



## BEA (MPF) Value Scheme

31 March 2022

<b>Contents</b>	<b>Page(s)</b>
Scheme report	1 - 4
Investment report	
- Investment analysis	5 - 6
- Trustee's commentary	7 - 12
- Investment objectives and policies of the Scheme and the constituent funds	13 - 25
- Investment income and performance	26 - 27
- Breakdown of income derived from investments and bank balances	28 - 29
- Performance table	30 - 33
- Investment portfolio	34 - 47
- Statement of movements in investment portfolio	48 - 59
Independent auditor's report	60 - 63
Independent auditor's assurance report	64 - 66
Value Scheme	
- Statement of changes in net assets available for benefits	67 - 68
- Statement of net assets available for benefits	69
- Cash flow statement	70
Constituent funds	
- Statement of comprehensive income	71 - 72
- Statement of assets and liabilities	73 - 74
- Statement of changes in net assets attributable to members	75 - 76
Notes to the financial statements	77 - 116

## 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 2022.

### **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 between The Bank of East Asia, Limited as sponsor and Bank of East Asia (Trustees) Limited as trustee (the “Trustee”). There have been no amendments to the trust deed other than the variations made on 1 November 2012, 18 December 2015, 12 December 2016, 10 January 2018, 18 April 2019 and 9 April 2020 (“as amended”). The Scheme is registered under section 21 of the MPF Ordinance.

### **Financial development**

The Scheme commenced operations on 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\$43.7 million (2021: HK\$33.0 million) and HK\$15.5 million (2021: HK\$15.5 million) respectively. The net asset value as at 31 March 2022 was HK\$162.1 million (2021: HK\$145.7 million).

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

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

- Amendment to the BEA Greater China Equity Fund's permitted investment, through the Underlying APIF, in China A-shares and B-shares listed on the Shanghai or Shenzhen stock exchanges to allow less than 30% of assets to be invested directly in China A-shares and/or China B-shares effective on 15 April 2021.
- Change of the fees and charges deduction method for the BEA MPF Conservative Fund from member level deduction to fund level deduction effective from 1 April 2022.

## Scheme report (continued)

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

Particulars of the Trustee and service providers engaged by the Trustee for the purposes of the Scheme during the year ended 31 March 2022 are set below.

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

Bank of East Asia (Trustees) Limited

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

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

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

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

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

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

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

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

Baker & McKenzie

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

## Scheme report (continued)

### Particulars of the service providers (continued)

#### **Auditor**

KPMG

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

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

Adrian David Li Man Kiu  
Tong Hon Shing  
Joseph Pang Yuk Wing  
Henry Chan Cho Yip  
Wan Chi Tak  
Cheung Man Kok  
Winnie Cheung Chi Woon

#### *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**

Brian David Li Man Bun  
Hermann Alexander Schindler (Resigned on 18 March 2022)  
Gunter Karl Haueisen  
Samson Li Kai Cheong  
Eleanor Wan Yuen Yung  
André Haagmann (Appointed on 18 March 2022)

#### *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  
Stephen Charles Li Kwok Sze  
Adrian David Li Man Kiu  
Brian David Li Man Bun  
Daryl Ng Win Kong  
Masayuki Oku  
Rita Fan Hsu Lai Tai  
Meocre Li Kwok Wing  
Henry Tang Ying Yen  
Delman Lee  
William Junior Guilherme DOO  
David Mong Tak Yeung  
Francisco Javier Serrado Trepas

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

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

#### **Further information**

Scheme members can obtain further information about the Scheme and its operations from Mr Goran Lam Ka Chun, Senior MPF Marketing and Customer Services Manager, at the Trustee. Scheme members can also contact BEA (MPF) hotline (operated by Bank of East Asia (Trustees) Limited) 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 2022

## Investment analysis

### United States

- Despite the ongoing outbreak of the coronavirus, tightening supply chains and climbing energy prices, the U.S. stock market still outperformed other major markets throughout the year of 2021, with 26.9% up in S&P 500.
- During April 2021 - March 2022, inflationary pressure in the U.S. had continued to increase. The U.S. Consumer Price Index (CPI) rose by 8.5% year-on-year in March 2022, the fastest pace in 40 years. The Federal Reserve (Fed) became more hawkish towards rate hike. The Fed raised interest rate by 0.25% in March, officially kicking start the rate hike cycle.

### Europe

- During April 2021 - March 2022, European equities performed unstable. It went well in the year of 2021 and major indexes recorded significant gains. However, there have been setbacks due to inflation was on the rise and certain industries were struggling with supply chain bottlenecks.
- The Russia-Ukraine conflict broke out in late February 2022. A wide-ranging package of measures has been imposed on Russia, including the exclusion from the SWIFT and energy sanctions. European markets have been dragged down. The movement of the British pound will depend on the economic performance and the Bank of England's monetary policy.

### Mainland China

- China's GDP expanded 7.9% year-over-year in the second quarter of 2021. Some sectors were benefited from the pandemic, such as technology, shipping, and exports. As for the second half of the year, performance was dragged down by the government's tightening of regulations on sectors such as real estate, internet, and education, which led to a slower development. The GDP growth was 4.9% and 4% in the third and fourth quarter of 2021 respectively.
- The GDP growth target for 2022 full year was set at 5.5% at the National People's Congress. In the first quarter of 2022, the GDP grew by 4.8%. The keys to accelerate the economic recovery lie in the possibilities of a turnaround of China's anti-epidemic strategies and a more accommodative monetary policy.

# Investment report for the year ended 31 March 2022 (continued)

## Investment analysis (continued)

### Japan

- The 2020 Tokyo Olympics was finally held in the summer of 2021. In the absence of foreign visitors, the revitalization effect of the Olympic Games on Japan's economy was limited. In October 2021, Fumio Kishida was elected as the Prime Minister of Japan and led the Liberal Democratic Party to win in the election. It was expected there would be domestic economic growth after the new cabinet announced the fiscal stimulus plan which was slightly stronger than market expectations.
- In contrast to its global peers, the Bank of Japan put interest rates on hold with maintaining its current easing stance. Inflation rate has been remaining low at around 1%. The Japanese market went up in local currency terms but down in USD terms due to currency weakness, as the Japanese yen touched 120 against the U.S. dollar in March.

### Asia

- During April 2021 - March 2022, the Omicron variant had spread rapidly around the world and added new uncertainties to the markets. In the first half of 2021, most countries achieved strong recovery from 2020 economic recession. Singapore's GDP increased by 14.3% year-on-year in the second quarter of 2021 while India saw an increase of 20.1%.
- The recovery of the global economy, especially the strong demand for chip products, particularly benefiting the export-oriented economies. In 2021, South Korea's exports grew by 25.8%, and Taiwan's growth reached 29.4%. Strong demand for energy, coal and other resources supported Australia and Indonesia's exports. However, global situation deteriorated rapidly followed by the emergence of a new variant of the coronavirus namely Omicron, making the Asia-Pacific economy more challenging.

### Global Bond

- The Chairman of the Federal Reserve ("Fed") Jerome Powell has also become more hawkish regarding rate hikes and eventually raised interest rate by 0.25% in March 2022. The Fed indicated that given the growing inflationary pressure in the economy, the central bank would look to be more aggressive with its monetary tightening plan than what was guided before, and opened the door for 50 basis points rate hikes in the upcoming meetings. In the Federal Open Market Committee ("FOMC") meeting in March 2022, the officials proposed shrinking the Fed's balance sheet by up to US\$95 billion a month.
- The inflation went up as a result of higher commodities prices since the outbreak of Russia-Ukraine conflicts. The major government bond yields went up significantly, as market expected that most of the major central banks would step up its tightening process to combat inflation.



## Investment report for the year ended 31 March 2022 (continued)

### Trustee's Commentary

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA MPF Conservative Fund <i>Launch date: 25/10/2012</i>	0.01 <sup>1</sup>	0.68 <sup>1</sup>	N/A	0.60 <sup>1</sup>
Benchmark/Performance Target (MPFA Prescribed Savings Rate)	0.00	0.03	N/A	0.02 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	+0.01	+0.65	N/A	+0.58 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year and 5-year annualized returns were above the benchmark/performance target.</li> </ul>			
BEA Growth Fund <i>Launch date: 25/10/2012</i>	-5.00	6.35	N/A	5.17
Benchmark/Performance Target (Lipper MPF Lifestyle (>60-80% Equity) Fund Category Median)	-7.53	4.96	N/A	4.20 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	+2.53	+1.39	N/A	+0.97 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark/performance target because portfolio positioning was more defensive than competitors during falling markets.</li> <li>The 5-year annualized return was above the benchmark/performance target due to overweighting in equities and underweighting in bonds during strong equity markets in 2017 and 2020 and more defensive in 2021.</li> </ul>			
BEA Balanced Fund <i>Launch date: 25/10/2012</i>	-5.26	5.08	N/A	4.16
Benchmark/Performance Target (Lipper MPF Lifestyle (>40-60% Equity) Fund Category Median)	-7.43	3.68	N/A	3.72 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	+2.17	+1.40	N/A	+0.44 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark/performance target because portfolio positioning was more defensive than competitors during falling markets.</li> <li>The 5-year annualized return was above the benchmark/performance target due to underweighting in bonds and more defensive positioning during falling markets.</li> </ul>			

## Investment report for the year ended 31 March 2022 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Stable Fund <i>Launch date: 25/10/2012</i>	-5.38	3.59	N/A	2.75
Benchmark/Performance Target (Lipper MPF Lifestyle (>20-40% Equity) Fund Category Median)	-6.34	2.46	N/A	3.05 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	+0.96	+1.13	N/A	-0.30 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark/performance target because portfolio positioning was more defensive than competitors during falling markets.</li> <li>The 5-year annualized return was above the benchmark/performance target due to underweighting in bonds and more defensive positioning during falling markets.</li> </ul>			
BEA Global Equity Fund <i>Launch date: 25/10/2012</i>	8.22	10.80	N/A	9.25
Benchmark/Performance Target (Lipper MPF Global Equity Fund Category Median)	4.99	9.02	N/A	6.08 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	+3.23	+1.78	N/A	+3.17 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark/performance target due to overweighting in the US market</li> <li>The 5-year annualized return was above the benchmark/performance target due to overweighting in the US market most of the time.</li> </ul>			
BEA Asian Equity Fund <i>Launch date: 25/10/2012</i>	-11.89	7.22	N/A	4.85
Benchmark/Performance Target (Lipper MPF Asia ex Japan Equity Fund Category Median)	-12.71	6.23	N/A	6.15 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	+0.82	+0.99	N/A	-1.30 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark/performance target due to underweighting in China equities which underperformed</li> <li>The 5-year annualized return was above the benchmark/performance target due to underweighting in China equities which underperformed in 2021.</li> </ul>			

## Investment report for the year ended 31 March 2022 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Greater China Equity Fund <i>Launch date: 25/10/2012</i>	-17.74	8.99	N/A	7.31
Benchmark/Performance Target (Lipper MPF Greater China Equity Fund Category Median)	-22.24	7.76	N/A	5.72 <sup>2</sup>
Deviation from the Benchmark/ Performance Target <sup>4</sup>	+4.50	+1.23	N/A	+1.59 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark/performance target because portfolio positioning was more defensive than competitors during falling markets.</li> <li>The 5-year annualized return was above the benchmark/performance target due to positive stock selection in technology and real estate.</li> </ul>			
BEA Greater China Tracker Fund <i>Launch date: 25/10/2012</i>	-18.37	5.50	N/A	5.13
Benchmark/Performance Target (FTSE Greater China HKD Net of Tax Index)	-16.64	7.07	N/A	7.05 <sup>2</sup>
Deviation from the Benchmark/ Performance Target <sup>4</sup>	-1.73	-1.57	N/A	-1.92 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year and 5-year annualized returns corresponded to the return of the FTSE Greater China HKD Net of Tax Index through investing in a single approved index-tracking collective investment scheme, namely the SPDR® FTSE® Greater China ETF. Tracking error of the fund has been on target and within 3%.</li> </ul>			

## Investment report for the year ended 31 March 2022 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Hong Kong Tracker Fund <i>Launch date: 25/10/2012</i>	-20.99	0.37	N/A	1.98
Benchmark/Performance Target (Hang Seng Index)	-20.43	1.47	N/A	3.54 <sup>2</sup>
Deviation from the Benchmark/ Performance Target <sup>4</sup>	-0.56	-1.10	N/A	-1.56 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year and 5-year annualized returns corresponded to the return of the Hang Seng Index through investing in a single approved index-tracking collective investment scheme, namely the Tracker Fund of Hong Kong. Tracking error of the fund has been on target and within 3%.</li> </ul>			
BEA Global Bond Fund <i>Launch date: 25/10/2012</i>	-6.42	0.88	N/A	0.36
Benchmark/Performance Target (Lipper MPF Global Bond Fund Category Median)	-6.43	0.35	N/A	1.26 <sup>2</sup>
Deviation from the Benchmark/ Performance Target <sup>4</sup>	+0.01	+0.53	N/A	-0.90 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark/performance target due to shorter duration and higher cash level</li> <li>The 5-year annualized return was above the benchmark/performance target due to longer duration and overweighting US dollar.</li> </ul>			

## Investment report for the year ended 31 March 2022 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Age 65 Plus Fund <i>Launch date: 01/04/2017</i>	-1.91	3.37	N/A	3.37
Benchmark/Performance Target (Willis Towers Watson – MPF DIS Reference Portfolios – Age 65 Plus Fund)	-2.53	2.98	N/A	2.98
Deviation from the Benchmark/ Performance Target <sup>4</sup>	+0.62	+0.39	N/A	+0.39
Trustee's commentary	<ul style="list-style-type: none"> <li>• The 1-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection.</li> <li>• The 5-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection.</li> <li>• The since launch annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection.</li> </ul>			
BEA Core Accumulation Fund <i>Launch date: 01/04/2017</i>	3.32	7.65	N/A	7.65
Benchmark/Performance Target (Willis Towers Watson – MPF DIS Reference Portfolios – Core Accumulation Fund)	2.62	7.15	N/A	7.15
Deviation from the Benchmark/ Performance Target <sup>4</sup>	+0.70	+0.50	N/A	+0.50
Trustee's commentary	<ul style="list-style-type: none"> <li>• The 1-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection.</li> <li>• The 5-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection.</li> <li>• The since launch annualized return was able to correspond to the reference portfolio due to stable asset allocation and positive security selection.</li> </ul>			

## Investment report for the year ended 31 March 2022 (continued)

### Trustee's Commentary (continued)

<b>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</b>
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<p>Bank of East Asia (Trustees) Limited ("BEA Trustees") has established an on-going mechanism on fund monitoring in order to monitor and review the performance of constituent funds ("CFs"). BEA Trustees identifies (i) underperformance issues by referencing to the benchmark of non-index tracking CFs; (ii) performance differences or abnormal tracking error by referencing the corresponding index of the index-tracking CFs; and (iii) outperformance and underperformance by referencing the recognized reference portfolio for the Default Investment Strategy ("DIS") CFs (collectively "performance issues").</p>
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<p>On a regular basis, BEA Trustees holds review meetings with the investment manager to discuss the overall performance of the CFs. Comprehensive assessment on CF level in different horizons will be reviewed during the meeting. When any performance issues are identified, the investment manager is required to provide explanation and BEA Trustees will determine whether follow-up action has to be taken based on the explanation.</p>
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<p>In addition to regular monitoring, BEA Trustees will update the Board of BEA Trustees regarding the fund performance of CFs and/or other issues through different channels including regular reports and meetings.</p>
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#### Note:

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

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

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

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

## Investment report for the year ended 31 March 2022 (continued)

### **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 (“APIFs”). 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 APIF. BEA Greater China Tracker Fund and BEA Hong Kong Tracker Fund invest in a single Approved Index-Tracking Collective Investment Scheme (“ITCIS”) 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 2022 (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 (“General Regulation”). The BEA MPF Conservative Fund will not enter into financial futures and options contracts for any purposes. The BEA MPF Conservative Fund will not engage in security lending and will not enter into repurchase agreements.

#### 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 will invest primarily in global equity and bond markets. The BEA Growth Fund will invest in a range of APIFs managed by the Investment Manager to obtain exposure to such markets, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA Growth Fund are expected normally to be invested 60% to 90% in equities and 10% to 40% in cash, debt securities and/or money market instruments. The BEA Growth Fund will not engage in security lending and will not enter into repurchase agreements. The underlying APIFs may, however, engage in security lending. Both the BEA Growth Fund and the underlying APIFs will enter into financial futures and options contracts for hedging purposes only.



## Investment report for the year ended 31 March 2022 (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 will invest primarily in global equity and bond markets. The BEA Balanced Fund will invest in a range of APIFs managed by the Investment Manager to obtain exposure to such markets, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA Balanced Fund are expected normally to be invested 40% to 60% in equities and 40% to 60% in cash, debt securities and/or money market instruments. The BEA Balanced Fund will not engage in security lending and will not enter into repurchase agreements. The underlying APIFs may, however, engage in security lending. Both the BEA Balanced Fund and the underlying APIFs will enter into financial futures and options contracts for hedging purposes only.

## Investment report for the year ended 31 March 2022 (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 a lower exposure to global equities to provide modest potential for capital appreciation.

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

The BEA Stable Fund will invest primarily in the global equity and bond markets. The BEA Stable Fund will invest in a range of APIFs managed by the Investment Manager to obtain exposure to such markets, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA Stable Fund are expected normally to be invested 10% to 40% in equities and 60% to 90% in cash, debt securities and/or money market instruments. The BEA Stable Fund will not engage in security lending and will not enter into repurchase agreements. The underlying APIFs may, however, engage in security lending. Both the BEA Stable Fund and the underlying APIFs will enter into financial futures and options contracts for hedging purposes only.

## Investment report for the year ended 31 March 2022 (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 will invest directly in a single APIF, 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 underlying APIF's portfolio primarily consist 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 to the General Regulation. In managing the asset allocation of the underlying APIF's portfolio, the manager of the underlying APIF will from time to time make reference to the geographic allocation by one or more global stock market indices. As an indication, the geographic allocation of the underlying APIF 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 underlying APIF'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 APIF's manager of prevailing and anticipated global market conditions and will be decided on the basis of the macro-economic analysis of the underlying APIF's manager of the global markets and economic growth, inflation and interest rate trends.

## Investment report for the year ended 31 March 2022 (continued)

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

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

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

Normally not less than 70% of the underlying APIF's assets will be invested in equities. 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 underlying APIF may hold a substantial portion of its assets in money market instruments, cash or cash equivalents to safeguard the investment portfolio of the APIF. Up to 10% of the assets of the underlying APIF may be invested in other securities (as permitted under Schedule 1 to the General Regulation).

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 engage in security lending and will not enter into repurchase agreements. The underlying APIF may, however, engage in security lending. The BEA Global Equity Fund will not enter into financial futures and options contracts for any purposes. Subject to the restrictions imposed by the MPF Ordinance, the underlying APIF may, however, 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 underlying APIF.

## Investment report for the year ended 31 March 2022 (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 will invest in a range of APIFs managed by the Investment Manager to obtain exposure to the Asian (ex-Japan) equity markets, selected by the Investment Manager having regard to the investment objective and investment policy. The underlying assets of the BEA Asian Equity Fund are expected normally to be invested at least 70% in equities of companies listed in the Asian equity markets (including but not limited to Singapore, Malaysia, Korea, Taiwan, Thailand, Indonesia, the Philippines, India, China and Hong Kong, but excluding Japan) and up to 30% in cash, debt securities and/or money market instruments for cash management purposes. The BEA 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 not engage in security lending and will not enter into repurchase agreements. The underlying APIFs may, however, engage in security lending. The BEA Asian Equity Fund and the underlying APIFs will enter into financial futures and options contracts for hedging purposes only.

## Investment report for the year ended 31 March 2022 (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 will invest directly in a single APIF, 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 underlying APIF 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. Normally not less than 70% of the assets of the underlying APIF will be invested directly in equities, which may include less than 30% in China A-shares and/or China B-shares. Up to 10% of the assets of the underlying APIF may be invested in other securities (as permitted under Schedule 1 to the General Regulation). 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 underlying APIF may hold a substantial portion of its asset in cash or cash equivalents, or invest in short-term money market instruments to safeguard the investment portfolio of the underlying APIF.

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 Investment Manager is also the manager of the underlying APIF. The BEA Greater China Equity Fund will not engage in security lending and will not enter into repurchase agreements. The underlying APIF may, however, engage in security lending. The BEA Greater China Equity Fund will not enter into financial futures and options contracts for any purposes. The underlying APIF may, however, enter into financial futures and options contracts for hedging purposes.

## Investment report for the year ended 31 March 2022 (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 will invest directly in a single approved ITCIS, namely the SPDR FTSE Greater China ETF (a sub-fund of the SPDR ETFs). The underlying approved ITCIS 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 (China B-shares and with effect from 23rd March 2020, China A-shares), Shenzhen (China B-shares and with effect from 23rd March 2020, China A-shares) and Singapore, where the Singapore listed stocks are classified as Hong Kong nationality in accordance with FTSE nationality rules.

The underlying approved ITCIS may receive other derivatives, such as warrants or options, as a result of corporate action from underlying investments. 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. Whilst the investment objective of the BEA Greater China Tracker Fund and the underlying approved ITCIS is to track the FTSE Greater China HKD Index, there can be no assurance that the performance of the BEA Greater China Tracker Fund and the underlying approved ITCIS will at any time be identical to that of the FTSE Greater China HKD Index.

The BEA Greater China Tracker Fund and the underlying approved ITCIS will not engage in security lending and will not enter into repurchase agreements. The BEA Greater China Tracker Fund will not enter into financial futures and options contracts for any purposes. However, the underlying approved ITCIS may use futures contracts listed on futures exchanges in Hong Kong, Taiwan and Singapore.

## Investment report for the year ended 31 March 2022 (continued)

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

#### BEA Hong Kong Tracker Fund

***Investment objective:***

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

***Investment policy:***

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

The BEA Hong Kong Tracker Fund may hold cash and bank deposits for ancillary purposes, such as for meeting redemption requests or defraying operating expenses. The BEA Hong Kong Tracker Fund and the underlying approved ITCIS will not engage in security lending and will not enter into repurchase agreements. The BEA Hong Kong Tracker Fund will not enter into financial futures and options contracts for any purposes. However, the underlying approved ITCIS may use futures contracts and options for hedging purposes or to achieve its investment objective.



## Investment report for the year ended 31 March 2022 (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 will invest directly in a single APIF, namely the BEA Union Investment Global Bond Fund (a sub-fund of the BEA Union Investment Capital Growth Fund) to obtain exposure to global bond markets. The underlying APIF will invest in a diversified range of global bonds denominated in various major currencies (including but not limited to, US dollars, Euro, Pounds Sterling, Japanese Yen and HK dollars). The underlying APIF'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 BEA Global Bond Fund may hold cash and bank deposits for ancillary purposes, such as for meeting redemption requests or defraying operating expenses. The Investment Manager is also the manager of the underlying APIF. The BEA Global Bond Fund will not engage in security lending and will not enter into repurchase agreements. The underlying APIF, however, may engage in security lending. The BEA Global Bond Fund will not enter into financial futures and options contracts for any purposes. The underlying APIF, however, may enter into financial futures contracts for hedging purposes.

## Investment report for the year ended 31 March 2022 (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 APIF, BEA Union Investment Age 65 Plus Fund under the BEA Union Investment Capital Growth Fund, which in turn invests in two APIFs as allowed under the General Regulation. The investment manager of the BEA Union Investment Age 65 Plus Fund will from time to time rebalance the allocation between the two APIFs.

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

The BEA Age 65 Plus Fund will not engage in security lending and will not enter into repurchase agreements. The BEA Union Investment Age 65 Plus Fund will not invest in any structured deposits or products, and will not enter into any security lending, repurchase transactions or other similar transactions. The BEA Age 65 Plus Fund will not enter into currency forward contracts, financial futures and options contracts for any purposes. However, the BEA Union Investment Age 65 Plus Fund may enter into currency forward contracts, financial futures and options contracts for hedging purposes to reduce risk and protect asset value, consistent with the investment objective of the BEA Union Investment Age 65 Plus Fund.

## Investment report for the year ended 31 March 2022 (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 a single APIF, namely the BEA Union Investment Core Accumulation Fund under the BEA Union Investment Capital Growth Fund, which in turn invests in two APIFs as allowed under the General Regulation. The investment manager of the BEA Union Investment Core Accumulation Fund will from time to time rebalance the allocation between the two APIFs.

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

The BEA Core Accumulation Fund will not engage in security lending and will not enter into repurchase agreements. The BEA Union Investment Core Accumulation Fund will not invest in any structured deposits or products, and will not enter into any security lending, repurchase transactions or other similar transactions. The BEA Core Accumulation Fund will not enter into currency forward contracts, financial futures and options contracts for any purposes. However, the BEA Union Investment Core Accumulation Fund may enter into currency forward contracts, financial futures and options contracts for hedging purposes to reduce risk and protect asset value, consistent with the investment objective of the BEA Union Investment Core Accumulation Fund.

## Investment report for the year ended 31 March 2022 (continued)

### Investment income and performance

	<i>BEA MPF Conservative Fund</i>			<i>BEA Growth Fund</i>			<i>BEA Balanced Fund</i>		
	2022 HK\$	2021 HK\$	2020 HK\$	2022 HK\$	2021 HK\$	2020 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	53,683	173,753	384,685	(167,943)	(130,733)	(105,366)	(114,490)	(88,870)	(68,696)
Capital (depreciation)/appreciation of investments - realised and unrealised	-	-	-	(935,482)	4,286,659	(875,235)	(687,736)	2,219,293	(332,526)
Value of scheme assets derived from investments as at 31 March	<u>22,241,436</u>	<u>20,932,564</u>	<u>17,067,094</u>	<u>17,901,211</u>	<u>14,991,467</u>	<u>10,871,052</u>	<u>12,689,974</u>	<u>9,690,597</u>	<u>7,788,795</u>
	<i>BEA Stable Fund</i>			<i>BEA Global Equity Fund</i>			<i>BEA Asian Equity Fund</i>		
	2022 HK\$	2021 HK\$	2020 HK\$	2022 HK\$	2021 HK\$	2020 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net loss excluding capital (depreciation)/appreciation	(121,462)	(101,611)	(85,704)	(145,410)	(97,839)	(73,806)	(79,293)	(65,269)	(47,261)
Capital (depreciation)/appreciation of investments - realised and unrealised	(683,107)	1,712,110	(71,815)	1,296,081	4,321,739	(1,057,209)	(1,025,701)	3,012,351	(635,208)
Value of scheme assets derived from investments as at 31 March	<u>12,070,428</u>	<u>10,783,869</u>	<u>9,178,819</u>	<u>17,181,341</u>	<u>13,025,713</u>	<u>8,002,341</u>	<u>7,238,217</u>	<u>8,860,977</u>	<u>5,029,726</u>

## Investment report for the year ended 31 March 2022 (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>		
	2022 HK\$	2021 HK\$	2020 HK\$	2022 HK\$	2021 HK\$	2020 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net (loss)/income excluding capital (depreciation)/appreciation	(142,988)	(99,508)	(60,144)	(51,218)	(45,941)	(32,536)	344,732	368,812	422,798
Capital (depreciation)/appreciation of investments - realised and unrealised	(2,902,873)	4,215,542	(263,951)	(1,534,328)	2,579,342	(536,580)	(4,527,575)	3,230,345	(2,949,575)
Value of scheme assets derived from investments as at 31 March	<u>14,760,752</u>	<u>15,294,224</u>	<u>7,063,918</u>	<u>6,963,944</u>	<u>8,463,720</u>	<u>4,825,620</u>	<u>16,632,020</u>	<u>19,273,850</u>	<u>13,952,250</u>
	<i>BEA Global Bond Fund</i>			<i>BEA Age 65 Plus Fund</i>			<i>BEA Core Accumulation Fund</i>		
	2022 HK\$	2021 HK\$	2020 HK\$	2022 HK\$	2021 HK\$	2020 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net loss excluding capital (depreciation)/appreciation	(42,804)	(41,184)	(39,181)	(57,549)	(30,202)	(13,559)	(96,545)	(66,487)	(39,272)
Capital (depreciation)/appreciation of investments - realised and unrealised	(268,047)	68,104	211,652	(157,829)	278,448	37,511	372,052	1,949,031	(248,710)
Value of scheme assets derived from investments as at 31 March	<u>4,840,877</u>	<u>4,240,746</u>	<u>3,349,989</u>	<u>7,205,323</u>	<u>4,386,971</u>	<u>2,378,943</u>	<u>13,338,748</u>	<u>9,127,985</u>	<u>5,887,874</u>

## Investment report for the year ended 31 March 2022 (continued)

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

*For the year ended 31 March 2022*

	<i>Dividend income</i> HK\$	<i>Interest income</i> HK\$	<i>Interest income from financial assets at fair value through profit or loss</i> HK\$	<i>Total</i> HK\$
BEA MPF Conservative Fund	-	16	53,667	53,683
BEA Growth Fund	-	8	-	8
BEA Balanced Fund	-	5	-	5
BEA Stable Fund	-	5	-	5
BEA Global Equity Fund	-	3	-	3
BEA Asian Equity Fund	-	4	-	4
BEA Greater China Equity Fund	-	5	-	5
BEA Greater China Tracker Fund	-	-	-	-
BEA Hong Kong Tracker Fund	479,180	1	-	479,181
BEA Global Bond Fund	-	2	-	2
BEA Age 65 Plus Fund	-	-	-	-
BEA Core Accumulation Fund	-	-	-	-
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## Investment report for the year ended 31 March 2022 (continued)

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

For the year ended 31 March 2021

	<i>Dividend income</i> HK\$	<i>Interest income</i> HK\$	<i>Interest income from financial assets at fair value through profit or loss</i> HK\$	<i>Total</i> HK\$
BEA MPF Conservative Fund	-	14	173,739	173,753
BEA Growth Fund	-	5	-	5
BEA Balanced Fund	-	4	-	4
BEA Stable Fund	-	5	-	5
BEA Global Equity Fund	-	3	-	3
BEA Asian Equity Fund	-	1	-	1
BEA Greater China Equity Fund	-	3	-	3
BEA Greater China Tracker Fund	-	-	-	-
BEA Hong Kong Tracker Fund	494,565	1	-	494,566
BEA Global Bond Fund	-	1	-	1
BEA Age 65 Plus Fund	-	-	-	-
BEA Core Accumulation Fund	-	-	-	-

## Investment report for the year ended 31 March 2022 (continued)

### Performance table

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

Name of constituent funds	<u>As at 31 March 2022</u>		<u>As at 31 March 2021</u>		<u>As at 31 March 2020</u>	
	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	23,374,968	10.8652	22,725,976	10.8396	18,652,377	10.7414
BEA Growth Fund	19,343,235	16.0949	16,117,821	16.9418	11,435,284	12.5305
BEA Balanced Fund	14,037,504	14.6836	10,399,455	15.4989	8,085,281	12.3556
BEA Stable Fund	13,218,870	12.9230	11,748,975	13.6576	9,641,331	11.7694
BEA Global Equity Fund	17,564,816	23.0379	13,195,878	21.2880	8,130,687	14.1607
BEA Asian Equity Fund	8,629,176	15.6338	9,025,998	17.7430	5,056,249	11.2702
BEA Greater China Equity Fund	15,178,738	19.4610	15,687,434	23.6578	7,444,445	14.8806
BEA Greater China Tracker Fund	6,964,868	16.0372	8,467,064	19.6453	4,825,929	13.1556
BEA Hong Kong Tracker Fund	16,636,511	12.0368	19,747,547	15.2338	13,957,640	12.4269
BEA Global Bond Fund	4,976,156	10.3406	4,342,491	11.0501	3,571,835	10.8722
BEA Age 65 Plus Fund	7,212,662	11.8012	4,395,710	12.0304	2,378,643	11.0489
BEA Core Accumulation Fund	13,680,093	14.4578	9,136,285	13.9936	5,883,863	10.8293
	<u>160,817,597</u>		<u>144,990,634</u>		<u>99,063,564</u>	



## Investment report for the year ended 31 March 2022 (continued)

### Performance table (continued)

#### (b) Highest and lowest prices

	<i>BEA MPF Conservative Fund <sup>(1)</sup></i>	<i>BEA Growth Fund <sup>(1)</sup></i>	<i>BEA Balanced Fund <sup>(1)</sup></i>	<i>BEA Stable Fund <sup>(1)</sup></i>	<i>BEA Global Equity Fund <sup>(1)</sup></i>	<i>BEA Asian Equity Fund <sup>(1)</sup></i>	<i>BEA Greater China Equity Fund <sup>(1)</sup></i>	<i>BEA Greater China Tracker Fund <sup>(1)</sup></i>	<i>BEA Hong Kong Tracker Fund <sup>(1)</sup></i>	<i>BEA Global Bond Fund <sup>(1)</sup></i>	<i>BEA Age 65 Plus Fund <sup>(1)</sup></i>	<i>BEA Core Accumulation Fund <sup>(1)</sup></i>
<b>Highest issue price per unit (HK\$)</b>												
2022	10.8652	17.9469	16.1938	14.0659	24.1872	19.3727	25.5738	20.6860	15.8694	11.3245	12.4645	15.1884
2021	10.8396	17.9647	16.2945	14.2190	21.5762	20.2132	26.9811	22.0321	16.6214	11.6234	12.2857	14.1884
2020	10.7414	14.7165	13.8220	12.5997	18.0384	13.9762	17.4284	15.9855	15.4625	11.5387	11.5996	12.5260
2019	10.5295	13.9857	13.1214	12.0596	16.6285	14.3765	17.0078	15.8316	15.8833	10.5680	10.7402	11.4140
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	-	-
<b>Lowest redemption price per unit (HK\$)</b>												
2022	10.8396	15.1179	14.0897	12.6504	21.0594	14.5522	17.0566	13.9485	10.0969	10.2417	11.6905	13.8074
2021	10.7419	12.3027	12.1956	11.6671	13.6693	11.0707	14.7444	12.8032	12.0967	10.7894	10.9839	10.6062
2020	10.5310	11.5482	11.6255	11.2818	12.4017	10.0508	13.4791	11.6475	11.4741	10.3892	10.6373	9.9628
2019	10.3604	12.2908	11.9369	11.3036	13.8874	11.1034	13.2929	12.6791	12.6884	10.0495	10.2151	10.2663
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	-	-

<sup>(1)</sup> 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 2022 (continued)

### Performance table (continued)

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

	BEA MPF Conservative Fund <sup>(2),(3)</sup>	BEA Growth Fund <sup>(2)</sup>	BEA Balanced Fund <sup>(2)</sup>	BEA Stable Fund <sup>(2)</sup>	BEA Global Equity Fund <sup>(2)</sup>	BEA Asian Equity Fund <sup>(2)</sup>	BEA Greater China Equity Fund <sup>(2)</sup>	BEA Greater China Tracker Fund <sup>(2)</sup>	BEA Hong Kong Tracker Fund <sup>(2)</sup>	BEA Global Bond Fund <sup>(2)</sup>	BEA Age 65 Plus Fund <sup>(2)</sup>	BEA Core Accumulation Fund <sup>(2)</sup>
<b>Net annualised investment return (%)</b>												
2022	0.24	(5.00)	(5.26)	(5.38)	8.22	(11.89)	(17.74)	(18.37)	(20.99)	(6.42)	(1.91)	3.32
2021	0.91	35.20	25.44	16.04	50.33	57.43	58.98	49.33	22.59	1.64	8.88	29.22
2020	2.00	(7.80)	(4.30)	(1.44)	(11.46)	(11.53)	(3.96)	(10.17)	(16.64)	3.73	2.88	(4.33)
2019	1.65	(1.36)	(0.82)	(0.50)	1.51	(10.02)	(6.06)	(4.71)	(0.98)	(0.68)	2.68	2.30
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)	-	-

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

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

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

## Investment report for the year ended 31 March 2022 (continued)

### Performance table (continued)

(d) *Fund Expense Ratio ("FER")*

<i>Name of constituent funds</i>	<i>2022</i>	
	<i>Transaction costs for the year ended 31 March HK\$</i>	<i>FER for the year ended 31 March</i>
BEA MPF Conservative Fund	-	0.23%
BEA Growth Fund	-	0.95%
BEA Balanced Fund	-	0.94%
BEA Stable Fund	-	0.94%
BEA Global Equity Fund	-	0.94%
BEA Asian Equity Fund	-	0.95%
BEA Greater China Equity Fund	-	0.96%
BEA Greater China Tracker Fund	3,476	1.08%
BEA Hong Kong Tracker Fund	19,597	0.73%
BEA Global Bond Fund	-	0.93%
BEA Age 65 Plus Fund	-	0.85%
BEA Core Accumulation Fund	-	0.84%

## Investment report as at 31 March 2022 (continued)

### Investment portfolio

#### BEA MPF Conservative Fund

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits</b>				
<i>Hong Kong Dollar</i>				
China CITIC Bank International Limited F/D 0.38% 01 April 2022	1,475,340	1,475,340	1,475,340	6.31
China CITIC Bank International Limited F/D 0.36% 22 April 2022	22,026	22,026	22,026	0.09
China CITIC Bank International Limited F/D 0.40% 06 May 2022	178,075	178,075	178,075	0.76
China CITIC Bank International Limited F/D 0.43% 13 May 2022	287,403	287,403	287,403	1.23
China Construction Bank Corporation F/D 0.34% 13 May 2022	1,094,627	1,094,627	1,094,627	4.68
China Construction Bank Corporation F/D 0.34% 13 May 2022	835,140	835,140	835,140	3.57
China Everbright Bank Co., Ltd. F/D 0.32% 22 April 2022	647,849	647,849	647,849	2.77
China Everbright Bank Co., Ltd. F/D 0.33% 29 April 2022	704,295	704,295	704,295	3.01
China Everbright Bank Co., Ltd. F/D 0.39% 06 May 2022	321,967	321,967	321,967	1.38
China Everbright Bank Co., Ltd. F/D 0.37% 13 May 2022	317,627	317,627	317,627	1.36
Chong Hing Bank Limited F/D 0.65% 01 April 2022	692,470	692,470	692,470	2.97
Chong Hing Bank Limited F/D 0.65% 01 April 2022	137,644	137,644	137,644	0.59
Chong Hing Bank Limited F/D 0.65% 13 May 2022	680,067	680,067	680,067	2.91
Chong Hing Bank Limited F/D 0.60% 10 June 2022	26,360	26,360	26,360	0.11
Chong Hing Bank Limited F/D 0.78% 24 June 2022	292,324	292,324	292,324	1.25
Chong Hing Bank Limited F/D 0.62% 27 June 2022	191,815	191,815	191,815	0.82
CMB Wing Lung Bank Limited F/D 0.38% 01 April 2022	239,339	239,339	239,339	1.03
CMB Wing Lung Bank Limited F/D 0.43% 13 May 2022	206,307	206,307	206,307	0.88
CMB Wing Lung Bank Limited F/D 0.41% 10 June 2022	640,722	640,722	640,722	2.74
CMB Wing Lung Bank Limited F/D 0.41% 10 June 2022	360,445	360,445	360,445	1.54
CMB Wing Lung Bank Limited F/D 0.41% 10 June 2022	601,044	601,044	601,044	2.57

## Investment report as at 31 March 2022 (continued)

### Investment portfolio (continued)

#### BEA MPF Conservative Fund (continued)

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits (continued)</b>				
<i>Hong Kong Dollar (continued)</i>				
Credit Agricole Corporate and Investment Bank F/D 0.15% 22 April 2022	600,000	600,000	600,000	2.57
Credit Agricole Corporate and Investment Bank F/D 0.49% 24 June 2022	674,298	674,298	674,298	2.88
Dah Sing Bank, Limited F/D 0.20% 01 April 2022	521,786	521,786	521,786	2.23
Dah Sing Bank, Limited F/D 0.30% 20 May 2022	654,168	654,168	654,168	2.80
Dah Sing Bank, Limited F/D 0.33% 27 May 2022	704,000	704,000	704,000	3.01
DBS Bank (Hong Kong) Limited F/D 0.28% 13 May 2022	998,756	998,756	998,756	4.28
DBS Bank (Hong Kong) Limited F/D 0.46% 17 June 2022	660,901	660,901	660,901	2.83
DBS Bank (Hong Kong) Limited F/D 0.55% 17 June 2022	477,000	477,000	477,000	2.04
Fubon Bank (Hong Kong) Limited F/D 0.45% 01 April 2022	328,960	328,960	328,960	1.41
Fubon Bank (Hong Kong) Limited F/D 0.50% 22 April 2022	147,897	147,897	147,897	0.63
Fubon Bank (Hong Kong) Limited F/D 0.45% 10 June 2022	161,838	161,838	161,838	0.69
Fubon Bank (Hong Kong) Limited F/D 0.70% 27 June 2022	774,312	774,312	774,312	3.31
Fubon Bank (Hong Kong) Limited F/D 0.70% 27 June 2022	437,731	437,731	437,731	1.87
Industrial and Commercial Bank of China (Asia) Limited F/D 0.40% 01 April 2022	612,606	612,606	612,606	2.62
Industrial and Commercial Bank of China (Asia) Limited F/D 0.30% 06 May 2022	873,679	873,679	873,679	3.74
Industrial and Commercial Bank of China (Asia) Limited F/D 0.48% 17 June 2022	426,652	426,652	426,652	1.83
MUFG Bank, Ltd. F/D 0.23% 13 May 2022	1,105,336	1,105,336	1,105,336	4.73
OCBC Wing Hang Bank Limited F/D 0.27% 29 April 2022	253,490	253,490	253,490	1.08
Sumitomo Mitsui Banking Corporation F/D 0.26% 22 April 2022	469,487	469,487	469,487	2.01

## Investment report as at 31 March 2022 (continued)

### Investment portfolio (continued)

#### BEA MPF Conservative Fund (continued)

	<i>Nominal value HK\$</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Short-term deposits (continued)</b>				
<i>Hong Kong Dollar (continued)</i>				
Sumitomo Mitsui Banking Corporation F/D 0.26% 22 April 2022	320,177	320,177	320,177	1.37
Sumitomo Mitsui Banking Corporation F/D 0.34% 13 May 2022	497,476	497,476	497,476	2.13
Sumitomo Mitsui Banking Corporation F/D 0.38% 20 May 2022	588,000	588,000	588,000	2.52
<b>Total investments</b>		<u>22,241,436</u>	<u>22,241,436</u>	<u>95.15</u>

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

## Investment report as at 31 March 2022 (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>
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	5,963.4490	820,451	796,752	4.24
BEA Union Investment Asia Strategic Growth Fund - Class A	5,828.4690	2,815,034	2,396,473	14.55
BEA Union Investment Global Bond Fund - Class A	23,016.2590	2,929,510	3,007,692	15.15
BEA Union Investment Global Equity Fund - Class A	28,502.0470	7,270,017	5,729,686	37.59
BEA Union Investment Greater China Growth Fund - Class A	325.9300	115,780	58,782	0.60
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	597.9030	88,615	86,607	0.46
BEA Union Investment Hong Kong Growth Fund - Class A	12,153.1250	3,581,040	4,233,732	18.51
BEA Union Investment Money Market Fund - Class A	2,709.5500	280,764	273,726	1.45
<b>Total investments</b>		<u>17,901,211</u>	<u>16,583,450</u>	<u>92.55</u>

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

## Investment report as at 31 March 2022 (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>
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	5,920.5870	814,554	753,258	5.80
BEA Union Investment Asia Strategic Growth Fund - Class A	3,266.8430	1,577,820	1,451,127	11.24
BEA Union Investment Global Bond Fund - Class A	35,752.6110	4,550,592	4,616,099	32.42
BEA Union Investment Global Equity Fund - Class A	14,027.3180	3,577,948	3,023,324	25.49
BEA Union Investment Greater China Growth Fund - Class A	143.3530	50,923	25,854	0.36
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	637.4500	94,477	92,094	0.67
BEA Union Investment Hong Kong Growth Fund - Class A	6,130.8210	1,806,508	2,133,621	12.87
BEA Union Investment Money Market Fund - Class A	2,095.6590	217,152	212,786	1.55
<b>Total investments</b>		<u>12,689,974</u>	<u>12,308,163</u>	<u>90.40</u>

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



## Investment report as at 31 March 2022 (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>
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	6,682.9700	919,443	842,083	6.96
BEA Union Investment Asia Strategic Growth Fund - Class A	2,377.1980	1,148,139	1,082,518	8.68
BEA Union Investment Global Bond Fund - Class A	49,655.7420	6,320,183	6,372,139	47.81
BEA Union Investment Global Equity Fund - Class A	7,709.1880	1,966,382	1,764,869	14.88
BEA Union Investment Greater China Growth Fund - Class A	121.6750	43,223	22,096	0.33
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	421.9550	62,538	57,229	0.47
BEA Union Investment Hong Kong Growth Fund - Class A	3,184.8190	938,439	1,112,201	7.10
BEA Union Investment Money Market Fund - Class A	6,486.0180	672,081	654,597	5.08
<b>Total investments</b>		<u>12,070,428</u>	<u>11,907,732</u>	<u>91.31</u>

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

## Investment report as at 31 March 2022 (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>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Global Equity Fund - Class A	67,359.3180	<u>17,181,341</u>	<u>12,434,083</u>	<u>97.82</u>
<b>Total investments</b>		<u><u>17,181,341</u></u>	<u><u>12,434,083</u></u>	<u><u>97.82</u></u>

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

## Investment report as at 31 March 2022 (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>
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Strategic Growth Fund - Class A	13,733.9780	6,633,237	4,830,403	76.87
BEA Union Investment Greater China Growth Fund - Class A	1,107.5710	393,442	410,376	4.56
BEA Union Investment Hong Kong Growth Fund - Class A	717.9050	211,538	248,652	2.45
<b>Total investments</b>		<u>7,238,217</u>	<u>5,489,431</u>	<u>83.88</u>

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

## Investment report as at 31 March 2022 (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>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Greater China Growth Fund - Class A	41,552.6610	<u>14,760,752</u>	<u>13,465,045</u>	<u>97.25</u>
<b>Total investments</b>		<u><u>14,760,752</u></u>	<u><u>13,465,045</u></u>	<u><u>97.25</u></u>

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

## Investment report as at 31 March 2022 (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>
<b>Approved Index-Tracking Collective Investment Scheme</b>				
<i>Hong Kong</i>				
SPDR FTSE Greater China ETF	150,800.0000	<u>6,963,944</u>	<u>6,195,266</u>	<u>99.99</u>
<b>Total investments</b>		<u><u>6,963,944</u></u>	<u><u>6,195,266</u></u>	<u><u>99.99</u></u>

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

## Investment report as at 31 March 2022 (continued)

### Investment portfolio (continued)

#### BEA Hong Kong Tracker Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Index-Tracking Collective Investment Scheme</b>				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	746,500.0000	<u>16,632,020</u>	<u>19,601,635</u>	<u>99.97</u>
<b>Total investments</b>		<u><u>16,632,020</u></u>	<u><u>19,601,635</u></u>	<u><u>99.97</u></u>

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

## Investment report as at 31 March 2022 (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>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Global Bond Fund - Class A	38,033.2850	<u>4,840,877</u>	<u>5,057,446</u>	<u>97.28</u>
<b>Total investments</b>		<u><u>4,840,877</u></u>	<u><u>5,057,446</u></u>	<u><u>97.28</u></u>

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

## Investment report as at 31 March 2022 (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>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Age 65 Plus Fund - Class I	58,442.0730	<u>7,205,323</u>	<u>7,099,416</u>	<u>99.90</u>
<b>Total investments</b>		<u><u>7,205,323</u></u>	<u><u>7,099,416</u></u>	<u><u>99.90</u></u>

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



## Investment report as at 31 March 2022 (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>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Core Accumulation Fund - Class I	88,836.1520	<u>13,338,748</u>	<u>11,759,720</u>	<u>97.50</u>
<b>Total investments</b>		<u><u>13,338,748</u></u>	<u><u>11,759,720</u></u>	<u><u>97.50</u></u>

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

## Investment report for the year ended 31 March 2022 (continued)

### Statement of movements in investment portfolio

#### *BEA MPF Conservative Fund*

	<i>% of net assets</i>	
	<i>As at</i>	<i>As at</i>
	<i>31 March 2022</i>	<i>31 March 2021</i>
<b>Short-term deposits</b>		
Hong Kong Dollar	95.15	92.11

## Investment report for the year ended 31 March 2022 (continued)

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

#### BEA Growth Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2022 units</i>
	<i>As at 31 March 2021 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	4,175.1610	1,788.2880	-	5,963.4490
BEA Union Investment Asia Strategic Growth Fund - Class A	5,020.0790	1,260.3060	451.9160	5,828.4690
BEA Union Investment Global Bond Fund - Class A	17,591.0980	7,696.6000	2,271.4390	23,016.2590
BEA Union Investment Global Equity Fund - Class A	29,407.1510	14,630.8050	15,535.9090	28,502.0470
BEA Union Investment Greater China Growth Fund - Class A	325.9300	-	-	325.9300
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	356.0120	241.8910	-	597.9030
BEA Union Investment Hong Kong Growth Fund - Class A	5,050.8660	9,506.2490	2,403.9900	12,153.1250
BEA Union Investment Money Market Fund - Class A	<u>1,963.3120</u>	<u>746.2380</u>	<u>-</u>	<u>2,709.5500</u>

## Investment report for the year ended 31 March 2022 (continued)

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

#### BEA Balanced Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2022 units</i>
	<i>As at 31 March 2021 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	4,214.0960	1,706.4910	-	5,920.5870
BEA Union Investment Asia Strategic Growth Fund - Class A	2,710.6310	937.3140	381.1020	3,266.8430
BEA Union Investment Global Bond Fund- Class A	24,911.0120	12,731.3770	1,889.7780	35,752.6110
BEA Union Investment Global Equity Fund - Class A	13,448.0590	11,057.1310	10,477.8720	14,027.3180
BEA Union Investment Greater China Growth Fund - Class A	143.3530	-	-	143.3530
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	387.5660	249.8840	-	637.4500
BEA Union Investment Hong Kong Growth Fund - Class A	2,136.1660	6,170.7860	2,176.1310	6,130.8210
BEA Union Investment Money Market Fund - Class A	<u>1,312.0190</u>	<u>783.6400</u>	<u>-</u>	<u>2,095.6590</u>

## Investment report for the year ended 31 March 2022 (continued)

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

#### BEA Stable Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2022 units</i>
	<i>As at 31 March 2021 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	4,887.4930	1,795.4770	-	6,682.9700
BEA Union Investment Asia Strategic Growth Fund - Class A	1,963.9600	590.1350	176.8970	2,377.1980
BEA Union Investment Global Bond Fund - Class A	41,616.8910	12,856.9780	4,818.1270	49,655.7420
BEA Union Investment Global Equity Fund - Class A	9,511.2770	9,363.1820	11,165.2710	7,709.1880
BEA Union Investment Greater China Growth Fund - Class A	121.6750	-	-	121.6750
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	421.9550	-	-	421.9550
BEA Union Investment Hong Kong Growth Fund - Class A	1,410.8320	4,758.9960	2,985.0090	3,184.8190
BEA Union Investment Money Market Fund - Class A	<u>4,834.1180</u>	<u>1,651.9000</u>	<u>-</u>	<u>6,486.0180</u>

## Investment report for the year ended 31 March 2022 (continued)

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

#### *BEA Global Equity Fund*

	<i>Portfolio holdings</i>			<i>As at 31 March 2022 units</i>
	<i>As at 31 March 2021 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Global Equity Fund - Class A	<u>55,837.2450</u>	<u>17,944.2940</u>	<u>6,422.2210</u>	<u>67,359.3180</u>

## Investment report for the year ended 31 March 2022 (continued)

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

#### BEA Asian Equity Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2022 units</i>
	<i>As at 31 March 2021 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Asia Strategic Growth Fund - Class A	13,458.0730	494.1600	218.2550	13,733.9780
BEA Union Investment Greater China Growth Fund - Class A	1,179.9030	470.9090	543.2410	1,107.5710
BEA Union Investment Hong Kong Growth Fund - Class A	<u>2,542.6350</u>	<u>-</u>	<u>1,824.7300</u>	<u>717.9050</u>

## Investment report for the year ended 31 March 2022 (continued)

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

#### BEA Greater China Equity Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2022 units</i>
	<i>As at 31 March 2021 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Greater China Growth Fund - Class A	<u>35,528.3030</u>	<u>8,082.5560</u>	<u>2,058.1980</u>	<u>41,552.6610</u>



## Investment report for the year ended 31 March 2022 (continued)

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

#### BEA Greater China Tracker Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2022 units</i>
	<i>As at 31 March 2021 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Index-Tracking Collective Investment Scheme</b>				
SPDR FTSE Greater China ETF	<u>150,600.0000</u>	<u>19,000.0000</u>	<u>18,800.0000</u>	<u>150,800.0000</u>

## Investment report for the year ended 31 March 2022 (continued)

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

#### BEA Hong Kong Tracker Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2022 units</i>
	<i>As at 31 March 2021 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Index-Tracking Collective Investment Scheme</b>				
Tracker Fund of Hong Kong	672,500.0000	263,500.0000	189,500.0000	746,500.0000

## Investment report for the year ended 31 March 2022 (continued)

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

#### **BEA Global Bond Fund**

	<i>Portfolio holdings</i>			<i>As at 31 March 2022 units</i>
	<i>As at 31 March 2021 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Global Bond Fund - Class A	<u>31,415.2570</u>	<u>31,895.4930</u>	<u>25,277.4650</u>	<u>38,033.2850</u>

## Investment report for the year ended 31 March 2022 (continued)

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

#### *BEA Age 65 Plus Fund*

	<i>Portfolio holdings</i>			<i>As at 31 March 2022 units</i>
	<i>As at 31 March 2021 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Age 65 Plus Fund - Class I	<u>35,208.4340</u>	<u>29,857.4600</u>	<u>6,623.8210</u>	<u>58,442.0730</u>

## Investment report for the year ended 31 March 2022 (continued)

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

#### BEA Core Accumulation Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2022 units</i>
	<i>As at 31 March 2021 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Core Accumulation Fund - Class I	<u>63,344.7930</u>	<u>41,052.6350</u>	<u>15,561.2760</u>	<u>88,836.1520</u>

# 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 116, 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 2022, 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 2022, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

### *Basis for Opinion*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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





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

A handwritten signature in black ink, appearing to be 'KPMG' or similar, written in a cursive style.

Certified Public Accountants

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

14 September 2022

## 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 2022 in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 860.1 (Revised), *The Audit of Retirement Schemes* ("PN 860.1 (Revised)") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and have issued an unqualified auditor's report thereon dated 14 September 2022.

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

### *Trustee's responsibility*

The General Regulation requires the Trustee to ensure that:

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

### *Our independence and quality control*

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

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

## Independent auditor's assurance report (continued)

### *Auditor's responsibility*

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

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

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

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

### *Opinion*

Based on the foregoing:

1. In our opinion:
  - a. proper accounting and other records have been kept during the year ended 31 March 2022 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 30 July 2021, 31 December 2021 and 31 March 2022; 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 30 July 2021, 31 December 2021 and 31 March 2022; and

## Independent auditor's assurance report (continued)

### *Opinion (continued)*

Based on the foregoing: (continued)

1. In our opinion: (continued)
  - d. the requirements specified in section 34DD(4)(b) of the MPFSO with respect to the controls of out-of-pocket expenses of the BEA Age 65 Plus Fund and BEA Core Accumulation Fund have been complied with, in all material respects, as at 31 March 2022.
2. As at 31 March 2022, the Scheme assets were not subject to any encumbrance, otherwise than as permitted by the General Regulation.

### *Other Matter*

The requirements specified in the MPFSO under sections 34DI(1) and (2) and 34DK(2) with respect to the transfer of accrued benefits to an account and specified notice, and 34DJ(2), (3), (4) and (5) with respect to locating scheme members relating to BEA Age 65 Plus Fund and BEA Core Accumulation Fund are not applicable to the Trustee during the year ended 31 March 2022 as the Trustee has completed the relevant transitional provisions and the default investment arrangement of the Scheme prior to 1 April 2017 were not guaranteed funds. Accordingly, there is no reporting on these sections.

### *Intended users and purpose*

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



Certified Public Accountants

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

14 September 2022

## Statement of changes in net assets available for benefits - Value Scheme for the year ended 31 March 2022

	Note	2022 HK\$	2021 HK\$
<b>Income</b>			
Net (loss)/gain on investments in constituent funds	8	(11,675,832)	27,647,885
Interest on bank deposits	9(b)	10	9
<b>Total investment (loss)/income</b>		<u>(11,675,822)</u>	<u>27,647,894</u>
<b>Expenses</b>			
Administrative and other expenses		10	9
<b>Total operating expenses</b>		<u>10</u>	<u>9</u>
<b>Net (loss)/profit</b>		<u>(11,675,832)</u>	<u>27,647,885</u>
<b>Contributions received and receivable</b>			
	11		
From employers			
- Mandatory		7,285,986	6,903,760
- Additional voluntary		89,119	110,077
From members			
- Mandatory		7,212,725	6,824,656
- Additional voluntary		13,875,857	5,037,134
		<u>28,463,687</u>	<u>18,875,627</u>
<b>Contribution surcharge</b>		<u>38,550</u>	<u>53,386</u>

## Statement of changes in net assets available for benefits - Value Scheme for the year ended 31 March 2022 (continued)

	Note	2022 HK\$	2021 HK\$
<b>Transfers in</b>			
Group transfers in from other schemes		6,538,800	2,198,352
Individual transfers in from other schemes		8,619,270	11,878,058
		15,158,070	14,076,410
		15,158,070	14,076,410
<b>Benefits paid and payable</b>			
	12		
Retirement		1,045,755	2,197,267
Early retirement		1,132,365	584,858
Death		-	60,508
Permanent departure		2,262,203	1,084,608
Total incapacity		-	20
Refund of contributions to leavers or employers		8,138	148,991
		4,448,461	4,076,252
		4,448,461	4,076,252
<b>Transfers out</b>			
Group transfers out to other schemes		1,808,066	1,000,255
Individual transfers out to other schemes		8,681,525	7,946,527
		10,489,591	8,946,782
		10,489,591	8,946,782
<b>Long service payments and severance payments</b>			
		517,993	2,427,996
		517,993	2,427,996
<b>Fees and expenses deduction for conservative fund</b>			
		52,071	120,069
		52,071	120,069
<b>Changes in net assets available for benefits attributable to members</b>			
		16,476,359	45,082,209
<b>Net assets available for benefits attributable to members at the beginning of the year</b>			
		145,668,085	100,585,876
<b>Net assets available for benefits attributable to members at the end of the year</b>			
		162,144,444	145,668,085

The notes on pages 77 to 116 form part of these financial statements.

## Statement of net assets available for benefits - Value Scheme as at 31 March 2022

	Note	2022 HK\$	2021 HK\$
<b>Assets</b>			
Investments	6	160,817,597	144,990,634
Contributions receivable			
- from employers		326,514	318,287
- from members		610,890	420,016
- from other schemes		-	134,709
Interest receivable		1	1
Other receivables		2,893	5,409
Bank balances	7, 9(b)	714,685	517,690
<b>Total assets</b>		<u>162,472,580</u>	<u>146,386,746</u>
<b>Liabilities</b>			
Benefits payable	7	321,248	713,166
Accruals and other payables		6,888	5,495
<b>Total Liabilities (excluding net assets available for benefits attributable to members)</b>		<u>328,136</u>	<u>718,661</u>
<b>Net assets available for benefits attributable to members</b>		<u>162,144,444</u>	<u>145,668,085</u>

Approved and authorised for issue by the Trustee on 14 September 2022.




)  
)  
) 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 77 to 116 form part of these financial statements.

## Cash flow statement - Value Scheme for the year ended 31 March 2022

	2022 HK\$	2021 HK\$
<b>Cash flows from operating activities</b>		
Net (loss)/profit	(11,675,832)	27,647,885
Adjustments for:		
Net loss/(gain) on investments in constituent funds	11,675,832	(27,647,885)
Interest on bank deposits	(10)	(9)
Fees and expenses deduction for conservative fund	(52,071)	(120,069)
	(52,081)	(120,078)
Payments on purchase of investments	(64,486,000)	(54,703,020)
Proceeds from sale of investments	36,983,205	36,423,835
Decrease/(increase) in other receivables	2,516	(2,883)
Increase/(decrease) in accruals and other payables	1,393	(24,180)
Interest received on bank deposits	10	9
	(27,550,957)	(18,426,317)
<b>Cash flows from financing activities</b>		
Contributions and transfers in received	43,595,915	33,096,928
Benefits paid, transfers out, long service payments and severance payments	(15,847,963)	(14,928,659)
	27,747,952	18,168,269
<b>Net cash generated from financing activities</b>	27,747,952	18,168,269
<b>Net increase/(decrease) in cash and cash equivalents</b>	196,995	(258,048)
<b>Cash and cash equivalents at the beginning of the year</b>	517,690	775,738
<b>Cash and cash equivalents at the end of the year</b>	714,685	517,690
<b>Analysis of balance of cash and cash equivalents</b>		
Bank balances	714,685	517,690

The notes on pages 77 to 116 form part of these financial statements.



## Statement of comprehensive income - Constituent funds for the year ended 31 March 2022

		2022											
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 HK\$	BEA Core Accumulation Fund HK\$	
<b>Income</b>													
Net (loss)/gain on investments	8	-	(935,482)	(687,736)	(683,107)	1,296,081	(1,025,701)	(2,902,873)	(1,534,328)	(4,527,575)	(268,047)	(157,829)	372,052
Dividend income		-	-	-	-	-	-	-	-	479,180	-	-	-
Interest income	9(b)	16	8	5	5	3	4	5	-	1	2	-	-
Interest income from financial assets at fair value through profit or loss		53,667	-	-	-	-	-	-	-	-	-	-	-
Exchange loss		-	(23)	-	-	-	-	-	-	-	-	-	-
<b>Total investment income/(loss)</b>		<u>53,683</u>	<u>(935,497)</u>	<u>(687,731)</u>	<u>(683,102)</u>	<u>1,296,084</u>	<u>(1,025,697)</u>	<u>(2,902,868)</u>	<u>(1,534,328)</u>	<u>(4,048,394)</u>	<u>(268,045)</u>	<u>(157,829)</u>	<u>372,052</u>
<b>Expenses</b>													
Trustee, administration and custodian fees	9(a)	-	55,976	38,165	40,489	48,471	26,402	47,665	15,914	36,643	14,268	19,931	33,431
Investment management fees	9(a)	-	55,976	38,165	40,489	48,471	26,402	47,664	15,914	36,643	14,269	10,808	18,125
Sponsor fees	9(a)	-	55,976	38,165	40,489	48,471	26,403	47,664	15,914	36,643	14,269	19,931	33,431
Safe custody and bank charges		-	-	-	-	-	90	-	-	343	-	-	-
License and registration fees		-	-	-	-	-	-	-	-	4,580	-	-	-
Fund price publication expenses		-	-	-	-	-	-	-	-	-	-	6,879	11,558
Transaction costs		-	-	-	-	-	-	-	3,476	19,597	-	-	-
<b>Total operating expenses</b>		<u>-</u>	<u>167,928</u>	<u>114,495</u>	<u>121,467</u>	<u>145,413</u>	<u>79,297</u>	<u>142,993</u>	<u>51,218</u>	<u>134,449</u>	<u>42,806</u>	<u>57,549</u>	<u>96,545</u>
<b>Changes in net assets attributable to members from operations</b>		<u>53,683</u>	<u>(1,103,425)</u>	<u>(802,226)</u>	<u>(804,569)</u>	<u>1,150,671</u>	<u>(1,104,994)</u>	<u>(3,045,861)</u>	<u>(1,585,546)</u>	<u>(4,182,843)</u>	<u>(310,851)</u>	<u>(215,378)</u>	<u>275,507</u>

The notes on pages 77 to 116 form part of these financial statements.

Statement of comprehensive income - Constituent funds for the year ended 31 March 2022 (continued)



		2021											
	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 HK\$	BEA Core Accumulation Fund HK\$
<b>Income</b>													
Net gain on investments	8	-	4,286,659	2,219,293	1,712,110	4,321,739	3,012,351	4,215,542	2,579,342	3,230,345	68,104	278,448	1,949,031
Dividend income		-	-	-	-	-	-	-	-	494,565	-	-	-
Interest income	9(b)	14	5	4	5	3	1	3	-	1	1	-	-
Interest income from financial assets at fair value through profit or loss		173,739	-	-	-	-	-	-	-	-	-	-	-
Exchange gain		-	95	-	-	-	-	-	-	-	-	-	-
<b>Total investment income</b>		<u>173,753</u>	<u>4,286,759</u>	<u>2,219,297</u>	<u>1,712,115</u>	<u>4,321,742</u>	<u>3,012,352</u>	<u>4,215,545</u>	<u>2,579,342</u>	<u>3,724,911</u>	<u>68,105</u>	<u>278,448</u>	<u>1,949,031</u>
<b>Expenses</b>													
Trustee, administration and custodian fees	9(a)	-	43,611	29,624	33,872	32,614	21,756	33,171	13,596	33,981	13,729	10,463	23,061
Investment management fees	9(a)	-	43,611	29,625	33,872	32,614	21,757	33,170	13,595	33,980	13,728	5,658	12,469
Sponsor fees	9(a)	-	43,611	29,625	33,872	32,614	21,757	33,170	13,595	33,980	13,728	10,462	23,061
Safe custody and bank charges		-	-	-	-	-	-	-	-	418	-	-	-
License and registration fees		-	-	-	-	-	-	-	-	4,248	-	-	-
Fund price publication expenses		-	-	-	-	-	-	-	-	-	-	3,619	7,896
Transaction costs		-	-	-	-	-	-	-	5,155	19,147	-	-	-
<b>Total operating expenses</b>		<u>-</u>	<u>130,833</u>	<u>88,874</u>	<u>101,616</u>	<u>97,842</u>	<u>65,270</u>	<u>99,511</u>	<u>45,941</u>	<u>125,754</u>	<u>41,185</u>	<u>30,202</u>	<u>66,487</u>
<b>Changes in net assets attributable to members from operations</b>		<u>173,753</u>	<u>4,155,926</u>	<u>2,130,423</u>	<u>1,610,499</u>	<u>4,223,900</u>	<u>2,947,082</u>	<u>4,116,034</u>	<u>2,533,401</u>	<u>3,599,157</u>	<u>26,920</u>	<u>248,246</u>	<u>1,882,544</u>

The notes on pages 77 to 116 form part of these financial statements.

## Statement of assets and liabilities - Constituent funds as at 31 March 2022

		2022											
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 HK\$	BEA Core Accumulation Fund HK\$	
<b>Assets</b>													
Investments	6, 9(c)	22,241,436	17,901,211	12,689,974	12,070,428	17,181,341	7,238,217	14,760,752	6,963,944	16,632,020	4,840,877	7,205,323	13,338,748
Amounts receivable on sale of investments		-	-	-	-	-	-	-	-	-	372,729	-	17,591
Amounts receivable on subscriptions		42,683	-	136,733	-	67,291	-	-	-	-	-	12,665	350,330
Interest, dividend and other receivables		11,622	2	2	2	1	2	1	-	-	-	-	-
Bank balances	9(b)	1,239,936	1,656,202	1,385,026	1,288,904	390,778	1,482,793	429,164	13,780	102,670	156,038	6,468	12,600
<b>Total assets</b>		<b>23,535,677</b>	<b>19,557,415</b>	<b>14,211,735</b>	<b>13,359,334</b>	<b>17,639,411</b>	<b>8,721,012</b>	<b>15,189,917</b>	<b>6,977,724</b>	<b>16,734,690</b>	<b>5,369,644</b>	<b>7,224,456</b>	<b>13,719,269</b>
<b>Liabilities</b>													
Amounts payable on purchase of investments		-	174,570	111,322	66,210	-	85,450	-	9,332	67,137	-	6,468	-
Amounts payable on redemptions		160,709	25,171	52,643	64,140	61,822	-	-	-	21,921	389,816	-	30,177
Accruals and other payables		-	14,439	10,266	10,114	12,773	6,386	11,179	3,524	9,121	3,672	5,326	8,999
<b>Total liabilities (excluding net assets attributable to members)</b>		<b>160,709</b>	<b>214,180</b>	<b>174,231</b>	<b>140,464</b>	<b>74,595</b>	<b>91,836</b>	<b>11,179</b>	<b>12,856</b>	<b>98,179</b>	<b>393,488</b>	<b>11,794</b>	<b>39,176</b>
<b>Net assets attributable to members</b>	4(b)	<b>23,374,968</b>	<b>19,343,235</b>	<b>14,037,504</b>	<b>13,218,870</b>	<b>17,564,816</b>	<b>8,629,176</b>	<b>15,178,738</b>	<b>6,964,868</b>	<b>16,636,511</b>	<b>4,976,156</b>	<b>7,212,662</b>	<b>13,680,093</b>
<b>Represented by:</b>													
Number of units outstanding	4(a)	2,151,367.541	1,201,824.935	955,998.257	1,022,893.057	762,431.300	551,956.013	779,955.624	434,294.469	1,382,143.040	481,225.441	611,178.446	946,207.986
Net asset value per unit	4(b)	10.8652	16.0949	14.6836	12.9230	23.0379	15.6338	19.4610	16.0372	12.0368	10.3406	11.8012	14.4578

Approved and authorised for issue by the Trustee on 14 September 2022.



  
 ) 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 77 to 116 form part of these financial statements.

## Statement of assets and liabilities - Constituent funds as at 31 March 2022 (continued)

		2021											
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 HK\$	BEA Core Accumulation Fund HK\$	
<b>Assets</b>													
Investments	6, 9(c)	20,932,564	14,991,467	9,690,597	10,783,869	13,025,713	8,860,977	15,294,224	8,463,720	19,273,850	4,240,746	4,386,971	9,127,985
Amounts receivable on sale of investments		-	-	-	-	-	-	-	-	-	-	471,223	49,948
Amounts receivable on subscriptions		91,068	-	-	-	-	-	-	-	472,419	-	12,165	15,078
Interest, dividend and other receivables		10,063	1	1	1	1	1	1	-	-	-	-	-
Bank balances	9(b)	1,894,710	1,139,413	717,378	974,711	229,013	172,256	448,851	52,970	171,409	105,531	1,196	2,734
<b>Total assets</b>		<u>22,928,405</u>	<u>16,130,881</u>	<u>10,407,976</u>	<u>11,758,581</u>	<u>13,254,727</u>	<u>9,033,234</u>	<u>15,743,076</u>	<u>8,516,690</u>	<u>19,917,678</u>	<u>4,346,277</u>	<u>4,871,555</u>	<u>9,195,745</u>
<b>Liabilities</b>													
Amounts payable on purchase of investments		-	-	-	-	-	-	-	45,040	158,391	-	-	-
Amounts payable on redemptions		202,429	-	-	-	48,275	-	42,793	-	-	-	472,419	52,660
Accruals and other payables		-	13,060	8,521	9,606	10,574	7,236	12,849	4,586	11,740	3,786	3,426	6,800
<b>Total liabilities (excluding net assets attributable to members)</b>		<u>202,429</u>	<u>13,060</u>	<u>8,521</u>	<u>9,606</u>	<u>58,849</u>	<u>7,236</u>	<u>55,642</u>	<u>49,626</u>	<u>170,131</u>	<u>3,786</u>	<u>475,845</u>	<u>59,460</u>
<b>Net assets attributable to members</b>	2(c), 4(b)	<u>22,725,976</u>	<u>16,117,821</u>	<u>10,399,455</u>	<u>11,748,975</u>	<u>13,195,878</u>	<u>9,025,998</u>	<u>15,687,434</u>	<u>8,467,064</u>	<u>19,747,547</u>	<u>4,342,491</u>	<u>4,395,710</u>	<u>9,136,285</u>
<b>Represented by:</b>													
Number of units outstanding	4(a)	2,096,575.291	951,361.718	670,979.975	860,253.598	619,873.980	508,708.430	663,098.816	430,997.386	1,296,295.989	392,981.510	365,382.094	652,889.520
Net asset value per unit	4(b)	<u>10.8396</u>	<u>16.9418</u>	<u>15.4989</u>	<u>13.6576</u>	<u>21.2880</u>	<u>17.7430</u>	<u>23.6578</u>	<u>19.6453</u>	<u>15.2338</u>	<u>11.0501</u>	<u>12.0304</u>	<u>13.9936</u>

Approved and authorised for issue by the Trustee on 14 September 2022.



  
 )  
 ) 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 77 to 116 form part of these financial statements.

## Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 March 2022

	2022											
	<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>	<i>BEA Age 65 Plus Fund HK\$</i>	<i>BEA Core Accumulation Fund HK\$</i>
<b>Net assets attributable to members at the beginning of the year</b>	22,725,976	16,117,821	10,399,455	11,748,975	13,195,878	9,025,998	15,687,434	8,467,064	19,747,547	4,342,491	4,395,710	9,136,285
Proceeds on subscription of units	12,601,344	5,852,950	5,324,895	4,405,788	6,508,047	1,977,306	4,611,515	1,059,002	6,449,162	4,804,779	3,855,377	7,035,835
Payments on redemption of units	(12,006,035)	(1,524,111)	(884,620)	(2,131,324)	(3,289,780)	(1,269,134)	(2,074,350)	(975,652)	(5,377,355)	(3,860,263)	(823,047)	(2,767,534)
<b>Net subscription</b>	595,309	4,328,839	4,440,275	2,274,464	3,218,267	708,172	2,537,165	83,350	1,071,807	944,516	3,032,330	4,268,301
<b>Changes in net assets attributable to members from operations</b>	53,683	(1,103,425)	(802,226)	(804,569)	1,150,671	(1,104,994)	(3,045,861)	(1,585,546)	(4,182,843)	(310,851)	(215,378)	275,507
<b>Net assets attributable to members at the end of the year</b>	23,374,968	19,343,235	14,037,504	13,218,870	17,564,816	8,629,176	15,178,738	6,964,868	16,636,511	4,976,156	7,212,662	13,680,093

The notes on pages 77 to 116 form part of these financial statements.

Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 March 2022 (continued)

	2021											
	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 HK\$	BEA Core Accumulation Fund HK\$
<b>Net assets attributable to members at the beginning of the year</b>	18,652,377	11,435,284	8,085,281	9,641,331	8,130,687	5,056,249	7,444,445	4,825,929	13,957,640	3,571,835	2,378,643	5,883,863
Proceeds on subscription of units	12,366,534	2,999,047	2,023,023	2,719,463	4,672,312	1,914,734	7,016,234	2,096,139	7,102,409	5,841,005	2,837,719	3,114,400
Payments on redemption of units	(8,466,688)	(2,472,436)	(1,839,272)	(2,222,318)	(3,831,021)	(892,067)	(2,889,279)	(988,405)	(4,911,659)	(5,097,269)	(1,068,898)	(1,744,522)
<b>Net subscription</b>	3,899,846	526,611	183,751	497,145	841,291	1,022,667	4,126,955	1,107,734	2,190,750	743,736	1,768,821	1,369,878
<b>Changes in net assets attributable to members from operations</b>	173,753	4,155,926	2,130,423	1,610,499	4,223,900	2,947,082	4,116,034	2,533,401	3,599,157	26,920	248,246	1,882,544
<b>Net assets attributable to members at the end of the year</b>	22,725,976	16,117,821	10,399,455	11,748,975	13,195,878	9,025,998	15,687,434	8,467,064	19,747,547	4,342,491	4,395,710	9,136,285

The notes on pages 77 to 116 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 2022:

- 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
- BEA Core Accumulation Fund

## 2 Summary of significant accounting policies

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

Changes to significant accounting policies are described in note 3.

## 2 Summary of significant accounting policies (continued)

### (a) *Statement of compliance*

These financial statements for the Scheme and its constituent funds have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong, the relevant provisions of the Trust Deed, and sections 80, 81, 83 and 84 of the Mandatory Provident Fund Schemes (General) Regulation (the “General Regulation”) and the requirements of the MPF Ordinance. A summary of the significant accounting policies adopted by the Scheme and its constituent funds is set out below.

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

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

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

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

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



## 2 Summary of significant accounting policies (continued)

### (c) Investments

#### (i) Classification of financial assets

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

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

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

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

#### *Business model assessment*

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

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

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

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

## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

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

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

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

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

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

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

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

## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

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

##### *Reclassifications*

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

#### (ii) Classification of financial liabilities

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

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

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

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

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

#### (iii) Recognition

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

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

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

#### (iv) Measurement

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

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

## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

#### (iv) Measurement (continued)

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

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

#### (v) Fair value measurement principles

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

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

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

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

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

#### (vi) Amortised cost measurement

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

## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

#### (vii) Impairment

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

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

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

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

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

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

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

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

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

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

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

## 2 Summary of significant accounting policies (continued)

### (c) Investments (continued)

#### (vii) Impairment (continued)

##### *Measurement of ECLs*

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

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

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

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

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

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

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

##### *Write-off*

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

## 2 Summary of significant accounting policies (continued)

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

#### (viii) Derecognition

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

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

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

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

### (d) *Income and expenses*

Interest income is recognised as it accrues 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 and its constituent funds classify capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

A puttable financial instrument is classified as an equity instrument if it has all of the following features:

- It entitles the holder to a pro rata share of the Scheme and its constituent funds' net assets in the event of the Scheme and its constituent funds' liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Scheme and its constituent funds' net assets.

## 2 Summary of significant accounting policies (continued)

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

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

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

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

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

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

#### (i) Functional and presentation currency

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

#### (ii) Transactions and balances

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

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

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



## 2 Summary of significant accounting policies (continued)

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

Cash and cash equivalents comprise cash at banks and on hand, net of bank overdrafts that are repayable on demand and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, if any.

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

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

Financial liabilities that are not at fair value through profit or loss include benefits 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.

### (m) **Forfeitures**

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

### (n) **Related parties**

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

## 2 Summary of significant accounting policies (continued)

### (n) *Related parties (continued)*

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

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

### (o) *Segment reporting*

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

## 3 Changes in accounting policies

A number of new standards are effective from 1 April 2021 but they do not have a material effect on the Scheme's financial statements.

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

#### 4 Capital management and units in issue

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

	<i>BEA MPF Conservative Fund</i>		<i>BEA Growth Fund</i>		<i>BEA Balanced Fund</i>		<i>BEA Stable Fund</i>		<i>BEA Global Equity Fund</i>	
	2022 Units	2021 Units	2022 Units	2021 Units	2022 Units	2021 Units	2022 Units	2021 Units	2022 Units	2021 Units
Balance at the beginning of the year	2,096,575.291	1,736,490.771	951,361.718	912,599.014	670,979.975	654,379.745	860,253.598	819,183.886	619,873.980	574,171.566
Units issued	1,161,149.127	1,143,465.334	339,649.217	194,813.634	341,034.528	139,857.462	319,568.170	208,230.291	285,156.105	248,854.361
Units redeemed	(1,106,356.877)	(783,380.814)	(89,186.000)	(156,050.930)	(56,016.246)	(123,257.232)	(156,928.711)	(167,160.579)	(142,598.785)	(203,151.947)
Balance at the end of the year	<u>2,151,367.541</u>	<u>2,096,575.291</u>	<u>1,201,824.935</u>	<u>951,361.718</u>	<u>955,998.257</u>	<u>670,979.975</u>	<u>1,022,893.057</u>	<u>860,253.598</u>	<u>762,431.300</u>	<u>619,873.980</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>	
	2022 Units	2021 Units	2022 Units	2021 Units	2022 Units	2021 Units	2022 Units	2021 Units	2022 Units	2021 Units
Balance at the beginning of the year	508,708.430	448,638.165	663,098.816	500,278.697	430,997.386	366,833.271	1,296,295.989	1,123,183.487	392,981.510	328,528.582
Units issued	116,100.897	118,164.790	206,952.783	294,487.776	57,326.534	123,841.156	471,151.172	505,363.032	440,318.887	516,472.676
Units redeemed	(72,853.314)	(58,094.525)	(90,095.975)	(131,667.657)	(54,029.451)	(59,677.041)	(385,304.121)	(332,250.530)	(352,074.956)	(452,019.748)
Balance at the end of the year	<u>551,956.013</u>	<u>508,708.430</u>	<u>779,955.624</u>	<u>663,098.816</u>	<u>434,294.469</u>	<u>430,997.386</u>	<u>1,382,143.040</u>	<u>1,296,295.989</u>	<u>481,225.441</u>	<u>392,981.510</u>
	<i>BEA Age 65 Plus Fund</i>		<i>BEA Core Accumulation Fund</i>							
	2022 Units	2021 Units	2022 Units	2021 Units						
Balance at the beginning of the year	365,382.094	215,282.372	652,889.520	543,326.138						
Units issued	314,679.871	239,372.247	482,023.512	242,063.914						
Units redeemed	(68,883.519)	(89,272.525)	(188,705.046)	(132,500.532)						
Balance at the end of the year	<u>611,178.446</u>	<u>365,382.094</u>	<u>946,207.986</u>	<u>652,889.520</u>						

4 Capital management and units in issue (continued)

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

	<i>BEA MPF Conservative Fund</i>		<i>BEA Growth Fund</i>		<i>BEA Balanced Fund</i>		<i>BEA Stable Fund</i>		<i>BEA Global Equity Fund</i>	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	<u>23,374,968</u>	<u>22,725,976</u>	<u>19,343,235</u>	<u>16,117,821</u>	<u>14,037,504</u>	<u>10,399,455</u>	<u>13,218,870</u>	<u>11,748,975</u>	<u>17,564,816</u>	<u>13,195,878</u>
Net assets attributable to members per unit	<u>10.8652</u>	<u>10.8396</u>	<u>16.0949</u>	<u>16.9418</u>	<u>14.6836</u>	<u>15.4989</u>	<u>12.9230</u>	<u>13.6576</u>	<u>23.0379</u>	<u>21.2880</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>	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	<u>8,629,176</u>	<u>9,025,998</u>	<u>15,178,738</u>	<u>15,687,434</u>	<u>6,964,868</u>	<u>8,467,064</u>	<u>16,636,511</u>	<u>19,747,547</u>	<u>4,976,156</u>	<u>4,342,491</u>
Net assets attributable to members per unit	<u>15.6338</u>	<u>17.7430</u>	<u>19.4610</u>	<u>23.6578</u>	<u>16.0372</u>	<u>19.6453</u>	<u>12.0368</u>	<u>15.2338</u>	<u>10.3406</u>	<u>11.0501</u>
	<i>BEA Age 65 Plus Fund</i>		<i>BEA Core Accumulation Fund</i>							
	2022	2021	2022	2021						
	HK\$	HK\$	HK\$	HK\$						
Net assets attributable to members	<u>7,212,662</u>	<u>4,395,710</u>	<u>13,680,093</u>	<u>9,136,285</u>						
Net assets attributable to members per unit	<u>11.8012</u>	<u>12.0304</u>	<u>14.4578</u>	<u>13.9936</u>						

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

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

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

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

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

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

## 5 Financial risk management

### *Strategy in using financial instruments*

The investment objective of BEA 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 returns 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 returns 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 by investing in a globally diversified manner.

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

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

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

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

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

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

## 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 and therefore result in a potential gain or loss to the Scheme and its constituent funds.

All constituent funds did not have any interest-bearing liabilities as at year end and their interest-bearing assets were limited to bank deposits only. Indirect interest rate risk from underlying collective investment schemes are managed by the Investment Manager. Accordingly, it is considered that they did not have significant direct interest rate risk exposure.

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

#### (iii) Other price risk

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

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

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

## 5 Financial risk management (continued)

### (a) Market risk (continued)

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

##### Sensitivity analysis

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 2021.

	<i>BEA Growth Fund</i>		<i>BEA Balanced Fund</i>		<i>BEA Stable Fund</i>		<i>BEA Global Equity Fund</i>	
	2022	2021	2022	2021	2022	2021	2022	2021
Upward price movement of the underlying investment funds	<u>12%</u>	<u>42%</u>	<u>10%</u>	<u>32%</u>	<u>8%</u>	<u>21%</u>	<u>9%</u>	<u>53%</u>
Estimated increase in net assets attributable to members and changes in net assets attributable to members from operations	<u>HK\$2,148,145</u>	<u>HK\$6,296,416</u>	<u>HK\$1,268,997</u>	<u>HK\$3,100,991</u>	<u>HK\$ 965,634</u>	<u>HK\$2,264,613</u>	<u>HK\$1,546,321</u>	<u>HK\$6,903,628</u>
	<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</i>	
	2022	2021	2022	2021	2022	2021	2022	2021
Upward price movement of the underlying investment funds	<u>12%</u>	<u>60%</u>	<u>17%</u>	<u>62%</u>	<u>6%</u>	<u>3%</u>	<u>1%</u>	<u>10%</u>
Estimated increase in net assets attributable to members and changes in net assets attributable to members from operations	<u>HK\$ 868,586</u>	<u>HK\$5,316,586</u>	<u>HK\$2,509,328</u>	<u>HK\$9,482,419</u>	<u>HK\$ 290,453</u>	<u>HK\$ 127,222</u>	<u>HK\$ 72,053</u>	<u>HK\$ 438,697</u>
	<i>BEA Core Accumulation Fund</i>							
	2022	2021						
Upward price movement of the underlying investment funds	<u>4%</u>	<u>30%</u>						
Estimated increase in net assets attributable to members and changes in net assets attributable to members from operations	<u>HK\$ 533,550</u>	<u>HK\$2,738,395</u>						



## 5 Financial risk management (continued)

### (a) Market risk (continued)

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

##### *Sensitivity analysis (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 relevant market indices (the “potential movement”) based on historical experience. If the relevant market indices had changed by the following percentages, which are based on the Investment Manager’s best estimate of the potential movement as at the reporting date, with all other variables held constant, it is estimated that the net assets attributable to members and the changes in net assets attributable to members from operations would have changed accordingly as shown below. An equal change in the opposite direction would have changed the net assets attributable to members and the changes in net assets attributable to members from operations by an equal but opposite amount. The analysis is performed on the same basis as 2021.

	<i>% of possible reasonable shift</i>	<i>Estimated increase 2022 HK\$</i>	<i>Estimated increase 2021 HK\$</i>
BEA Greater China Tracker Fund (note (a))	5%	297,878	415,915
BEA Hong Kong Tracker Fund (note (b))	5%	810,594	943,890

Notes:

(a) 100% FTSE Greater China HKD Index

(b) 100% Hang Seng Total Return Index

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

## 5 Financial risk management (continued)

### (b) Credit risk

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

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

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

At the reporting date, only BEA 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

	2022	2021
<b>Rating (S&amp;P/Moody's)</b>		
AA-/Aa3	16.48%	24.80%
A+/A1	30.69%	24.05%
A/A2	8.45%	8.50%
A-/A3	18.02%	15.55%
BBB+/Baa1	17.41%	18.76%
BBB/Baa2	8.95%	8.34%
Total	100.00%	100.00%

The Scheme and its constituent funds' investments are held by the custodians and the majority of the Scheme and its constituent funds' cash is deposited with The Bank of East Asia, Limited (the "Bank"). Bankruptcy or insolvency of the custodians and the Bank may cause to Scheme and its constituent funds' 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 2022 and 2021.

## 5 Financial risk management (continued)

### (b) Credit risk (continued)

#### Amounts arising from ECLs

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

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

### (c) Liquidity risk

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

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

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

As at 31 March 2022 and 2021, all the financial liabilities of the Scheme and its constituent funds are repayable on demand or due within three months.

## 6 Investments

### (a) The Scheme

*Investments in constituent funds*

	2022 HK\$	2021 HK\$
BEA MPF Conservative Fund	23,374,968	22,725,976
BEA Growth Fund	19,343,235	16,117,821
BEA Balanced Fund	14,037,504	10,399,455
BEA Stable Fund	13,218,870	11,748,975
BEA Global Equity Fund	17,564,816	13,195,878
BEA Asian Equity Fund	8,629,176	9,025,998
BEA Greater China Equity Fund	15,178,738	15,687,434
BEA Greater China Tracker Fund	6,964,868	8,467,064
BEA Hong Kong Tracker Fund	16,636,511	19,747,547
BEA Global Bond Fund	4,976,156	4,342,491
BEA Age 65 Plus Fund	7,212,662	4,395,710
BEA Core Accumulation Fund	13,680,093	9,136,285
	<hr/>	<hr/>
Investments at fair value	160,817,597	144,990,634
	<hr/> <hr/>	<hr/> <hr/>
Investments at cost	151,901,067	121,300,606
	<hr/> <hr/>	<hr/> <hr/>

**6 Investments (continued)**

**(b) Constituent funds**

*BEA MPF Conservative Fund*

	2022 HK\$	2021 HK\$
Short-term deposits	22,241,436	20,932,564
	22,241,436	20,932,564

*BEA Growth Fund*

	2022 HK\$	2021 HK\$
Approved Pooled Investment Funds	17,901,211	14,991,467
	17,901,211	14,991,467

*BEA Balanced Fund*

	2022 HK\$	2021 HK\$
Approved Pooled Investment Funds	12,689,974	9,690,597
	12,689,974	9,690,597

*BEA Stable Fund*

	2022 HK\$	2021 HK\$
Approved Pooled Investment Funds	12,070,428	10,783,869
	12,070,428	10,783,869

**6 Investments (continued)**

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

*BEA Global Equity Fund*

	2022 HK\$	2021 HK\$
Approved Pooled Investment Fund	17,181,341	13,025,713
	17,181,341	13,025,713

*BEA Asian Equity Fund*

	2022 HK\$	2021 HK\$
Approved Pooled Investment Funds	7,238,217	8,860,977
	7,238,217	8,860,977

*BEA Greater China Equity Fund*

	2022 HK\$	2021 HK\$
Approved Pooled Investment Fund	14,760,752	15,294,224
	14,760,752	15,294,224

*BEA Greater China Tracker Fund*

	2022 HK\$	2021 HK\$
Approved Index-Tracking Collective Investment Scheme	6,963,944	8,463,720
	6,963,944	8,463,720

**6 Investments (continued)**

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

*BEA Hong Kong Tracker Fund*

	2022 HK\$	2021 HK\$
Approved Index-Tracking Collective Investment Scheme	16,632,020	19,273,850

*BEA Global Bond Fund*

	2022 HK\$	2021 HK\$
Approved Pooled Investment Fund	4,840,877	4,240,746

*BEA Age 65 Plus Fund*

	2022 HK\$	2021 HK\$
Approved Pooled Investment Fund	7,205,323	4,386,971

*BEA Core Accumulation Fund*

	2022 HK\$	2021 HK\$
Approved Pooled Investment Fund	13,338,748	9,127,985
Total investments at fair value	153,064,271	139,072,683
Total investments at cost	144,142,823	115,799,349

## 7 Bank balances

As at 31 March 2022, the Scheme placed bank deposits amounted to HK\$714,685 (2021: HK\$517,690).

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>	
	2022 HK\$	2021 HK\$
As at beginning of the year	713,166	190,795
Benefits	4,448,461	4,076,252
Transfers out	10,489,591	8,946,782
Long service payments and severance payments	517,993	2,427,996
Benefits paid, transfers out, long service payments and severance payments paid	<u>(15,847,963)</u>	<u>(14,928,659)</u>
As at the end of the year	<u><u>321,248</u></u>	<u><u>713,166</u></u>

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

### (a) The Scheme

	2022 HK\$	2021 HK\$
Change in unrealised (loss)/gain in value of constituent funds	(14,773,498)	23,264,862
Realised gain on sale of constituent funds	<u>3,097,666</u>	<u>4,383,023</u>
Net (loss)/gain on investments in constituent funds	<u><u>(11,675,832)</u></u>	<u><u>27,647,885</u></u>



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

### (b) Constituent funds

	<i>BEA MPF Conservative Fund</i>		<i>BEA Growth Fund</i>		<i>BEA Balanced Fund</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Change in unrealised (loss)/gain in value of investments	-	-	(1,928,555)	3,106,097	(1,249,605)	1,481,864
Realised gain on sale of investments	-	-	993,073	1,180,562	561,869	737,429
<b>Net (loss)/gain on investments</b>	<b>-</b>	<b>-</b>	<b>(935,482)</b>	<b>4,286,659</b>	<b>(687,736)</b>	<b>2,219,293</b>
	<i>BEA Stable Fund</i>		<i>BEA Global Equity Fund</i>		<i>BEA Asian Equity Fund</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Change in unrealised (loss)/gain in value of investments	(1,061,442)	913,755	803,853	3,746,694	(1,149,049)	2,911,170
Realised gain on sale of investments	378,335	798,355	492,228	575,045	123,348	101,181
<b>Net (loss)/gain on investments</b>	<b>(683,107)</b>	<b>1,712,110</b>	<b>1,296,081</b>	<b>4,321,739</b>	<b>(1,025,701)</b>	<b>3,012,351</b>
	<i>BEA Greater China Equity Fund</i>		<i>BEA Greater China Tracker Fund</i>		<i>BEA Hong Kong Tracker Fund</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Change in unrealised (loss)/gain in value of investments	(3,122,319)	3,477,894	(1,751,407)	2,392,396	(4,414,621)	2,947,584
Realised gain/(loss) on sale of investments	219,446	737,648	217,079	186,946	(112,954)	282,761
<b>Net (loss)/gain on investments</b>	<b>(2,902,873)</b>	<b>4,215,542</b>	<b>(1,534,328)</b>	<b>2,579,342</b>	<b>(4,527,575)</b>	<b>3,230,345</b>

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

### (b) Constituent funds (continued)

	<i>BEA Global Bond Fund</i>		<i>BEA Age 65 Plus Fund</i>		<i>BEA Core Accumulation Fund</i>	
	2022	2021	2022	2021	2022	2021
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Change in unrealised (loss)/gain in value of investments	(281,347)	(152,982)	(180,202)	198,850	(17,192)	1,738,263
Realised gain on sale of investments	13,300	221,086	22,373	79,598	389,244	210,768
Net (loss)/gain on investments	<u>(268,047)</u>	<u>68,104</u>	<u>(157,829)</u>	<u>278,448</u>	<u>372,052</u>	<u>1,949,031</u>

## 9 Transactions with related parties

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

### (a) Management fees

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

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

## 9 Transactions with related parties (continued)

### (a) Management fees (continued)

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

<i>Name of Constituent Fund</i>	<i>Sponsor <sup>(3)</sup> (p.a. of NAV)</i>	<i>Trustee/ Administrator/ Custodian <sup>(3)</sup> (p.a. of NAV)</i>	<i>Investment Manager <sup>(3)</sup> (p.a. of NAV)</i>	<i>Total (p.a. of NAV)</i>
BEA MPF Conservative Fund <sup>(1)</sup>	0.264%	0.263%	0.263%	0.79%
BEA Growth Fund	0.30%	0.30%	0.30%	0.90%
BEA Balanced Fund	0.30%	0.30%	0.30%	0.90%
BEA Stable Fund	0.30%	0.30%	0.30%	0.90%
BEA Global Equity Fund	0.30%	0.30%	0.30%	0.90%
BEA Asian Equity Fund	0.30%	0.30%	0.30%	0.90%
BEA Greater China Equity Fund	0.30%	0.30%	0.30%	0.90%
BEA Greater China Tracker Fund	0.20%	0.20%	0.20%	0.60%
BEA Hong Kong Tracker Fund	0.20%	0.20%	0.20%	0.60%
BEA Global Bond Fund	0.30%	0.30%	0.30%	0.90%
BEA Age 65 Plus Fund <sup>(2)</sup>	0.295%	0.295%	0.16%	0.75%
BEA Core Accumulation Fund <sup>(2)</sup>	0.295%	0.295%	0.16%	0.75%

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

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

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

## 9 Transactions with related parties (continued)

### (a) Management fees (continued)

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

	2022 HK\$	2021 HK\$
BEA Growth Fund	<u>14,439</u>	<u>13,060</u>
BEA Balanced Fund	<u>10,266</u>	<u>8,521</u>
BEA Stable Fund	<u>10,114</u>	<u>9,606</u>
BEA Global Equity Fund	<u>12,773</u>	<u>10,574</u>
BEA Asian Equity Fund	<u>6,386</u>	<u>7,236</u>
BEA Greater China Equity Fund	<u>11,179</u>	<u>12,849</u>
BEA Greater China Tracker Fund	<u>3,524</u>	<u>4,586</u>
BEA Hong Kong Tracker Fund	<u>8,073</u>	<u>10,522</u>
BEA Global Bond Fund	<u>3,672</u>	<u>3,786</u>
BEA Age 65 Plus Fund	<u>4,725</u>	<u>3,060</u>
BEA Core Accumulation Fund	<u>7,863</u>	<u>6,036</u>

### (b) Bank balances

As at 31 March 2022, the Scheme and its constituent funds placed bank deposits amounted to HK\$714,685 and HK\$6,095,531 (2021: HK\$517,690 and HK\$5,673,343) 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\$10 (2021: HK\$9) and HK\$49 (2021: HK\$36) respectively. Bank charges incurred are not disclosed as the Trustee considers the amounts immaterial.

## 9 Transactions with related parties (continued)

### (c) Investments

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

	<i>BEA</i>	
	<i>Growth Fund</i>	
	<i>2022</i>	<i>2021</i>
	HK\$	HK\$
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	820,451	594,084
BEA Union Investment Asia Strategic Growth Fund - Class A	2,815,034	2,734,236
BEA Union Investment Global Bond Fund - Class A	2,929,510	2,374,622
BEA Union Investment Global Equity Fund - Class A	7,270,017	6,860,100
BEA Union Investment Greater China Growth Fund - Class A	115,780	140,307
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	88,615	53,448
BEA Union Investment Hong Kong Growth Fund - Class A	3,581,040	2,032,115
BEA Union Investment Money Market Fund - Class A	280,764	202,555
	<u>280,764</u>	<u>202,555</u>

## 9 Transactions with related parties (continued)

### (c) Investments (continued)

	<i>BEA Balanced Fund</i>		<i>BEA Stable Fund</i>	
	2022 HK\$	2021 HK\$	2022 HK\$	2021 HK\$
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	814,554	599,624	919,443	695,441
BEA Union Investment Asia Strategic Growth Fund - Class A	1,577,820	1,476,372	1,148,139	1,069,690
BEA Union Investment Global Bond Fund - Class A	4,550,592	3,362,737	6,320,183	5,617,864
BEA Union Investment Global Equity Fund - Class A	3,577,948	3,137,163	1,966,382	2,218,791
BEA Union Investment Greater China Growth Fund - Class A	50,923	61,711	43,223	52,379
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	94,477	58,185	62,538	63,348
BEA Union Investment Hong Kong Growth Fund - Class A	1,806,508	859,444	938,439	567,620
BEA Union Investment Money Market Fund - Class A	217,152	135,361	672,081	498,736
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<i>BEA Global Equity Fund</i>		<i>BEA Asian Equity Fund</i>	
	2022 HK\$	2021 HK\$	2022 HK\$	2021 HK\$
BEA Union Investment Asia Strategic Growth Fund - Class A	-	-	6,633,237	7,330,074
BEA Union Investment Global Equity Fund - Class A	17,181,341	13,025,713	-	-
BEA Union Investment Greater China Growth Fund - Class A	-	-	393,442	507,925
BEA Union Investment Hong Kong Growth Fund - Class A	-	-	211,538	1,022,978
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<i>BEA Greater China Equity Fund</i>		<i>BEA Global Bond Fund</i>	
	2022 HK\$	2021 HK\$	2022 HK\$	2021 HK\$
BEA Union Investment Global Bond Fund - Class A	-	-	4,840,877	4,240,746
BEA Union Investment Greater China Growth Fund - Class A	14,760,752	15,294,224	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<i>BEA Age 65 Plus Fund</i>		<i>BEA Core Accumulation Fund</i>	
	2022 HK\$	2021 HK\$	2022 HK\$	2021 HK\$
BEA Union Investment Age 65 Plus Fund - Class I	7,205,323	4,386,971	-	-
BEA Union Investment Core Accumulation Fund - Class I	-	-	13,338,748	9,127,985
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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

### **(d) 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 2022 and 2021.

## **10 Transactions with associates**

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

## **11 Contributions received and receivable**

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

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

Any contributions made to the Scheme by the employers or members in excess of their mandatory contributions are voluntary contributions (including tax deductible voluntary contributions effective from 1 April 2019). [The maximum tax deductible limit per year of assessment for tax deductible voluntary contributions in the year of assessment 2021/2022 is HK\$60,000.]

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

## **12 Benefits paid and payable**

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

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

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

The Scheme and its constituent funds had no bank loans, overdrafts and other borrowings as at 31 March 2022 and 2021.

## **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 2022, the Investment Manager and its delegates did not enter into any soft commission arrangements with brokers relating to dealings in the assets of the Scheme and its constituent funds (2021: HK\$Nil).

## **16 Security lending arrangements**

During the year ended 31 March 2022, the Scheme and its constituent funds did not enter into any security lending arrangements (2021: HK\$Nil).

## **17 Negotiability of assets**

As at 31 March 2022, there were no statutory or contractual requirements restricting the negotiability of the assets of the Scheme and its constituent funds (2021: HK\$Nil).

## **18 Commitments**

As at 31 March 2022, the Scheme and its constituent funds had no commitments (2021: HK\$Nil).



## 19 Contingent liabilities and capital commitment

As at 31 March 2022, there were no contingent liabilities or capital commitments outstanding for the Scheme and its constituent funds (2021: HK\$Nil).

## 20 Marketing expenses

During the year ended 31 March 2022, there have been no advertising expenses, promotional expenses or commissions or brokerage fees paid and payable to the MPF intermediaries deducted from the Scheme and its constituent funds (2021: HK\$Nil).

## 21 Segment information

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

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

## 22 Involvement with unconsolidated structured entities

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

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

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

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

## 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 2022**

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in thousands)</i>	<i>Carrying amount included in "Investments" HK\$ (in thousands)</i>
<b>BEA Growth Fund</b>			
- Approved Pooled Investment Funds	8	19,029,135	17,901
<b>BEA Balanced Fund</b>			
- Approved Pooled Investment Funds	8	19,029,135	12,690
<b>BEA Stable Fund</b>			
- Approved Pooled Investment Funds	8	19,029,135	12,070
<b>BEA Global Equity Fund</b>			
- Approved Pooled Investment Fund	1	2,506,998	17,181
<b>BEA Asian Equity Fund</b>			
- Approved Pooled Investment Funds	3	7,239,022	7,238
<b>BEA Greater China Equity Fund</b>			
- Approved Pooled Investment Fund	1	2,284,811	14,761
<b>BEA Greater China Tracker Fund</b>			
- Approved Index-Tracking Collective Investment Scheme	1	1,316,900	6,964
<b>BEA Hong Kong Tracker Fund</b>			
- Approved Index-Tracking Collective Investment Scheme	1	111,826,300	16,632
<b>BEA Global Bond Fund</b>			
- Approved Pooled Investment Fund	1	6,374,300	4,841
<b>BEA Age 65 Plus Fund</b>			
- Approved Pooled Investment Fund	1	801,110	7,205
<b>BEA Core Accumulation Fund</b>			
- Approved Pooled Investment Fund	1	2,088,330	13,339

## 22 Involvement with unconsolidated structured entities (continued)

As at 31 March 2021

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in thousands)</i>	<i>Carrying amount included in "Investments" HK\$ (in thousands)</i>
<b>BEA Growth Fund</b>			
- Approved Pooled Investment Funds	8	21,394,090	14,991
<b>BEA Balanced Fund</b>			
- Approved Pooled Investment Funds	8	21,394,090	9,691
<b>BEA Stable Fund</b>			
- Approved Pooled Investment Funds	8	21,394,090	10,784
<b>BEA Global Equity Fund</b>			
- Approved Pooled Investment Fund	1	2,223,407	13,026
<b>BEA Asian Equity Fund</b>			
- Approved Pooled Investment Funds	3	9,499,477	8,861
<b>BEA Greater China Equity Fund</b>			
- Approved Pooled Investment Fund	1	2,791,464	15,294
<b>BEA Greater China Tracker Fund</b>			
- Approved Index-Tracking Collective Investment Scheme	1	1,388,910	8,464
<b>BEA Hong Kong Tracker Fund</b>			
- Approved Index-Tracking Collective Investment Scheme	1	94,396,290	19,274
<b>BEA Global Bond Fund</b>			
- Approved Pooled Investment Fund	1	6,663,563	4,241
<b>BEA Age 65 Plus Fund</b>			
- Approved Pooled Investment Fund	1	703,504	4,387
<b>BEA Core Accumulation Fund</b>			
- Approved Pooled Investment Fund	1	1,753,267	9,128

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 year ended 31 March 2022**

	<i>BEA Age 65 Plus Fund</i> HK\$	<i>BEA Core Accumulation Fund</i> HK\$
<b>(a) Payments for services</b>		
Trustee, administration and custodian fees	19,931	33,431
Investment management fees	10,808	18,125
Sponsor fees	19,931	33,431
	50,670	84,987
<b>(b) Out-of-pocket expenses</b>		
Fund price publication expenses	6,879	11,558
	57,549	96,545
<b>(c) Payments other than (a) and (b) above</b>	-	-
	57,549	96,545
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	0.100%	0.100%

The net asset value used for calculating the percentage is the average of the net asset of the DIS constituent funds as at the last dealing day of each month during the year ended 31 March 2022.

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

**During the year ended 31 March 2021**

	<i>BEA Age 65 Plus Fund HK\$</i>	<i>BEA Core Accumulation Fund HK\$</i>
<b>(a) Payments for services</b>		
Trustee, administration and custodian fees	10,463	23,061
Investment management fees	5,658	12,469
Sponsor fees	10,462	23,061
<b>Total payments for services</b>	26,583	58,591
<b>(b) Out-of-pocket expenses</b>		
Fund price publication expenses	3,619	7,896
<b>Total out-of-pocket expenses</b>	3,619	7,896
<b>(c) Payments other than (a) and (b) above</b>		
	-	-
<b>Total payments</b>	30,202	66,487
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	0.100%	0.100%

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

## 24 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2022

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 2022 and which have not been adopted in these financial statements. These include the following which may be relevant to the Scheme and its constituent funds.

*Effective for  
accounting periods  
beginning on or after*

Annual Improvements to HKFRSs 2018-2020 Cycle 1 January 2022

Amendments to HKAS 1, *Classification of Liabilities as Current or Non-current* 1 January 2023

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

## 25 Subsequent event

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