to obtain exposure to such Asian ex-Japan equity markets (such Approved Pooled Investment Funds selected by the Investment Manager having regard to the investment objective and investment policy of the BEA Asian Equity Fund). The underlying assets of the BEA Asian Equity Fund are expected normally to be invested 70% to 100% 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). The underlying assets of the BEA Asian Equity Fund may be invested 0% to 30% in cash, debt securities and/or money market instruments for cash management purpose.

The Investment Manager invests the assets of the BEA Asian Equity Fund only in Approved Pooled Investment Funds which do not enter into financial futures and options contracts other than for hedging purposes. The Approved Pooled Investment Funds may, however, engage in securities lending.

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

The BEA Asian Equity Fund will enter into financial futures and options contracts for hedging purposes only. The BEA Asian Equity Fund will not engage in securities lending.

Investment report for the year ended 31 March 2018 (continued)

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

BEA Greater China Equity Fund

Investment objective:

To provide investors with long-term capital growth through exposure to the Greater China equity markets.

Investment policy:

The BEA Greater China Equity Fund invests directly in a single Approved Pooled Investment Fund, namely the BEA Union Investment Greater China Growth Fund (a sub-fund of the BEA Union Investment Capital Growth Fund), to obtain exposure to the Greater China equity markets. The Approved Pooled Investment Fund will invest in a diversified portfolio primarily consisting of securities that are either (a) listed in Greater China or (b) issued by companies that are incorporated in Greater China or companies which have significant operations in or derive a significant portion of revenue or profits from Greater China, which includes the People's Republic of China (PRC), Hong Kong, Macau and Taiwan.

Normally not less than 70% of the assets of the Approved Pooled Investment Fund will be invested directly in equities. Up to 10% of the assets of the Approved Pooled Investment Fund may be invested in other securities (as permitted under Schedule 1 to the Hong Kong Mandatory Provident Fund Schemes (General) Regulation), including other collective investment schemes, China A-shares and China B-shares. Any remaining assets may be held in cash or cash equivalents. In times of extreme volatility of the markets or during severe adverse market conditions, the Approved Pooled Investment Fund may hold a substantial portion of its assets in cash or cash equivalents, or invest in short-term money market instruments to safeguard the investment portfolio of the Approved Pooled Investment Fund.

The Approved Pooled Investment Fund may enter into financial futures and options contracts for hedging purposes to reduce risk and protect or enhance asset value, consistent with the investment objective of the Approved Pooled Investment Fund. The Approved Pooled Investment Fund may engage in securities lending.

The BEA Greater China Equity Fund may hold cash and bank deposits for ancillary purposes, such as for meeting redemption requests or defraying operating expenses. The BEA Greater China Equity Fund will not enter into financial futures and options contracts for any purposes and will not engage in securities lending.

The Investment Manager is also the manager of the Approved Pooled Investment Fund.

Investment report for the year ended 31 March 2018 (continued)

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

BEA Greater China Tracker Fund

Investment objective:

To provide investment returns, before fees and expenses, that closely correspond to the performance of the FTSE Greater China HKD Index.

Investment policy:

The BEA Greater China Tracker Fund invests directly in a single Approved Index-Tracking Fund, namely the SPDR FTSE Greater China ETF (a sub-fund of the SPDR ETFs). The Approved Index-Tracking Fund aims to provide investment returns, before fees and expenses, that closely correspond to the performance of the FTSE Greater China HKD Index. The FTSE Greater China HKD Index comprises of stocks listed in Hong Kong, Taiwan, Shanghai (B shares), Shenzhen (B shares) and Singapore, where the Singapore listed stocks are classified as Hong Kong nationality in accordance with FTSE nationality rules.

The Approved Index-Tracking Fund may use futures contracts listed on futures exchanges in Hong Kong, Taiwan and Singapore. In addition, the Approved Index-Tracking Fund may receive other derivatives, such as warrants or options, as a result of corporate action from underlying investments. The Approved Index-Tracking Fund will not engage in securities lending.

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

The BEA Greater China Tracker Fund will not enter into financial futures and options contracts and will not engage in securities lending.

Investment report for the year ended 31 March 2018 (continued)

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

BEA Hong Kong Tracker Fund

Investment objective:

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

Investment policy:

The BEA Hong Kong Tracker Fund invests directly in a single Approved Index-Tracking Fund, namely the Tracker Fund of Hong Kong. The Approved Index-Tracking Fund aims to provide investment results that closely correspond to the performance of the Hang Seng Index.

The Approved Index-Tracking Fund may use futures contracts and options for hedging purposes or to achieve its investment objective. The Approved Index-Tracking Fund will not engage in securities lending.

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

The BEA Hong Kong Tracker Fund will not enter into financial futures and options contracts and will not engage in securities lending.

Investment report for the year ended 31 March 2018 (continued)

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

BEA Global Bond Fund

Investment objective:

To provide investors with total investment return over the medium to long term through investing into a diversified range of global bonds.

Investment policy:

The BEA Global Bond Fund invests directly in a single Approved Pooled Investment Fund, namely the BEA Union Investment Global Bond Fund (a sub-fund of the BEA Union Investment Capital Growth Fund), to obtain exposure to the global bond markets. The Approved Pooled Investment Fund will invest in a diversified range of global bonds denominated in various major currencies (including but not limited to, United States dollars, Euro, Pounds Sterling, Japanese Yen and Hong Kong dollars).

The Approved Pooled Investment Fund's assets will normally be invested between 20% to 100% in short to long term government bonds and 0% to 80% in short to long term corporate bonds. Such investments will be made mainly in the United States of America, Europe and Asia, but may include other markets.

The Approved Pooled Investment Fund may enter into financial futures contracts for hedging purposes to reduce risk and enhance asset value, consistent with the investment objective of the Approved Pooled Investment Fund. The Approved Pooled Investment Fund may engage in securities lending.

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

The BEA Global Bond Fund will not enter into financial futures and options contracts for any purposes and will not engage in securities lending.

The Investment Manager is also the manager of the Approved Pooled Investment Fund.

Investment report for the year ended 31 March 2018 (continued)

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

BEA Age 65 Plus Fund

Investment objective:

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

Investment policy:

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

Asset Allocation:

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

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

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

Investment report for the year ended 31 March 2018 (continued)

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

BEA Core Accumulation Fund

Investment objective:

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

Investment policy:

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

Asset Allocation:

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

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

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

Investment report for the year ended 31 March 2018 (continued)

Investment income and performance

	<i>BEA MPF Conservative Fund</i>			<i>BEA Growth Fund</i>			<i>BEA Balanced Fund</i>		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	106,567	43,954	22,787	(76,166)	(45,908)	(30,941)	(46,254)	(29,559)	(20,270)
Capital appreciation/(depreciation) of investments									
– realised and unrealised	-	-	-	1,335,143	448,930	(105,566)	671,024	197,156	4,443
Value of scheme assets derived from investments as at 31 March	<u>12,982,179</u>	<u>8,349,468</u>	<u>4,006,479</u>	<u>8,557,950</u>	<u>6,472,728</u>	<u>4,122,780</u>	<u>5,507,745</u>	<u>3,873,014</u>	<u>2,554,113</u>
	<i>BEA Stable Fund</i>			<i>BEA Global Equity Fund</i>			<i>BEA Asian Equity Fund</i>		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	(60,453)	(40,829)	(25,279)	(53,156)	(31,374)	(22,919)	(37,295)	(22,578)	(16,897)
Capital appreciation/(depreciation) of investments									
– realised and unrealised	716,604	108,511	58,651	792,609	384,280	52,043	1,002,563	362,465	(224,378)
Value of scheme assets derived from investments as at 31 March	<u>7,413,247</u>	<u>5,402,923</u>	<u>3,352,899</u>	<u>6,516,547</u>	<u>4,577,411</u>	<u>2,998,067</u>	<u>4,776,908</u>	<u>2,886,829</u>	<u>2,103,189</u>

Investment report for the year ended 31 March 2018 (continued)

Investment income and performance (continued)

	<i>BEA Greater China Equity Fund</i>			<i>BEA Greater China Tracker Fund</i>			<i>BEA Hong Kong Tracker Fund</i>		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	(48,977)	(34,318)	(33,451)	(25,217)	(16,670)	(15,525)	395,849	246,159	171,225
Capital appreciation/(depreciation) of investments – realised and unrealised	1,433,914	571,832	(553,297)	866,950	476,130	(291,320)	3,106,200	1,351,554	(1,238,404)
Value of scheme assets derived from investments as at 31 March	<u>5,638,265</u>	<u>4,403,801</u>	<u>3,307,875</u>	<u>4,337,950</u>	<u>2,721,600</u>	<u>2,239,140</u>	<u>15,412,800</u>	<u>11,968,200</u>	<u>7,287,000</u>
	<i>BEA Global Bond Fund</i>			<i>BEA Age 65 Plus Fund⁽¹⁾</i>			<i>BEA Core Accumulation Fund⁽¹⁾</i>		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	(26,425)	(15,459)	(6,634)	(3,324)	-	-	(5,762)	-	-
Capital appreciation/(depreciation) of investments – realised and unrealised	203,590	(45,159)	36,394	15,855	-	-	46,129	-	-
Value of scheme assets derived from investments as at 31 March	<u>3,633,201</u>	<u>1,993,761</u>	<u>880,987</u>	<u>765,161</u>	<u>-</u>	<u>-</u>	<u>1,379,149</u>	<u>-</u>	<u>-</u>

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

Investment report for the year ended 31 March 2018 (continued)

Breakdown of income derived from investments and bank balances

For the year ended 31 March 2018

	<i>Dividend income</i> HK\$	<i>Interest on bank deposits</i> HK\$	<i>Total</i> HK\$
BEA MPF Conservative Fund	-	106,567	106,567
BEA Growth Fund	-	31	31
BEA Balanced Fund	-	27	27
BEA Stable Fund	-	499	499
BEA Global Equity Fund	-	18	18
BEA Asian Equity Fund	-	16	16
BEA Greater China Equity Fund	-	16	16
BEA Greater China Tracker Fund	-	1	1
BEA Hong Kong Tracker Fund	506,880	6	506,886
BEA Global Bond Fund	-	10	10
BEA Age 65 Plus Fund ⁽¹⁾	-	-	-
BEA Core Accumulation Fund ⁽¹⁾	-	-	-

For the year ended 31 March 2017

	<i>Dividend income</i> HK\$	<i>Interest on bank deposits</i> HK\$	<i>Total</i> HK\$
BEA MPF Conservative Fund	-	43,954	43,954
BEA Growth Fund	-	26	26
BEA Balanced Fund	-	19	19
BEA Stable Fund	-	31	31
BEA Global Equity Fund	-	11	11
BEA Asian Equity Fund	-	8	8
BEA Greater China Equity Fund	-	11	11
BEA Greater China Tracker Fund	-	-	-
BEA Hong Kong Tracker Fund	312,140	4	312,144
BEA Global Bond Fund	-	5	5

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

Investment report for the year ended 31 March 2018 (continued)

Performance table

(a) Total net asset value (at last traded market prices) and net asset value (at last traded market prices) per unit

Name of constituent funds	As at 31 March 2018		As at 31 March 2017		As at 31 March 2016	
	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	14,213,570	10.3595	9,148,462	10.2647	4,726,850	10.1928
BEA Growth Fund	8,980,132	13.7774	6,697,203	11.8281	4,397,913	10.9806
BEA Balanced Fund	5,774,668	13.0172	3,954,710	11.4613	2,712,664	10.9330
BEA Stable Fund	8,710,484	12.0015	5,830,129	10.8339	3,575,336	10.6599
BEA Global Equity Fund	6,681,628	15.7560	4,676,019	13.7944	3,082,205	12.5639
BEA Asian Equity Fund	4,892,677	14.1576	2,956,870	11.0333	2,157,528	9.7142
BEA Greater China Equity Fund	5,788,127	16.4940	4,514,219	12.6528	3,405,466	11.0065
BEA Greater China Tracker Fund	4,346,326	15.3685	2,762,450	12.2696	2,255,198	10.1603
BEA Hong Kong Tracker Fund	15,427,295	15.0548	11,997,467	11.8147	7,306,013	9.9022
BEA Global Bond Fund	3,733,787	10.5531	2,054,781	9.8963	907,943	10.1902
BEA Age 65 Plus Fund ⁽¹⁾	764,616	10.4592	-	-	-	-
BEA Core Accumulation Fund ⁽¹⁾	1,378,176	11.0654	-	-	-	-
	<u>80,691,486</u>		<u>54,592,310</u>		<u>34,527,116</u>	

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

Investment report for the year ended 31 March 2018 (continued)

Performance table (continued)

(b) **Highest and lowest prices**

	<i>BEA MPF Conservative Fund ⁽¹⁾</i>	<i>BEA Growth Fund ⁽¹⁾</i>	<i>BEA Balanced Fund ⁽¹⁾</i>	<i>BEA Stable Fund ⁽¹⁾</i>	<i>BEA Global Equity Fund ⁽¹⁾</i>	<i>BEA Asian Equity Fund ⁽¹⁾</i>	<i>BEA Greater China Equity Fund ⁽¹⁾</i>	<i>BEA Greater China Tracker Fund ⁽¹⁾</i>	<i>BEA Hong Kong Tracker Fund ⁽¹⁾</i>	<i>BEA Global Bond Fund ⁽¹⁾</i>	<i>BEA Age 65 Plus Fund ⁽¹⁾</i>	<i>BEA Core Accumulation Fund ⁽¹⁾</i>
Highest issue price per unit (at last traded market prices) (HK\$)												
2018	10.3590	14.6198	13.5758	12.3128	17.0294	15.1770	17.8552	16.5129	16.5390	10.5806	10.6016	11.5470
2017	10.2647	11.8988	11.5583	11.1646	13.9058	11.2538	12.9506	12.3601	12.0110	10.6058	-	-
2016	10.1928	12.1255	11.5612	10.9190	12.9334	12.3290	14.5862	13.5170	13.2154	10.1902	-	-
2015	10.1323	11.6032	11.1330	10.7410	12.7113	11.6179	12.8086	11.9667	11.6796	10.2071	-	-
2014	10.0511	11.1496	10.7499	10.4531	12.2422	11.0056	11.8503	11.0560	10.8233	10.0387	-	-
2013	10.0014	10.4424	10.3335	10.2392	10.7783	10.4840	10.8339	10.4116	10.5337	10.0070	-	-
Lowest redemption price per unit (at last traded market prices) (HK\$)												
2018	10.2654	11.7936	11.4628	10.8352	13.6667	10.9675	12.5537	12.1193	11.6667	9.8997	9.9997	9.9747
2017	10.1930	10.7449	10.7719	10.4277	11.9898	9.1143	10.3264	9.5900	9.4175	9.6860	-	-
2016	10.1325	10.0820	10.1883	10.0651	11.1611	8.4862	9.6536	8.8490	8.7209	9.5386	-	-
2015	10.0513	10.7934	10.5828	10.3911	11.3138	10.3263	11.0339	10.1752	9.8365	9.8066	-	-
2014	10.0014	9.9543	9.8809	9.8901	10.5160	9.2064	9.5365	8.9590	8.9339	9.7416	-	-
2013	10.0000	10.0055	9.9928	9.9965	10.0000	9.9485	10.0077	9.6926	9.7247	9.9089	-	-

⁽¹⁾ The date of commencement for BEA MPF Conservative Fund, BEA Growth Fund, BEA Balanced Fund, BEA Stable Fund, BEA Global Equity Fund, BEA Asian Equity Fund, BEA Greater China Equity Fund, BEA Greater China Tracker Fund, BEA Hong Kong Tracker Fund, and BEA Global Bond Fund was 25 October 2012.

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

Investment report for the year ended 31 March 2018 (continued)

Performance table (continued)

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

	<i>BEA MPF Conservative Fund ⁽³⁾</i>	<i>BEA Growth Fund ⁽²⁾</i>	<i>BEA Balanced Fund ⁽²⁾</i>	<i>BEA Stable Fund ⁽²⁾</i>	<i>BEA Global Equity Fund ⁽²⁾</i>	<i>BEA Asian Equity Fund ⁽²⁾</i>	<i>BEA Greater China Equity Fund ⁽²⁾</i>	<i>BEA Greater China Tracker Fund ⁽²⁾</i>	<i>BEA Hong Kong Tracker Fund ⁽²⁾</i>	<i>BEA Global Bond Fund ⁽²⁾</i>	<i>BEA Age 65 Plus Fund ⁽²⁾</i>	<i>BEA Core Accumulation Fund ⁽²⁾</i>
Net annualised investment return (%)												
2018	0.92	16.48	13.58	10.78	14.22	28.32	30.36	25.26	27.42	6.64	4.59	10.65
2017	0.71	7.72	4.83	1.63	9.79	13.58	14.96	20.76	19.31	(2.88)	-	-
2016	0.60	(4.91)	(1.32)	0.11	0.66	(13.36)	(14.07)	(15.01)	(14.47)	3.00	-	-
2015	0.81	4.96	3.86	2.36	2.95	6.16	14.35	16.14	16.03	(0.97)	-	-
2014	0.50	6.74	4.59	2.39	13.64	4.12	9.43	4.87	0.90	0.63	-	-
2013	0.01	3.08	1.99	1.59	6.69	1.43	2.36	(1.85)	(1.12)	(0.73)	-	-

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

⁽²⁾ The date of commencement for BEA MPF Conservative Fund, BEA Growth Fund, BEA Balanced Fund, BEA Stable Fund, BEA Global Equity Fund, BEA Asian Equity Fund, BEA Greater China Equity Fund, BEA Greater China Tracker Fund, BEA Hong Kong Tracker Fund, and BEA Global Bond Fund was 25 October 2012.

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

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

Investment report for the year ended 31 March 2018 (continued)

Performance table (continued)

(d) Fund Expense Ratio ("FER")

Name of constituent funds	2018	
	Transaction costs for the period/year ended 31 March HK\$	FER for the period/year ended 31 March
BEA MPF Conservative Fund	-	0.79%
BEA Growth Fund	-	0.97%
BEA Balanced Fund	-	0.96%
BEA Stable Fund	-	0.95%
BEA Global Equity Fund	-	0.98%
BEA Asian Equity Fund	-	0.97%
BEA Greater China Equity Fund	-	0.99%
BEA Greater China Tracker Fund	2,783	1.07%
BEA Hong Kong Tracker Fund	16,849	0.71%
BEA Global Bond Fund	-	0.91%
BEA Age 65 Plus Fund ⁽¹⁾	-	0.82%
BEA Core Accumulation Fund ⁽¹⁾	-	0.80%

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

Investment report as at 31 March 2018 (continued)

Investment portfolio

BEA MPF Conservative Fund

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits				
<i>Hong Kong Dollar</i>				
Bank of Communications Co., Ltd F/D 1.13% 25 April 2018	110,702	110,702	110,702	0.78
Bank of Communications Co., Ltd F/D 0.68% 16 May 2018	498,390	498,390	498,390	3.51
Bank of Communications Co., Ltd F/D 1.13% 04 July 2018	135,491	135,491	135,491	0.95
Bank of Communications Co., Ltd F/D 1.55% 10 October 2018	141,771	141,771	141,771	1.00
Bank of Communications Co., Ltd F/D 1.83% 02 January 2019	302,527	302,527	302,527	2.13
Bank of Tokyo-Mitsubishi UFJ, Ltd. F/D 0.92% 11 April 2018	100,000	100,000	100,000	0.70
Bank of Tokyo-Mitsubishi UFJ, Ltd. F/D 1.13% 02 May 2018	185,788	185,788	185,788	1.31
Bank of Tokyo-Mitsubishi UFJ, Ltd. F/D 1.15% 09 May 2018	378,512	378,512	378,512	2.66
Bank of Tokyo-Mitsubishi UFJ, Ltd. F/D 0.94% 16 May 2018	369,005	369,005	369,005	2.60
Bank of Tokyo-Mitsubishi UFJ, Ltd. F/D 1.17% 25 July 2018	150,779	150,779	150,779	1.06
China CITIC Bank International Limited F/D 1.35% 30 May 2018	533,614	533,614	533,614	3.75
China CITIC Bank International Limited F/D 1.49% 25 July 2018	398,970	398,970	398,970	2.81
China CITIC Bank International Limited F/D 1.43% 29 August 2018	265,300	265,300	265,300	1.87
Chong Hing Bank Limited F/D 1.10% 25 April 2018	272,890	272,890	272,890	1.92
Chong Hing Bank Limited F/D 1.05% 02 May 2018	91,687	91,687	91,687	0.65
Chong Hing Bank Limited F/D 0.80% 16 May 2018	93,000	93,000	93,000	0.65
Chong Hing Bank Limited F/D 1.10% 04 July 2018	151,298	151,298	151,298	1.06
Chong Hing Bank Limited F/D 1.05% 18 July 2018	212,974	212,974	212,974	1.50

Investment report as at 31 March 2018 (continued)

Investment portfolio (continued)

BEA MPF Conservative Fund (continued)

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits (continued)				
<i>Hong Kong Dollar (continued)</i>				
Chong Hing Bank Limited F/D 1.10% 22 August 2018	125,214	125,214	125,214	0.88
Chong Hing Bank Limited F/D 1.15% 31 October 2018	242,326	242,326	242,326	1.70
Dah Sing Bank Limited F/D 1.15% 25 April 2018	142,360	142,360	142,360	1.00
Dah Sing Bank Limited F/D 0.80% 16 May 2018	149,135	149,135	149,135	1.05
Dah Sing Bank Limited F/D 0.85% 23 May 2018	499,037	499,037	499,037	3.51
Dah Sing Bank Limited F/D 1.00% 29 August 2018	356,839	356,839	356,839	2.51
DBS Bank (Hong Kong) Limited F/D 1.10% 04 April 2018	196,000	196,000	196,000	1.38
DBS Bank (Hong Kong) Limited F/D 1.10% 25 April 2018	322,903	322,903	322,903	2.27
DBS Bank (Hong Kong) Limited F/D 0.83% 16 May 2018	526,447	526,447	526,447	3.70
DBS Bank (Hong Kong) Limited F/D 1.28% 07 November 2018	140,285	140,285	140,285	0.99
Fubon Bank (Hong Kong) Limited F/D 0.90% 11 April 2018	240,786	240,786	240,786	1.69
Fubon Bank (Hong Kong) Limited F/D 0.90% 18 April 2018	74,415	74,415	74,415	0.52
Fubon Bank (Hong Kong) Limited F/D 1.10% 25 April 2018	131,097	131,097	131,097	0.92
Fubon Bank (Hong Kong) Limited F/D 1.15% 09 May 2018	72,112	72,112	72,112	0.51
Fubon Bank (Hong Kong) Limited F/D 1.00% 16 May 2018	122,318	122,318	122,318	0.86
Fubon Bank (Hong Kong) Limited F/D 1.20% 13 June 2018	93,079	93,079	93,079	0.65
Fubon Bank (Hong Kong) Limited F/D 1.45% 04 July 2018	178,137	178,137	178,137	1.25
Fubon Bank (Hong Kong) Limited F/D 1.30% 29 August 2018	205,641	205,641	205,641	1.45

Investment report as at 31 March 2018 (continued)

Investment portfolio (continued)

BEA MPF Conservative Fund (continued)

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits (continued)				
<i>Hong Kong Dollar (continued)</i>				
Fubon Bank (Hong Kong) Limited F/D 1.45% 12 September 2018	104,524	104,524	104,524	0.74
ICBC (Asia) Limited F/D 1.00% 18 April 2018	140,000	140,000	140,000	0.99
ICBC (Asia) Limited F/D 0.95% 16 May 2018	246,172	246,172	246,172	1.73
ICBC (Asia) Limited F/D 1.05% 30 May 2018	514,538	514,538	514,538	3.62
ICBC (Asia) Limited F/D 1.40% 01 August 2018	203,123	203,123	203,123	1.43
ICBC (Asia) Limited F/D 1.40% 26 September 2018	121,011	121,011	121,011	0.85
OCBC Wing Hang Bank Limited F/D 0.55% 16 May 2018	493,427	493,427	493,427	3.47
OCBC Wing Hang Bank Limited F/D 0.85% 25 July 2018	110,000	110,000	110,000	0.77
OCBC Wing Hang Bank Limited F/D 0.85% 15 August 2018	292,000	292,000	292,000	2.05
OCBC Wing Hang Bank Limited F/D 1.05% 21 November 2018	141,679	141,679	141,679	1.00
Sumitomo Mitsui Banking Corporation F/D 1.06% 04 April 2018	483,047	483,047	483,047	3.40
Sumitomo Mitsui Banking Corporation F/D 1.07% 16 May 2018	112,090	112,090	112,090	0.79
Sumitomo Mitsui Banking Corporation F/D 1.18% 30 May 2018	178,000	178,000	178,000	1.25
Sumitomo Mitsui Banking Corporation F/D 1.46% 25 July 2018	86,476	86,476	86,476	0.61

Investment report as at 31 March 2018 (continued)

Investment portfolio (continued)

BEA MPF Conservative Fund (continued)

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits (continued)				
<i>Hong Kong Dollar (continued)</i>				
Sumitomo Mitsui Banking Corporation F/D 1.46% 01 August 2018	216,909	216,909	216,909	1.53
Sumitomo Mitsui Banking Corporation F/D 1.53% 26 September 2018	143,369	143,369	143,369	1.01
Wing Lung Bank F/D 0.85% 16 May 2018	519,006	519,006	519,006	3.65
Wing Lung Bank F/D 1.18% 04 July 2018	79,172	79,172	79,172	0.56
Wing Lung Bank F/D 1.00% 12 September 2018	140,000	140,000	140,000	0.99
Wing Lung Bank F/D 1.35% 12 September 2018	208,587	208,587	208,587	1.47
Wing Lung Bank F/D 1.40% 03 October 2018	238,220	238,220	238,220	1.68
Total investments		<u>12,982,179</u>	<u>12,982,179</u>	<u>91.34</u>

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

Investment report as at 31 March 2018 (continued)

Investment portfolio (continued)

BEA Growth Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,552.2340	183,148	166,439	2.04
BEA Union Investment Asia Strategic Growth Fund - Class A	3,032.7340	1,267,713	902,632	14.12
BEA Union Investment Global Bond Fund - Class A	12,965.5390	1,625,101	1,498,014	18.10
BEA Union Investment Global Equity Fund - Class A	22,411.9050	3,725,979	2,985,553	41.49
BEA Union Investment Greater China Growth Fund - Class A	325.9300	94,673	58,782	1.05
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	158.1580	21,043	19,406	0.23
BEA Union Investment Hong Kong Growth Fund - Class A	4,713.3510	1,640,293	1,301,072	18.27
Total investments		<u>8,557,950</u>	<u>6,931,898</u>	<u>95.30</u>

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

Investment report as at 31 March 2018 (continued)

Investment portfolio (continued)

BEA Balanced Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	3,052.8250	360,203	341,582	6.24
BEA Union Investment Asia Strategic Growth Fund - Class A	1,409.6660	589,254	422,444	10.20
BEA Union Investment Global Bond Fund - Class A	15,879.7530	1,990,368	1,844,340	34.47
BEA Union Investment Global Equity Fund - Class A	10,544.5780	1,753,036	1,421,821	30.36
BEA Union Investment Greater China Growth Fund - Class A	143.3530	41,640	25,854	0.72
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	182.2590	24,250	22,540	0.42
BEA Union Investment Hong Kong Growth Fund - Class A	2,152.2190	748,994	591,113	12.97
Total investments		<u>5,507,745</u>	<u>4,669,694</u>	<u>95.38</u>

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

Investment report as at 31 March 2018 (continued)

Investment portfolio (continued)

BEA Stable Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	4,364.5630	514,975	501,264	5.91
BEA Union Investment Asia Strategic Growth Fund - Class A	1,302.1860	544,327	396,329	6.25
BEA Union Investment Global Bond Fund - Class A	32,919.2880	4,126,103	3,851,364	47.37
BEA Union Investment Global Equity Fund - Class A	9,105.2780	1,513,752	1,300,299	17.38
BEA Union Investment Greater China Growth Fund - Class A	121.6750	35,343	22,095	0.41
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	345.3110	45,944	44,409	0.53
BEA Union Investment Hong Kong Growth Fund - Class A	1,818.3480	632,803	541,528	7.26
Total investments		<u>7,413,247</u>	<u>6,657,288</u>	<u>85.11</u>

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

Investment report as at 31 March 2018 (continued)

Investment portfolio (continued)

BEA Global Equity Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
BEA Union Investment Global Equity Fund - Class A	39,197.2730	6,516,547	5,234,627	97.53
Total investments		<u>6,516,547</u>	<u>5,234,627</u>	<u>97.53</u>

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

Investment report as at 31 March 2018 (continued)

Investment portfolio (continued)

BEA Asian Equity Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Strategic Growth Fund - Class A	10,070.1240	4,209,413	3,155,017	86.03
BEA Union Investment Hong Kong Growth Fund - Class A	1,630.6860	567,495	420,568	11.60
Total investments		<u>4,776,908</u>	<u>3,575,585</u>	<u>97.63</u>

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

Investment report as at 31 March 2018 (continued)

Investment portfolio (continued)

BEA Greater China Equity Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
BEA Union Investment Greater China Growth Fund - Class A	19,410.8330	5,638,265	3,878,878	97.41
Total investments		<u>5,638,265</u>	<u>3,878,878</u>	<u>97.41</u>

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

Investment report as at 31 March 2018 (continued)

Investment portfolio (continued)

BEA Greater China Tracker Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Index-Tracking Fund				
<i>Hong Kong</i>				
SPDR FTSE Greater China ETF	101,000.0000	4,337,950	3,207,169	99.81
Total investments		<u>4,337,950</u>	<u>3,207,169</u>	<u>99.81</u>

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

Investment report as at 31 March 2018 (continued)

Investment portfolio (continued)

BEA Hong Kong Tracker Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Index-Tracking Fund				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	507,000.0000	15,412,800	12,632,004	99.91
Total investments		<u>15,412,800</u>	<u>12,632,004</u>	<u>99.91</u>

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

Investment report as at 31 March 2018 (continued)

Investment portfolio (continued)

BEA Global Bond Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
BEA Union Investment Global Bond Fund - Class A	28,986.7670	3,633,201	3,437,964	97.31
Total investments		<u>3,633,201</u>	<u>3,437,964</u>	<u>97.31</u>

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

Investment report as at 31 March 2018 (continued)

Investment portfolio (continued)

BEA Age 65 Plus Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
BEA Union Investment Age 65 Plus Fund - Class I	7,238.9870	765,161	749,494	100.07
Total investments		<u>765,161</u>	<u>749,494</u>	<u>100.07</u>

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

Investment report as at 31 March 2018 (continued)

Investment portfolio (continued)

BEA Core Accumulation Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
BEA Union Investment Core Accumulation Fund - Class I	12,401.3060	1,379,149	1,335,059	100.07
Total investments		<u>1,379,149</u>	<u>1,335,059</u>	<u>100.07</u>

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

Investment report for the year ended 31 March 2018

Statement of movements in investment portfolio

BEA MPF Conservative Fund

	% of net assets	
	As at 31 March 2018	As at 31 March 2017
Short-term deposits	<u>91.34%</u>	<u>91.27%</u>

Investment report for the year ended 31 March 2018 (continued)

Statement of movements in investment portfolio (continued)

BEA Growth Fund

	Portfolio holdings			
	As at 31 March 2017 units	Additions units	Disposals units	As at 31 March 2018 units
Approved Pooled Investment Funds				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,280.5740	271.6600	-	1,552.2340
BEA Union Investment Asia Strategic Growth Fund - Class A	2,495.6110	537.1230	-	3,032.7340
BEA Union Investment Global Bond Fund - Class A	12,133.2010	2,177.5930	1,345.2550	12,965.5390
BEA Union Investment Global Equity Fund - Class A	19,972.2850	3,982.5180	1,542.8980	22,411.9050
BEA Union Investment Greater China Growth Fund - Class A	325.9300	-	-	325.9300
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	158.1580	-	-	158.1580
BEA Union Investment Hong Kong Growth Fund - Class A	4,287.8990	2,184.8800	1,759.4280	4,713.3510

Investment report for the year ended 31 March 2018 (continued)

Statement of movements in investment portfolio (continued)

BEA Balanced Fund

	Portfolio holdings			
	As at 31 March 2017 units	Additions units	Disposals units	As at 31 March 2018 units
Approved Pooled Investment Funds				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,376.3760	1,676.4490	-	3,052.8250
BEA Union Investment Asia Strategic Growth Fund - Class A	1,143.4310	377.4510	111.2160	1,409.6660
BEA Union Investment Global Bond Fund - Class A	13,415.3010	4,129.1300	1,664.6780	15,879.7530
BEA Union Investment Global Equity Fund - Class A	8,703.7020	3,104.9640	1,264.0880	10,544.5780
BEA Union Investment Greater China Growth Fund - Class A	143.3530	-	-	143.3530
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	182.2590	-	-	182.2590
BEA Union Investment Hong Kong Growth Fund - Class A	1,800.1710	1,065.5290	713.4810	2,152.2190

Investment report for the year ended 31 March 2018 (continued)

Statement of movements in investment portfolio (continued)

BEA Stable Fund

	Portfolio holdings			
	As at 31 March 2017 units	Additions units	Disposals units	As at 31 March 2018 units
Approved Pooled Investment Funds				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	911.2260	3,453.3370	-	4,364.5630
BEA Union Investment Asia Strategic Growth Fund - Class A	928.5860	373.6000	-	1,302.1860
BEA Union Investment Global Bond Fund - Class A	29,805.1230	9,013.3160	5,899.1510	32,919.2880
BEA Union Investment Global Equity Fund - Class A	7,545.5740	4,554.2700	2,994.5660	9,105.2780
BEA Union Investment Greater China Growth Fund - Class A	121.6750	-	-	121.6750
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	152.2230	193.0880	-	345.3110
BEA Union Investment Hong Kong Growth Fund - Class A	1,516.7200	1,387.3360	1,085.7080	1,818.3480

Investment report for the year ended 31 March 2018 (continued)

Statement of movements in investment portfolio (continued)

BEA Global Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2017 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2018 units</i>
Approved Pooled Investment Fund				
BEA Union Investment Global Equity Fund - Class A	<u>31,878.3440</u>	<u>9,969.6700</u>	<u>2,650.7410</u>	<u>39,197.2730</u>

Investment report for the year ended 31 March 2018 (continued)

Statement of movements in investment portfolio (continued)

BEA Asian Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2017 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2018 units</i>
Approved Pooled Investment Funds				
BEA Union Investment Asia Strategic Growth Fund - Class A	7,921.7720	3,090.0550	941.7030	10,070.1240
BEA Union Investment Hong Kong Growth Fund - Class A	<u>1,325.5290</u>	<u>414.1050</u>	<u>108.9480</u>	<u>1,630.6860</u>

Investment report for the year ended 31 March 2018 (continued)

Statement of movements in investment portfolio (continued)

BEA Greater China Equity Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2017 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2018 units</i>
Approved Pooled Investment Fund				
BEA Union Investment Greater China Growth Fund - Class A	<u>20,092.1680</u>	<u>2,857.3220</u>	<u>3,538.6570</u>	<u>19,410.8330</u>

Investment report for the year ended 31 March 2018 (continued)

Statement of movements in investment portfolio (continued)

BEA Greater China Tracker Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2018 units</i>
	<i>As at 31 March 2017 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
Approved Index - Tracking Fund				
SPDR FTSE Greater China ETF	<u>81,000.0000</u>	<u>30,600.0000</u>	<u>10,600.0000</u>	<u>101,000.0000</u>

Investment report for the year ended 31 March 2018 (continued)

Statement of movements in investment portfolio (continued)

BEA Hong Kong Tracker Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2018 units</i>
	<i>As at 31 March 2017 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
Approved Index - Tracking Fund				
Tracker Fund of Hong Kong	<u>490,500.0000</u>	<u>184,000.0000</u>	<u>167,500.0000</u>	<u>507,000.0000</u>

Investment report for the year ended 31 March 2018 (continued)

Statement of movements in investment portfolio (continued)

BEA Global Bond Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2017 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2018 units</i>
Approved Pooled Investment Fund				
BEA Union Investment Global Bond Fund - Class A	<u>17,166.8760</u>	<u>15,001.7790</u>	<u>3,181.8880</u>	<u>28,986.7670</u>

Investment report for the year ended 31 March 2018 (continued)

Statement of movements in investment portfolio (continued)

BEA Age 65 Plus Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2017 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2018 units</i>
Approved Pooled Investment Fund				
BEA Union Investment Age 65 Plus Fund - Class I	-	7,532.0950	293.1080	7,238.9870

Investment report for the year ended 31 March 2018 (continued)

Statement of movements in investment portfolio (continued)

BEA Core Accumulation Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2017 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2018 units</i>
Approved Pooled Investment Fund				
BEA Union Investment Core Accumulation Fund - Class I	-	12,972.2450	570.9390	12,401.3060

Independent auditor's report to the Trustee of BEA (MPF) Value 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 67 to 113, 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 2018, 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 2018, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

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

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

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

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

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

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

Report on the Audit of the Financial Statements (continued)

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

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

Responsibilities of Manager and Trustee for the Financial Statements

The Manager and the Trustee are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and for such internal control as the 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 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 Manager and the Trustee either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

In addition, the 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) Value 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 HKSAs, 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 Manager and the Trustee of the Scheme.
- Conclude on the appropriateness of the 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 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) Value 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

10 September 2018

Independent auditor's assurance report

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

We have audited the financial statements of the Scheme for the year ended 31 March 2018 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 10 September 2018.

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; and
- c. the requirements under sections 34DB(1)(a), (b), (c) and (d), 34DC(1), 34DD(1) and (4), 34DI(1) and (2) and 34DJ(2), (3), (4) and (5) of the MPFSO are complied with; and
- d. the Scheme assets are not subject to any encumbrance, otherwise than as permitted by the General Regulation.

Our independence and quality control

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

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

Independent auditor's assurance report (continued)

Auditor's responsibility

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

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

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

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

Opinion

Based on the foregoing:

1. In our opinion:
 - a. proper accounting and other records have been kept during the year ended 31 March 2018 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 29 September 2017, 29 December 2017 and 31 March 2018; 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 Age 65 Plus Fund and BEA Core Accumulation Fund have been complied with, in all material respects, as at 29 September 2017, 29 December 2017 and 31 March 2018;

Independent auditor's assurance report (continued)

Opinion (continued)

- d. the requirements specified in the MPFSO under sections 34DI(1) and (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 Age 65 Plus Fund and BEA Core Accumulation Fund have been complied with, in all material respects, during the period from 1 April 2017 to 31 March 2018; and
 - e. the requirements specified in section 34DD(4)(b) of the MPFSO with respect to the controls of out-of-pocket expenses of the BEA Age 65 Plus Fund and BEA Core Accumulation Fund have been complied with, in all material respects, as at 31 March 2018.
2. As at 31 March 2018, the Scheme assets were not subject to any encumbrance, otherwise than as permitted by the General Regulation.

Other Matter

The requirements specified in the MPF Ordinance under section 34DK(2) with respect to the transfer of accrued benefits to an account and specified notice relating to BEA Age 65 Plus Fund and BEA Core Accumulation Fund are not applicable to the Trustee during the year ended 31 March 2018 as the default investment arrangement of the Scheme prior to 1 April 2017 was not guaranteed funds. Accordingly, there is no reporting on this section.

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

10 September 2018

Statement of changes in net assets available for benefits - Value Scheme for the year ended 31 March 2018

	<i>Note</i>	2018 HK\$	2017 HK\$
Net gain on investments	8	10,309,968	3,909,118
Interest on bank deposits		64	50
Total investment gain		<u>10,310,032</u>	<u>3,909,168</u>
Expenses			
Administrative and other expenses		64	50
Total operating expenses		<u>64</u>	<u>50</u>
Net gain		<u>10,309,968</u>	<u>3,909,118</u>
Contributions received and receivable	11		
From employers			
Mandatory		6,572,210	5,300,682
Additional voluntary		35,965	18,563
From members			
Mandatory		6,385,110	5,085,792
Additional voluntary		416,254	172,148
		<u>13,409,539</u>	<u>10,577,185</u>
Contribution surcharge		<u>35,155</u>	<u>18,723</u>

Statement of changes in net assets available for benefits - Value Scheme for the year ended 31 March 2018 (continued)

	<i>Note</i>	2018 HK\$	2017 HK\$
Transfers in			
Group transfers in from other schemes		444,239	1,994,908
Individual transfers in from other schemes		9,744,098	8,329,104
		<u>10,188,337</u>	<u>10,324,012</u>
Benefits paid and payable	12		
Retirement		588,279	387,597
Early retirement		475,230	-
Permanent departure		228,233	301,859
Refund of contributions to leavers or employers		130,783	95,236
		<u>1,422,525</u>	<u>784,692</u>
Transfers out			
Group transfers out to other schemes		1,235,694	379,426
Individual transfers out to other schemes		4,606,109	2,686,545
		<u>5,841,803</u>	<u>3,065,971</u>
Long service payments and severance payments		<u>477,320</u>	<u>246,974</u>
Fees and expenses deduction for conservative fund		<u>93,685</u>	<u>42,579</u>
Changes in net assets available for benefits attributable to members		<u><u>26,107,666</u></u>	<u><u>20,688,822</u></u>

The notes on pages 78 to 113 form part of these financial statements.

Statement of net assets available for benefits - Value Scheme as at 31 March 2018

	Note	2018 HK\$	2017 HK\$
Assets			
Investments	6	80,691,486	54,531,335
Contributions receivable			
– from employers		396,492	254,934
– from members		430,975	265,638
– from other schemes		181,567	-
Interest receivables		5	7
Other receivables		4,548	2,920
Bank balances	7, 9(d)	498,761	596,995
Total assets		<u>82,203,834</u>	<u>55,651,829</u>
Liabilities			
Benefits payable		455,701	7,068
Accruals and other payables		9,191	13,485
Liabilities (excluding net assets available for benefits attributable to members)		<u>464,892</u>	<u>20,553</u>
Net assets available for benefits attributable to members		<u>81,738,942</u>	<u>55,631,276</u>

Approved and authorised for issue by the Trustee on 10 September 2018.



) 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 78 to 113 form part of these financial statements.

Cash flow statement - Value Scheme for the year ended 31 March 2018

	2018 HK\$	2017 HK\$
Cash flows from operating activities		
Net gain	10,309,968	3,909,118
Adjustments for:		
Net gains on investments	(10,309,968)	(3,909,118)
Interest on bank deposits	(64)	(50)
Fees and expenses deduction for conservative fund	(93,685)	(42,579)
	(93,749)	(42,629)
Payments on purchase of investments	(31,505,964)	(22,341,471)
Proceeds from sale of investments	15,655,781	6,216,960
Increase in other receivables	(1,628)	(1,922)
(Decrease)/increase in accruals and other payables	(4,294)	11,224
Interest received on bank deposits	66	46
Net cash used in operating activities	(15,949,788)	(16,157,792)
Cash flows from financing activities		
Contributions and transfers in received	23,144,569	20,938,991
Benefits paid, transfers out, long service payments and severance payments	(7,293,015)	(4,350,409)
Net cash generated from financing activities	15,851,554	16,588,582
Net (decrease)/increase in cash and cash equivalents	(98,234)	430,790
Cash and cash equivalents at the beginning of the year	596,995	166,205
Cash and cash equivalents at the end of the year	498,761	596,995
Analysis of balance of cash and cash equivalents		
Bank balances	498,761	596,995

The notes on pages 78 to 113 form part of these financial statements.

Statement of comprehensive income - Constituent funds for the year ended 31 March 2018

		2018											
	Note	BEA MPF Conservative Fund HK\$	BEA Growth Fund HK\$	BEA Balanced Fund HK\$	BEA Stable Fund HK\$	BEA Global Equity Fund HK\$	BEA Asian Equity Fund HK\$	BEA Greater China Equity Fund HK\$	BEA Greater China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA Global Bond Fund HK\$	BEA Age 65 Plus Fund ⁽¹⁾ HK\$	BEA Core Accumulation Fund ⁽¹⁾ HK\$
Income													
Net gain on investments	8	-	1,335,143	671,024	716,604	792,609	1,002,563	1,433,914	866,950	3,106,200	203,590	15,855	46,129
Dividend income		-	-	-	-	-	-	-	-	506,880	-	-	-
Interest on bank deposits		106,567	31	27	499	18	16	16	1	6	10	-	-
Exchange loss		-	-	-	(43)	-	-	-	-	-	-	-	-
Total investment income		106,567	1,335,174	671,051	717,060	792,627	1,002,579	1,433,930	866,951	3,613,086	203,600	15,855	46,129
Expenses													
Sponsor's fees	9(a)	-	76,197	46,281	60,909	53,174	37,311	48,993	22,435	90,143	26,435	2,921	5,044
Safe custody and bank charges		-	-	-	-	-	-	-	-	273	-	-	-
Transaction costs		-	-	-	-	-	-	-	2,783	16,849	-	-	-
Printing and publication expenses		-	-	-	-	-	-	-	-	-	-	403	718
Miscellaneous expenses		-	-	-	-	-	-	-	-	3,772	-	-	-
Total operating expenses		-	76,197	46,281	60,909	53,174	37,311	48,993	25,218	111,037	26,435	3,324	5,762
Changes in net assets attributable to members from operations													
		106,567	1,258,977	624,770	656,151	739,453	965,268	1,384,937	841,733	3,502,049	177,165	12,531	40,367

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

The notes on pages 78 to 113 form part of these financial statements.

Statement of comprehensive income - Constituent funds for the year ended 31 March 2018 (continued)

		2017									
	Note	BEA MPF Conservative Fund HK\$	BEA Growth Fund HK\$	BEA Balanced Fund HK\$	BEA Stable Fund HK\$	BEA Global Equity Fund HK\$	BEA Asian Equity Fund HK\$	BEA Greater China Equity Fund HK\$	BEA Greater China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA Global Bond Fund HK\$
Income											
Net gain/(loss) on investments	8	-	448,930	197,156	108,511	384,280	362,465	571,832	476,130	1,351,554	(45,159)
Dividend income		-	-	-	-	-	-	-	-	312,140	-
Interest on bank deposits		43,954	26	19	31	11	8	11	-	4	5
Total investment income/(loss)		43,954	448,956	197,175	108,542	384,291	362,473	571,843	476,130	1,663,698	(45,154)
Expenses											
Sponsor's fees	9(a)	-	45,934	29,578	40,860	31,385	22,586	34,329	15,132	55,075	15,464
Safe custody and bank charges		-	-	-	-	-	-	-	-	311	-
Transaction costs		-	-	-	-	-	-	-	1,538	8,297	-
Miscellaneous expenses		-	-	-	-	-	-	-	-	2,302	-
Total operating expenses		-	45,934	29,578	40,860	31,385	22,586	34,329	16,670	65,985	15,464
Changes in net assets attributable to members from operations											
		43,954	403,022	167,597	67,682	352,906	339,887	537,514	459,460	1,597,713	(60,618)

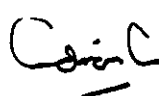
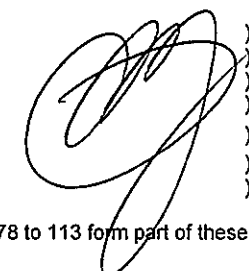
The notes on pages 78 to 113 form part of these financial statements.

Statement of assets and liabilities - Constituent funds as at 31 March 2018

		2018											
	Note	BEA MPF Conservative Fund HK\$	BEA Growth Fund HK\$	BEA Balanced Fund HK\$	BEA Stable Fund HK\$	BEA Global Equity Fund HK\$	BEA Asian Equity Fund HK\$	BEA Greater China Equity Fund HK\$	BEA Greater China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA Global Bond Fund HK\$	BEA Age 65 Plus Fund ⁽¹⁾ HK\$	BEA Core Accumulation Fund ⁽¹⁾ HK\$
Assets													
Investments	6	12,982,179	8,557,950	5,507,745	7,413,247	6,516,547	4,776,908	5,638,265	4,337,950	15,412,800	3,633,201	765,161	1,379,149
Amounts receivable on sale of investments		-	182,300	58,304	86,461	67,212	39,999	-	-	-	-	-	-
Amounts receivable on subscription		-	-	-	1,255	-	-	-	-	-	1,256	-	-
Interest and other receivables		25,732	12	12	409	5	4	4	2	3	-	-	-
Bank balances	9(d)	1,245,366	264,689	213,109	1,230,299	104,448	107,090	181,003	10,636	23,667	102,114	-	-
Total assets		14,253,277	9,004,951	5,779,170	8,731,671	6,688,212	4,924,001	5,819,272	4,348,586	15,436,469	3,736,574	765,161	1,379,149
Liabilities													
Amounts payable on redemption		39,707	17,775	-	14,698	1,371	27,474	26,607	-	-	-	-	-
Accruals and other payables		-	7,044	4,502	6,489	5,213	3,850	4,538	2,260	9,174	2,787	545	973
Total liabilities		39,707	24,819	4,502	21,187	6,584	31,324	31,145	2,260	9,174	2,787	545	973
Net assets attributable to members (at last-traded market prices)	4	14,213,570	8,980,132	5,774,668	8,710,484	6,681,628	4,892,677	5,788,127	4,346,326	15,427,295	3,733,787	764,616	1,378,176
Represented by:													
Number of units outstanding	4	1,372,027.217	651,802.824	443,617.740	725,783.095	424,069.022	345,586.315	350,922.171	282,806.744	1,024,740.002	353,810.273	73,104.334	124,548.640
Net asset value per unit (at last-traded market prices)	4	10.3595	13.7774	13.0172	12.0015	15.7560	14.1576	16.4940	15.3685	15.0548	10.5531	10.4592	11.0654

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

Approved and authorised for issue by the Trustee on 10 September 2018.



 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 78 to 113 form part of these financial statements.

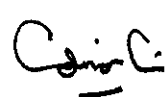

Statement of assets and liabilities - Constituent funds
as at 31 March 2018 (continued)

		2017									
	Note	BEA MPF Conservative Fund HK\$	BEA Growth Fund HK\$	BEA Balanced Fund HK\$	BEA Stable Fund HK\$	BEA Global Equity Fund HK\$	BEA Asian Equity Fund HK\$	BEA Greater China Equity Fund HK\$	BEA Greater China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA Global Bond Fund HK\$
Assets											
Investments	6	8,349,468	6,472,728	3,873,014	5,402,923	4,577,411	2,886,829	4,403,801	2,721,600	11,968,200	1,993,761
Interest and other receivables		14,177	8	6	11	4	2	3	-	1	1
Bank balances	9(d)	784,817	229,239	221,763	431,564	117,323	86,625	113,831	5,812	11,259	62,561
Total assets		9,148,462	6,701,975	4,094,783	5,834,498	4,694,738	2,973,456	4,517,635	2,727,412	11,979,460	2,056,323
Liabilities											
Amounts payable on redemption		-	-	136,998	-	15,299	14,312	-	-	-	-
Accruals and other payables		-	4,772	3,075	4,369	3,420	2,274	3,416	1,412	6,518	1,542
Total liabilities (excluding net assets attributable to members)		-	4,772	140,073	4,369	18,719	16,586	3,416	1,412	6,518	1,542
Net assets attributable to members (at bid market prices)											
		9,148,462	6,697,203	3,954,710	5,830,129	4,676,019	2,956,870	4,514,219	2,726,000	11,972,942	2,054,781

Statement of assets and liabilities - Constituent funds
as at 31 March 2018 (continued)

		2017									
		BEA MPF Conservative Fund HK\$	BEA Growth Fund HK\$	BEA Balanced Fund HK\$	BEA Stable Fund HK\$	BEA Global Equity Fund HK\$	BEA Asian Equity Fund HK\$	BEA Greater China Equity Fund HK\$	BEA Greater China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA Global Bond Fund HK\$
Represented by:											
Adjustment from bid market prices to last traded market prices	4	-	-	-	-	-	-	-	36,450	24,525	-
Net assets attributable to members (at last traded market prices)	4	9,148,462	6,697,203	3,954,710	5,830,129	4,676,019	2,956,870	4,514,219	2,762,450	11,997,467	2,054,781
Number of units outstanding	4	891,257.107	566,210.711	345,049.508	538,138.743	338,979.185	267,995.992	356,775.240	225,146.593	1,015,466.349	207,630.565
Net asset value per unit (at last traded market prices)	4	10.2647	11.8281	11.4613	10.8339	13.7944	11.0333	12.6528	12.2696	11.8147	9.8963

Approved and authorised for issue by the Trustee on 10 September 2018.



 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 78 to 113 form part of these financial statements.

Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 March 2018

	2018											
	BEA MPF Conservative Fund HK\$	BEA Growth Fund HK\$	BEA Balanced Fund HK\$	BEA Stable Fund HK\$	BEA Global Equity Fund HK\$	BEA Asian Equity Fund HK\$	BEA Greater China Equity Fund HK\$	BEA Greater China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA Global Bond Fund HK\$	BEA Age 65 Plus Fund ⁽¹⁾ HK\$	BEA Core Accumulation Fund ⁽¹⁾ HK\$
Net assets attributable to members at the beginning of the year/period	9,148,462	6,697,203	3,954,710	5,830,129	4,676,019	2,956,870	4,514,219	2,726,000	11,972,942	2,054,781	-	-
Proceeds on subscription of units	7,083,211	2,846,778	1,904,093	3,778,986	2,066,084	1,610,256	1,187,169	1,225,179	5,555,533	2,055,098	782,215	1,411,361
Payments on redemption of units	(2,124,670)	(1,822,826)	(708,905)	(1,554,782)	(799,928)	(639,717)	(1,298,198)	(446,586)	(5,603,229)	(553,257)	(30,130)	(73,552)
Net subscription/(redemption)	4,958,541	1,023,952	1,195,188	2,224,204	1,266,156	970,539	(111,029)	778,593	(47,696)	1,501,841	752,085	1,337,809
Changes in net assets attributable to members from operations	106,567	1,258,977	624,770	656,151	739,453	965,268	1,384,937	841,733	3,502,049	177,165	12,531	40,367
Net assets attributable to members at the end of the year/period	14,213,570	8,980,132	5,774,668	8,710,484	6,681,628	4,892,677	5,788,127	4,346,326	15,427,295	3,733,787	764,616	1,378,176

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

The notes on pages 78 to 113 form part of these financial statements.

Statement of changes in net assets attributable to members - Constituent funds
for the year ended 31 March 2018 (continued)

	2017									
	<i>BEA MPF Conservative Fund HK\$</i>	<i>BEA Growth Fund HK\$</i>	<i>BEA Balanced Fund HK\$</i>	<i>BEA Stable Fund HK\$</i>	<i>BEA Global Equity Fund HK\$</i>	<i>BEA Asian Equity Fund HK\$</i>	<i>BEA Greater China Equity Fund HK\$</i>	<i>BEA Greater China Tracker Fund HK\$</i>	<i>BEA Hong Kong Tracker Fund HK\$</i>	<i>BEA Global Bond Fund HK\$</i>
Net assets attributable to members at the beginning of the year	4,726,850	4,397,913	2,712,664	3,575,336	3,082,205	2,157,528	3,405,466	2,243,138	7,288,663	907,943
Proceeds on subscription of units	5,429,525	2,710,600	1,466,975	2,714,439	1,624,077	991,568	1,265,834	474,415	4,236,860	1,427,178
Payments on redemption of units	(1,051,867)	(814,332)	(392,526)	(527,328)	(383,169)	(532,113)	(694,595)	(451,013)	(1,150,294)	(219,722)
Net subscription	4,377,658	1,896,268	1,074,449	2,187,111	1,240,908	459,455	571,239	23,402	3,086,566	1,207,456
Changes in net assets attributable to members from operations	43,954	403,022	167,597	67,682	352,906	339,887	537,514	459,460	1,597,713	(60,618)
Net assets attributable to members at the end of the year	9,148,462	6,697,203	3,954,710	5,830,129	4,676,019	2,956,870	4,514,219	2,726,000	11,972,942	2,054,781

The notes on pages 78 to 113 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars)

1 The Scheme

BEA (MPF) Value Scheme (“the Scheme”) is established and governed by its trust deed dated 17 August 2012, 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 12 constituent funds as at 31 March 2018:

BEA MPF Conservative Fund

BEA Growth Fund

BEA Balanced Fund

BEA Stable Fund

BEA Global Equity Fund

BEA Asian Equity Fund

BEA Greater China Equity Fund

BEA Greater China Tracker Fund

BEA Hong Kong Tracker Fund

BEA Global Bond Fund

BEA Age 65 Plus Fund (launched on 1 April 2017)

BEA Core Accumulation Fund (launched on 1 April 2017)

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 period, unless otherwise stated.

2 Summary of significant accounting policies (continued)

(a) Statement of compliance

These financial statements for the Scheme 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 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 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 financial instruments classified as designated at fair value through profit or loss 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.

(c) Investments

Except for short-term deposits (note 2(i)), all investments have been designated by the Trustee as “financial assets at fair value through profit or loss” at inception.

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

2 Summary of significant accounting policies (continued)

(c) Investments (continued)

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

As at 31 March 2018, investments that are listed or traded on an exchange are valued based on their quoted last-traded prices. As at 31 March 2017, investments that are listed or traded on an exchange are valued based on their quoted bid prices. The change in valuation inputs is considered to be a change in estimate in accordance with HKAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. The effect of the change in valuation inputs for current period is disclosed in note 4.

Investments which are not listed on an exchange are valued by using quotes from brokers.

Investments in constituent funds and approved pooled investment funds are valued at their respective closing net asset value per unit or quoted last-traded prices (2017: bid prices), if any.

(d) 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.

(e) Units in issue

The Scheme classifies 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's net assets in the event of the Scheme's liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.

2 Summary of significant accounting policies (continued)

(e) *Units in issue (continued)*

- 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's net assets.
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Scheme over the life of the instrument.

In addition to the instrument having all the above features, the Scheme must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Scheme; and
- The effect of substantially restricting or fixing the residual return to the puttable instrument holders.

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

(f) *Translation of foreign currencies*

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

2 Summary of significant accounting policies (continued)

(g) Subscription and redemption of units

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

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, demand deposits with banks and other financial institutions with maturities of three months or less from the date of placement, net of bank overdrafts that are repayable on demand, if any.

(i) Financial assets and liabilities not at fair value

Financial assets that are classified as loans and receivables include short-term deposits, contributions receivable, interest receivables, other receivables, amounts receivable on sale of investments and amounts receivable on subscription.

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

(j) Contributions

Contributions are accounted for on an accruals basis.

(k) Benefits

Benefits are accounted for on an accruals basis.

(l) Transfer values

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

2 Summary of significant accounting policies (continued)

(m) **Forfeitures**

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

(n) **Related parties**

- (a) A person, or a close member of that person's family, is related to the Scheme if that person:
- (i) has control or joint control over the Scheme;
 - (ii) has significant influence over the Scheme; or
 - (iii) is a member of the key management personnel of the Scheme or the Scheme's parent.
- (b) An entity is related to the Scheme if any of the following conditions applies:
- (i) The entity and the Scheme 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;
 - (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 or to the Scheme's 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.

2 Summary of significant accounting policies (continued)

(o) Segment reporting

An operating segment is a component of the Scheme that engages 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's other components, whose operating results are reviewed regularly by the chief operating decision maker ("the CODM") to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3 Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Scheme. None of these developments have had a material effect on how the Scheme's results and financial position for the current or prior periods have been prepared or presented.

The Scheme has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 Capital management and units in issue

In accordance with the provisions of the Trust Deed, listed investments and investments with prices quoted in over-the-counter markets or by market makers are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculations. However, as stated in note 2(c), the accounting policy of the Scheme for the purpose of financial statements preparation was to value its investments at the relevant bid market prices on the year end date prior to 1 April 2017. The Trustee decided to change to value its investments at the relevant last-traded market prices at the year end date starting from 31 March 2018.

In the following table, the 2017 column represents difference between the accounting policy and the valuation methodology prescribed in the Trust Deed resulted in the constituent funds' net asset value as at the year end as reported in the financial statements being different from what would have been under the Trust Deed. The 2018 column represents the impact on NAV due to the change of valuing the investments from bid market prices to last-traded market prices.

	2018 HK\$	2017 HK\$
BEA MPF Conservative Fund	-	-
BEA Growth Fund	-	-

4 Capital management and units in issue (continued)

	2018 HK\$	2017 HK\$
BEA Balanced Fund	-	-
BEA Stable Fund	-	-
BEA Global Equity Fund	-	-
BEA Asian Equity Fund	-	-
BEA Greater China Equity Fund	-	-
BEA Greater China Tracker Fund	212,100	36,450
BEA Hong Kong Tracker Fund	-	24,525
BEA Global Bond Fund	-	-
BEA Age 65 Plus Fund ⁽¹⁾	-	-
BEA Core Accumulation Fund ⁽¹⁾	-	-

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

4 Capital management and units in issue (continued)

(a) Movement of units in issue

	<i>BEA MPF Conservative Fund</i>		<i>BEA Growth Fund</i>		<i>BEA Balanced Fund</i>		<i>BEA Stable Fund</i>		<i>BEA Global Equity Fund</i>	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units
Balance at the beginning of the year	891,257.107	463,742.172	566,210.711	400,517.649	345,049.508	248,116.766	538,138.743	335,399.416	338,979.185	245,322.202
Units issued	686,458.642	530,426.328	220,871.698	237,506.863	154,090.323	131,816.446	324,923.228	251,346.088	138,244.324	123,648.053
Units redeemed	(205,688.532)	(102,911.393)	(135,279.585)	(71,813.801)	(55,522.091)	(34,883.704)	(137,278.876)	(48,606.761)	(53,154.487)	(29,991.070)
Balance at the end of the year	<u>1,372,027.217</u>	<u>891,257.107</u>	<u>651,802.824</u>	<u>566,210.711</u>	<u>443,617.740</u>	<u>345,049.508</u>	<u>725,783.095</u>	<u>538,138.743</u>	<u>424,069.022</u>	<u>338,979.185</u>
	<i>BEA Asian Equity Fund</i>		<i>BEA Greater China Equity Fund</i>		<i>BEA Greater China Tracker Fund</i>		<i>BEA Hong Kong Tracker Fund</i>		<i>BEA Global Bond Fund</i>	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units
Balance at the beginning of the year	267,995.992	222,100.810	356,775.240	309,405.188	225,146.593	221,961.936	1,015,466.349	737,814.003	207,630.565	89,099.824
Units issued	128,172.167	96,983.078	79,097.197	108,359.812	89,081.491	43,203.465	401,729.896	383,748.713	200,896.248	140,316.669
Units redeemed	(50,581.844)	(51,087.896)	(84,950.266)	(60,989.760)	(31,421.340)	(40,018.808)	(392,456.243)	(106,096.367)	(54,716.540)	(21,785.928)
Balance at the end of the year	<u>345,586.315</u>	<u>267,995.992</u>	<u>350,922.171</u>	<u>356,775.240</u>	<u>282,806.744</u>	<u>225,146.593</u>	<u>1,024,740.002</u>	<u>1,015,466.349</u>	<u>353,810.273</u>	<u>207,630.565</u>
	<i>BEA Age 65 Plus Fund ⁽¹⁾</i>		<i>BEA Core Accumulation Fund ⁽¹⁾</i>							
	2018	2017	2018	2017						
	Units	Units	Units	Units						
Balance at the beginning of the year	-	-	-	-						
Units issued	76,059.490	-	131,400.211	-						
Units redeemed	(2,955.156)	-	(6,851.571)	-						
Balance at the end of the year	<u>73,104.334</u>	<u>-</u>	<u>124,548.640</u>	<u>-</u>						

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

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 Growth Fund</i>		<i>BEA Balanced Fund</i>		<i>BEA Stable Fund</i>		<i>BEA Global Equity Fund</i>	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members (at last traded market prices)	<u>14,213,570</u>	<u>9,148,462</u>	<u>8,980,132</u>	<u>6,697,203</u>	<u>5,774,668</u>	<u>3,954,710</u>	<u>8,710,484</u>	<u>5,830,129</u>	<u>6,681,628</u>	<u>4,676,019</u>
Net assets attributable to members (at last traded market prices) per unit	<u>10.3595</u>	<u>10.2647</u>	<u>13.7774</u>	<u>11.8281</u>	<u>13.0172</u>	<u>11.4613</u>	<u>12.0015</u>	<u>10.8339</u>	<u>15.7560</u>	<u>13.7944</u>
	<i>BEA Asian Equity Fund</i>		<i>BEA Greater China Equity Fund</i>		<i>BEA Greater China Tracker Fund</i>		<i>BEA Hong Kong Tracker Fund</i>		<i>BEA Global Bond Fund</i>	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members (at last traded market prices)	<u>4,892,677</u>	<u>2,956,870</u>	<u>5,788,127</u>	<u>4,514,219</u>	<u>4,346,326</u>	<u>2,762,450</u>	<u>15,427,295</u>	<u>11,997,467</u>	<u>3,733,787</u>	<u>2,054,781</u>
Net assets attributable to members (at last traded market prices) per unit	<u>14.1576</u>	<u>11.0333</u>	<u>16.4940</u>	<u>12.6528</u>	<u>15.3685</u>	<u>12.2696</u>	<u>15.0548</u>	<u>11.8147</u>	<u>10.5531</u>	<u>9.8963</u>
	<i>BEA Age 65 Plus Fund ⁽¹⁾</i>		<i>BEA Core Accumulation Fund ⁽¹⁾</i>							
	2018	2017	2018	2017						
	HK\$	HK\$	HK\$	HK\$						
Net assets attributable to members (at last traded market prices)	<u>764,616</u>	<u>-</u>	<u>1,378,176</u>	<u>-</u>						
Net assets attributable to members (at last traded market prices) per unit	<u>10.4592</u>	<u>-</u>	<u>11.0654</u>	<u>-</u>						

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

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

5 Financial risk management (continued)

Strategy in using financial instruments (continued)

The investment objective of BEA Global Equity Fund is to provide investors with long-term capital growth through investing in a diversified global portfolio.

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

The investment objective of BEA Greater China Equity Fund is to provide investors with long-term capital growth through exposure to the Greater China equity markets.

The investment objective of BEA Greater China Tracker Fund is to provide investment returns, before fees and expenses, that closely correspond to the performance of the FTSE Greater China HKD Index.

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

The investment objective of BEA Global Bond Fund is to provide investors with total investment return over the medium to long-term through investing into a diversified range of global bonds.

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

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

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

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

(a) Market risk

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

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

5 Financial risk management (continued)

(a) Market risk (continued)

(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.

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. All 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.

(ii) Interest rate risk

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

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

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

(iii) Other price risk

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

The breakdown of investments held by the Scheme is shown in investment report.

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

5 Financial risk management (continued)

(a) Market risk (continued)

(iii) Other price risk (continued)

Sensitivity analysis

Except for BEA MPF Conservative Fund, BEA Greater China Tracker Fund and BEA Hong Kong Tracker Fund, all the constituent funds invest in approved pooled investment funds only. The Investment Manager projects the possible price movement of the underlying investment funds based on historical experience. If the underlying investment funds' prices had changed by the following percentages, which are based on the Investment Manager's best estimate of potential price movement of the underlying investment funds, as at the reporting date, with all other variables held constant, it is estimated that the net assets attributable to members and the changes in net assets attributable to members from operations would have changed accordingly as shown below. An equal change in the opposite direction would have changed the net assets attributable to members and the changes in net assets attributable to members from operations by an equal but opposite amount. The analysis is performed on the same basis as 2017.

	<i>BEA Growth Fund</i>		<i>BEA Balanced Fund</i>		<i>BEA Stable Fund</i>		<i>BEA Global Equity Fund</i>	
	2018	2017	2018	2017	2018	2017	2018	2017
Upward price movement of the underlying investment funds	19%	11%	16%	27%	13%	6%	16%	11%
Estimated increase in net assets attributable to members and changes in net assets attributable to members from operations	HK\$ 1,626,011	HK\$ 712,000	HK\$ 881,239	HK\$ 1,045,714	HK\$ 963,722	HK\$ 324,175	HK\$ 1,042,648	HK\$ 503,515
	<i>BEA Asian Equity Fund</i>		<i>BEA Greater China Equity Fund</i>		<i>BEA Global Bond Fund</i>		<i>BEA Age 65 Plus Fund⁽¹⁾</i>	
	2018	2017	2018	2017	2018	2017	2018	2017
Upward price movement of the underlying investment funds	31%	15%	33%	16%	8%	2%	6%	-
Estimated increase in net assets attributable to members and changes in net assets attributable to members from operations	HK\$ 1,480,841	HK\$ 433,024	HK\$ 1,860,627	HK\$ 704,608	HK\$ 290,656	HK\$ 39,875	HK\$ 45,910	HK\$ -
	<i>BEA Core Accumulation Fund⁽¹⁾</i>							
	2018	2017						
Upward price movement of the underlying investment funds	11%	-						
Estimated increase in net assets attributable to members and changes in net assets attributable to members from operations	HK\$ 151,706	HK\$ -						

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

5 Financial risk management (continued)

(a) Market risk (continued)

(iii) Other price risk (continued)

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

For BEA Greater China Tracker Fund and BEA Hong Kong Tracker Fund, the Investment Manager projects the possible movement of the underlying benchmark indices (“the potential movement”) based on historical experience. If the underlying benchmark indices had changed by the following percentages, which are based on the Investment Manager’s best estimate of the potential movement as at the reporting date, with all other variables held constant, it is estimated that the net assets attributable to members and the changes in net assets attributable to members from operations would have changed accordingly as shown below. The analysis is performed on the same basis as 2017.

	2018		2017	
	% of possible reasonable shift	Estimated increase HK\$	% of possible reasonable shift	Estimated increase HK\$
BEA Greater China Tracker Fund (note (a))	5%	227,217	5%	125,466
BEA Hong Kong Tracker Fund (note (b))	5%	773,748	5%	585,832

Notes:

(a) Relevant benchmark: 100% FTSE Greater China HKD Index

(b) Relevant benchmark: 100% Hang Seng Total Return Index

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

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.

5 Financial risk management (continued)

(b) Credit risk

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

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

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

At the reporting date, only BEA MPF Conservative Fund 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

	2018	2017
Rating (S&P/Moody's)		
AA-/Aa3	9.14%	7.38%
A+/A1	7.99%	15.81%
A/A2	27.95%	28.41%
A-/A3	27.12%	21.10%
BBB+/Baa1	18.64%	17.79%
BBB/Baa2	9.16%	9.51%
	<hr/>	<hr/>
Total	100.00%	100.00%
	<hr/>	<hr/>

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

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

Other than the outlined above, there were no significant concentrations of credit risk at 31 March 2018 and 2017.

5 Financial risk management (continued)

(c) Liquidity risk

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

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

As at 31 March 2018 and 2017, all the financial liabilities of the Scheme are repayable on demand or due within three months.

6 Investments

(a) The Scheme

Investments in constituent funds

	2018 HK\$	2017 HK\$
BEA MPF Conservative Fund	14,213,570	9,148,462
BEA Growth Fund	8,980,132	6,697,203
BEA Balanced Fund	5,774,668	3,954,710
BEA Stable Fund	8,710,484	5,830,129
BEA Global Equity Fund	6,681,628	4,676,019
BEA Asian Equity Fund	4,892,677	2,956,870
BEA Greater China Equity Fund	5,788,127	4,514,219
BEA Greater China Tracker Fund	4,346,326	2,726,000
BEA Hong Kong Tracker Fund	15,427,295	11,972,942
BEA Global Bond Fund	3,733,787	2,054,781
BEA Age 65 Plus Fund ⁽¹⁾	764,616	-
BEA Core Accumulation Fund ⁽¹⁾	1,378,176	-
	<hr/>	<hr/>
Investments at fair value	80,691,486	54,531,335
	<hr/>	<hr/>
Investments at cost	69,361,938	51,257,469
	<hr/>	<hr/>

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

6 Investments (continued)

(b) Constituent funds

BEA MPF Conservative Fund

	2018 HK\$	2017 HK\$
Short-term deposits	12,982,179	8,349,468

BEA Growth Fund

	2018 HK\$	2017 HK\$
Approved pooled investment funds	8,557,950	6,472,728

BEA Balanced Fund

	2018 HK\$	2017 HK\$
Approved pooled investment funds	5,507,745	3,873,014

BEA Stable Fund

	2018 HK\$	2017 HK\$
Approved pooled investment funds	7,413,247	5,402,923

6 Investments (continued)

(b) Constituent funds (continued)

BEA Global Equity Fund

	2018 HK\$	2017 HK\$
Approved pooled investment fund	6,516,547	4,577,411

BEA Asian Equity Fund

	2018 HK\$	2017 HK\$
Approved pooled investment funds	4,776,908	2,886,829

BEA Greater China Equity Fund

	2018 HK\$	2017 HK\$
Approved pooled investment fund	5,638,265	4,403,801

BEA Greater China Tracker Fund

	2018 HK\$	2017 HK\$
Approved index-tracking fund	4,337,950	2,721,600

6 Investments (continued)

(b) Constituent funds (continued)

BEA Hong Kong Tracker Fund

	2018 HK\$	2017 HK\$
Approved index-tracking fund	15,412,800	11,968,200

BEA Global Bond Fund

	2018 HK\$	2017 HK\$
Approved pooled investment fund	3,633,201	1,993,761

BEA Age 65 Plus Fund⁽¹⁾

	2018 HK\$	2017 HK\$
Approved pooled investment fund	765,161	-

BEA Core Accumulation Fund⁽¹⁾

	2018 HK\$	2017 HK\$
Approved pooled investment fund	1,379,149	-
Total investments at fair value	76,921,102	52,649,735
Total investments at cost	65,291,839	49,424,972

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

7 Bank balances

As at 31 March 2018, the Scheme placed bank deposits amounted to HK\$498,761 (2017: HK\$596,995).

Reconciliation of liability arising from financing activities

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

	<i>Benefits payable</i> HK\$
At 1 April 2017	7,068
Changes from financing cash flows:	
Benefits	1,422,525
Transfer out	5,841,803
Long service payments and severance payment	477,320
Benefits, transfer out, long service payments and severance payments paid	(7,293,015)
	<hr/>
At 31 March 2018	455,701
	<hr/> <hr/>

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

(a) The Scheme

	2018 HK\$	2017 HK\$
Change in unrealised gain in value of constituent funds	8,055,682	3,747,926
Realised gain on sale of constituent funds	2,254,286	161,192
	<hr/>	<hr/>
Net gain on constituent funds	10,309,968	3,909,118
	<hr/> <hr/>	<hr/> <hr/>

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

(b) Constituent funds

	2018											
	BEA MPF Conservative Fund HK\$	BEA Growth Fund HK\$	BEA Balanced Fund HK\$	BEA Stable Fund HK\$	BEA Global Equity Fund HK\$	BEA Asian Equity Fund HK\$	BEA Greater China Equity Fund HK\$	BEA Greater China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA Global Bond Fund HK\$	BEA Age 65 Plus Fund ⁽¹⁾ HK\$	BEA Core Accumulation Fund ⁽¹⁾ HK\$
Change in unrealised gain in value of investments	-	1,141,347	567,078	171,103	725,438	945,705	1,179,488	770,913	2,270,704	198,566	15,667	44,090
Realised gain on sale of investments	-	193,796	103,946	545,501	67,171	56,858	254,426	96,037	835,496	5,024	188	2,039
Net gain on investments	-	1,335,143	671,024	716,604	792,609	1,002,563	1,433,914	866,950	3,106,200	203,590	15,855	46,129

	2017									
	BEA MPF Conservative Fund HK\$	BEA Growth Fund HK\$	BEA Balanced Fund HK\$	BEA Stable Fund HK\$	BEA Global Equity Fund HK\$	BEA Asian Equity Fund HK\$	BEA Greater China Equity Fund HK\$	BEA Greater China Tracker Fund HK\$	BEA Hong Kong Tracker Fund HK\$	BEA Global Bond Fund HK\$
Change in unrealised gain/(loss) in value of investments	-	416,215	173,730	91,933	361,847	353,592	558,447	445,032	1,372,097	(45,546)
Realised gain/(loss) on sale of investments	-	32,715	23,426	16,578	22,433	8,873	13,385	31,098	(20,543)	387
Net gain/(loss) on investments	-	448,930	197,156	108,511	384,280	362,465	571,832	476,130	1,351,554	(45,159)

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

9 Transactions with related parties

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

(a) Sponsor's fees

The Sponsor, The Bank of East Asia, Limited, is entitled to receive a fee equal to 0.90% per annum of the net asset value of BEA Growth Fund, BEA Balanced Fund, BEA Stable Fund, BEA Global Equity Fund, BEA Asian Equity Fund, BEA Greater China Equity Fund and BEA Global Bond Fund. This fee is calculated and accrued on each valuation day and payable monthly in arrears.

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

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

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

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

9 Transactions with related parties (continued)

(a) Sponsor's fees (continued)

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

	2018 HK\$	2017 HK\$
BEA Growth Fund	7,044	4,772
BEA Balanced Fund	4,502	3,075
BEA Stable Fund	6,489	4,369
BEA Global Equity Fund	5,213	3,420
BEA Asian Equity Fund	3,850	2,274
BEA Greater China Equity Fund	4,538	3,416
BEA Greater China Tracker Fund	2,260	1,412
BEA Hong Kong Tracker Fund	8,122	5,852
BEA Global Bond Fund	2,787	1,542
BEA Age 65 Plus Fund ⁽¹⁾	483	-
BEA Core Accumulation Fund ⁽¹⁾	863	-

(b) Investment management fees

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

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

9 Transactions with related parties (continued)

(c) Trustee's fees

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

(d) Bank balances

As at 31 March 2018, the Scheme and its constituent funds placed bank deposits amounted to HK\$498,761 and HK\$2,661,062 (2017: HK\$596,995 and HK\$2,064,666) 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\$64 (2017: HK\$50) and HK\$259 (2017: HK\$209) respectively. Bank charges incurred are not disclosed as the Trustee considers the amounts immaterial.

9 Transactions with related parties (continued)

(e) Investments

As at 31 March 2018 and 2017, the following constituent funds of the Scheme invested in approved-pooled investment funds, managed by the Investment Manager and entrusted by the Trustee:

	2018								
	BEA Growth Fund HK\$	BEA Balanced Fund HK\$	BEA Stable Fund HK\$	BEA Global Equity Fund HK\$	BEA Asian Equity Fund HK\$	BEA Greater China Equity Fund HK\$	BEA Global Bond Fund HK\$	BEA Age 65 Plus Fund ⁽¹⁾ HK\$	BEA Core Accumulation Fund ⁽¹⁾ HK\$
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	183,148	360,203	514,975	-	-	-	-	-	-
BEA Union Investment Asia Strategic Growth Fund - Class A	1,267,713	589,254	544,327	-	4,209,413	-	-	-	-
BEA Union Investment Global Bond Fund - Class A	1,625,101	1,990,368	4,126,103	-	-	-	3,633,201	-	-
BEA Union Investment Global Equity Fund - Class A	3,725,979	1,753,036	1,513,752	6,516,547	-	-	-	-	-
BEA Union Investment Greater China Growth Fund - Class A	94,673	41,640	35,343	-	-	5,638,265	-	-	-
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	21,043	24,250	45,944	-	-	-	-	-	-
BEA Union Investment Hong Kong Growth Fund - Class A	1,640,293	748,994	632,803	-	567,495	-	-	-	-
BEA Union Investment Age 65 Plus Fund - Class I ⁽¹⁾	-	-	-	-	-	-	-	765,161	-
BEA Union Investment Core Accumulation Fund - Class I ⁽¹⁾	-	-	-	-	-	-	-	-	1,379,149
	2017								
	BEA Growth Fund HK\$	BEA Balanced Fund HK\$	BEA Stable Fund HK\$	BEA Global Equity Fund HK\$	BEA Asian Equity Fund HK\$	BEA Greater China Equity Fund HK\$	BEA Global Bond Fund HK\$		
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	146,908	157,898	104,536	-	-	-	-	-	-
BEA Union Investment Asia Strategic Growth Fund - Class A	796,449	364,915	296,349	-	2,528,154	-	-	-	-
BEA Union Investment Global Bond Fund - Class A	1,409,150	1,558,053	3,461,567	-	-	-	1,993,761	-	-
BEA Union Investment Global Equity Fund - Class A	2,867,820	1,249,764	1,083,469	4,577,411	-	-	-	-	-
BEA Union Investment Greater China Growth Fund - Class A	71,437	31,420	26,669	-	-	4,403,801	-	-	-
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	20,701	23,856	19,924	-	-	-	-	-	-
BEA Union Investment Hong Kong Growth Fund - Class A	1,160,263	487,108	410,409	-	358,675	-	-	-	-

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

9 Transactions with related parties (continued)

(f) Brokerage commission

No brokerage commission was paid to brokers who are associates or delegates of the Trustee or Investment Manager during the year ended 31 March 2018 (2017: HK\$Nil).

10 Transactions with associates

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

11 Contributions received and receivable

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

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

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

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

12 Benefits paid and payable

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

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

13 Bank loans, overdrafts and other borrowings

The Scheme and its constituent funds had no bank loans, overdrafts and other borrowings as at 31 March 2018 and 2017.

14 Taxation

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

15 Soft commission arrangements

During the year ended 31 March 2018, 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 (2017: HK\$Nil).

16 Security lending arrangements

During the year ended 31 March 2018, the Scheme did not enter into any security lending arrangements (2017: HK\$Nil).

17 Negotiability of assets

As at 31 March 2018, there were no statutory or contractual requirements restricting the negotiability of the assets of the Scheme (2017: HK\$Nil).

18 Commitments

As at 31 March 2018, the Scheme had no commitments (2017: HK\$Nil).

19 Contingent liabilities and capital commitment

As at 31 March 2018, there were no contingent liabilities or capital commitments outstanding (2017: HK\$Nil).

20 Marketing expenses

During the year ended 31 March 2018, there have been no advertising expenses, promotional expenses or commissions or brokerage fees paid and payable to the MPF intermediaries deducted from the Scheme (2017: HK\$Nil).

21 Segment information

The CODM makes the strategic resource allocation on behalf of the Scheme and determines the operating segments based on the internal reporting used to make strategic decisions. The CODM's asset allocation decisions for the Scheme are based on the investment objective, investment strategy and the performance of each constituent fund. Accordingly the CODM considers that the Scheme has 1~~20~~ operating segments. The investment objectives and the investment portfolios of the constituent funds are presented in the investment report. Other segmental information of the constituent funds are presented in these financial statements.

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

22 Involvement with unconsolidated structured entities

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

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

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

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

22 Involvement with unconsolidated structured entities (continued)

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 2018

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in thousands)</i>	<i>Carrying amount included in "Investments" HK\$ (in thousands)</i>
BEA Growth Fund			
Approved pooled investment funds	7	16,151,880	8,558
BEA Balanced Fund			
Approved pooled investment funds	7	16,151,880	5,508
BEA Stable Fund			
Approved pooled investment funds	7	16,151,880	7,413
BEA Global Equity Fund			
Approved pooled investment fund	1	954,740	6,517
BEA Asian Equity Fund			
Approved pooled investment funds	2	5,367,710	4,777
BEA Greater China Equity Fund			
Approved pooled investment fund	1	2,006,810	5,638
BEA Greater China Tracker Fund			
Approved index-tracking fund	1	705,434	4,338
BEA Hong Kong Tracker Fund			
Approved index-tracking fund	1	95,828,874	15,413
BEA Global Bond Fund			
Approved pooled investment fund	1	5,332,690	3,633
BEA Age 65 Plus Fund ⁽¹⁾			
Approved pooled investment fund	1	367,130	765
BEA Core Accumulation Fund ⁽¹⁾			
Approved pooled investment fund	1	556,580	1,379

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

22 Involvement with unconsolidated structured entities (continued)

As at 31 March 2017

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in thousands)</i>	<i>Carrying amount included in "Investments" HK\$ (in thousands)</i>
BEA Growth Fund			
Approved pooled investment funds	7	13,095,882	6,473
BEA Balanced Fund			
Approved pooled investment funds	7	13,095,882	3,873
BEA Stable Fund			
Approved pooled investment funds	7	13,095,882	5,403
BEA Global Equity Fund			
Approved pooled investment fund	1	434,133	4,577
BEA Asian Equity Fund			
Approved pooled investment funds	2	4,487,964	2,887
BEA Greater China Equity Fund			
Approved pooled investment fund	1	1,561,898	4,404
BEA Greater China Tracker Fund			
Approved index-tracking fund	1	436,460	2,722
BEA Hong Kong Tracker Fund			
Approved index-tracking fund	1	84,965,450	11,968
BEA Global Bond Fund			
Approved pooled investment fund	1	5,097,872	1,994

22 Involvement with unconsolidated structured entities (continued)

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.

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

BEA Age 65 Plus Fund and BEA 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 period from 1 April 2017 to 31 March 2018

	<i>BEA Age 65 Plus Fund</i>	<i>BEA Core Accumulation Fund</i>
(a) Payments for services		
Sponsor's fees	\$ 2,921	\$ 5,044
Total payments for services	\$ 2,921	\$ 5,044
(b) Out-of-pocket expenses		
Printing and publication expenses	\$ 403	\$ 718
Total out-of-pocket expenses	\$ 403	\$ 718
(c) Payments other than (a) and (b) above	-	-
Total payments	\$ 3,324	\$ 5,762
 Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	 <u>0.097%</u>	 <u>0.097%</u>

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

24 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2018

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 2018 and which have not been adopted in these financial statements. These include the following which may be relevant to the Scheme.

*Effective for
accounting periods
beginning on or after*

HKFRS 9, Financial instruments	1 January 2018
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HK(IFRIC) 23, <i>Uncertainty over income tax treatments</i>	1 January 2019
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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. While the assessment has been substantially completed for HKFRS 9, the actual impacts upon the initial adoption of the standard may differ as the assessment completed to date is based on the information currently available to the Scheme, and further impacts may be identified before the standard is initially applied in the Scheme's financial statements for the year ended 31 March 2019. The Trustee may also change its accounting policy elections, including the transition options, until the standards are initially applied in the financial statements.

24 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2018 (continued)

HKFRS 9, *Financial instruments*

HKFRS 9 replaces HKAS 39 Financial Instruments: Recognition and Measurement. It includes revised guidance on the classification and measurement of financial instruments and a new expected credit loss model for calculating impairment on financial assets. It also carries forward the guidance on recognition and derecognition of financial instruments from HKAS 39.

Classification of financial assets and financial liabilities

HKFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

The standard includes three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). It eliminates the existing HKAS 39 categories of held to maturity, loans and receivables and available for sale.

Based on the Trustee's assessment, this standard is not expected to have a material impact on the classification of financial assets of the Fund. This is because:

- financial instruments currently classified as FVTPL under HKAS 39 are designated into this category because they are managed on a fair value basis in accordance with a documented investment strategy. Accordingly, these financial instruments will be mandatorily measured at FVTPL under HKFRS 9; and
- financial instruments currently measured at amortised cost are: bank balances, contributions receivable, interest receivables, other receivables, benefit payable and accrual and other payables. These instruments meet the solely payments of principal and interest (SPPI) criterion and are held in a held-to-collect business model. Accordingly, they will continue to be measured at amortised cost under HKFRS 9.

24 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2018 (continued)

Impairment of financial assets

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with a forward-looking “expected credit loss” (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments.

Under HKFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Based on the Trustee’s assessment, changes to the impairment model are not expected to have a material impact on the financial assets of the Fund. This is because:

- the majority of the financial assets are measured at FVTPL and the impairment requirements do not apply to such instruments; and
- the financial assets at amortised cost are short-term (i.e. no longer than 12 months) and of high credit quality. Accordingly, the ECLs on such assets are expected to be small.

Hedge accounting

- The Trustee does not apply hedge accounting; therefore, HKFRS 9 hedge accounting-related changes do not have an impact on the financial statements of the Fund.

Disclosures

- HKFRS 9 will require extensive new disclosures, in particular about credit risk and ECLs. The Trustee has completed an analysis to identify data gaps against current processes and is designing the system and controls changes that they believe will be necessary to capture the required data.

24 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2018 (continued)

Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 will generally be applied retrospectively, except as described below.

- The Trustee will take advantage of the exemption allowing them not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9 will be adjusted to net assets attributable to unitholders as at 1 April 2018.
- The following assessments have to be made by the Trustee on the basis of the facts and circumstances that exist at the date of initial application.
- The determination of the business model within which a financial asset is held.
- The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTP.