



BEA (MPF) Value Scheme

31 March 2023

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Scheme report

The Trustee has pleasure in presenting the annual reports and the financial statements of the BEA (MPF) Value Scheme (the “Scheme”) for the year ended 31 March 2023.

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, 9 April 2020 and 2 May 2023 (“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 and severance payments and other payments during the year were HK\$32.3 million (2022: HK\$43.7 million) and HK\$20.0 million (2022: HK\$15.5 million) respectively. The net asset value as at 31 March 2023 was HK\$163.0 million (2022: HK\$162.1 million).

Changes to the governing rules

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

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

Scheme report (continued)

Particulars of the service providers

Particulars of the Trustee and service providers engaged by the Trustee for the purposes of the Scheme during the year ended 31 March 2023 are set below.

Trustee, Custodian and Administrator

Bank of East Asia (Trustees) Limited

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

Investment Manager

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

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

Sponsor and Banker

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

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

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
Ng Kai Man (Appointed on 1 August 2023)
Wan Chi Tak (Resigned on 30 December 2022)
Henry Chan Cho Yip
Cheung Man Kok
Winnie Cheung Chi Woon

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

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

Directors of the Investment Manager

Brian David Li Man Bun
Gunter Karl HAUEISEN
Samson Li Kai Cheong
Eleanor Wan Yuen Yung
André HAAGMANN

Business address of the Directors of the Investment Manager

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

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 TREPAT

Business address of the Directors of the Sponsor and Banker

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

Further information

Scheme members can obtain further information about the Scheme and its operations from Mr Goran Lam Ka Chun, Senior MPF Marketing and Customer Services Manager, at the Trustee. Scheme members can also contact BEA (MPF) hotline (operated by Bank of East Asia (Trustees) Limited) 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 2023

Investment analysis

United States

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

Europe

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

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

Investment analysis (continued)

Japan

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

Asia

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

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

Investment analysis (continued)

Mainland China & Hong Kong

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

Global Bonds

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

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

Investment analysis (continued)

Global Bonds (continued)

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

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

Trustee's Commentary

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA MPF Conservative Fund <i>Launch date: 25/10/2012</i>	1.20 ¹	0.82 ¹	0.69 ¹	0.66 ¹
Benchmark/Performance Target (MPFA Prescribed Savings Rate)	0.24	0.08	0.04	0.04 ²
Deviation from the Benchmark/Performance Target ⁴	+0.96	+0.74	+0.65	+0.62 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year, 5-year and 10-year annualized returns were above the benchmark/performance target. 			
BEA Growth Fund <i>Launch date: 25/10/2012</i>	-9.00	1.23	3.57	3.72
Benchmark/Performance Target (Lipper MPF Lifestyle (>60-80% Equity) Fund Category Median)	-6.01	0.71	3.15	3.70 ²
Deviation from the Benchmark/Performance Target ⁴	-2.99	+0.52	+0.42	+0.02 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was below the benchmark/performance target because portfolio positioning was more defensive relative to the peers during the sudden change in the market sentiment in the last two months in 2022. 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 2020 and more defensive in 2021. The 10-year annualized return was above the benchmark/performance target due to stable asset allocation over the period. 			

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

Trustee's Commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Balanced Fund <i>Launch date: 25/10/2012</i>	-8.45	0.65	2.80	2.88
Benchmark/Performance Target (Lipper MPF Lifestyle (>40-60% Equity) Fund Category Median)	-7.13	-0.16	1.98	3.21 ²
Deviation from the Benchmark/Performance Target ⁴	-1.32	+0.81	+0.82	-0.33 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was below the benchmark/performance target because portfolio positioning was more defensive relative to the peers during the sudden change in the market sentiment in the last two months in 2022. The 5-year annualized return was above the benchmark/performance target due to underweight in bonds and more defensive positioning during falling markets. The 10-year annualized return was above the benchmark/performance target due to underweight in bonds and more defensive positioning during falling markets. 			

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

Trustee's Commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Stable Fund <i>Launch date: 25/10/2012</i>	-8.04	-0.20	1.58	1.67
Benchmark/Performance Target (Lipper MPF Lifestyle (>20-40% Equity) Fund Category Median)	-7.21	-0.85	1.05	2.56 ²
Deviation from the Benchmark/Performance Target ⁴	-0.83	+0.65	+0.53	-0.89 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was below the benchmark/performance target because portfolio positioning was more defensive relative to the peers during the sudden change in the market sentiment in the last two months in 2022. The 5-year annualized return was above the benchmark/performance target due to underweight in bonds and more defensive positioning during falling markets. The 10-year annualized return was above the benchmark/performance target due to underweight in bonds and more defensive positioning during falling markets. 			
BEA Global Equity Fund <i>Launch date: 25/10/2012</i>	-8.06	6.09	7.10	7.46
Benchmark/Performance Target (Lipper MPF Global Equity Fund Category Median)	-7.87	4.23	6.05	5.28 ²
Deviation from the Benchmark/Performance Target ⁴	-0.19	+1.86	+1.05	+2.18 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was below the benchmark/performance target because portfolio positioning was more defensive relative to the peers during the rising market in the first quarter of 2023. The 5-year annualized return was above the benchmark/performance target due to positive stock selection and sector allocation, mainly in the US. The 10-year annualized return was above the benchmark/performance target due to positive stock selection and sector allocation, mainly in the US. 			

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

Trustee's Commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Asian Equity Fund <i>Launch date: 25/10/2012</i>	-16.02	-1.50	2.61	2.64
Benchmark/Performance Target (Lipper MPF Asia ex Japan Equity Fund Category Median)	-11.83	-0.82	3.12	4.30 ²
Deviation from the Benchmark/Performance Target ⁴	-4.19	-0.68	-0.51	-1.66 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was below the benchmark/performance target because the performance of the fund was affected by China equities. The 5-year annualized return was below the benchmark/performance target because the performance of the fund was affected by China equities. The 10-year annualized return was below the benchmark/performance target due to underweighting in Indian equities which outperformed in the Asian region. <p>The Trustee will continue to closely monitor the fund performance and discuss with the Investment Manager for the action to improve the fund performance, if necessary.</p>			

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

Trustee's Commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Greater China Equity Fund Launch date: 25/10/2012	-12.82	0.57	5.18	5.20
Benchmark/Performance Target (Lipper MPF Greater China Equity Fund Category Median)	-9.31	-0.55	4.26	4.39 ²
Deviation from the Benchmark/Performance Target ⁴	-3.51	+1.12	+0.92	+0.81 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was below the benchmark/performance target because the performance of the fund was affected by China equities. The 5-year annualized return was above the benchmark/performance target due to positive stock selection in China and Taiwan equities. The 10-year annualized return was above the benchmark/performance target due to positive stock selection in China and Taiwan equities. 			
BEA Greater China Tracker Fund Launch date: 25/10/2012	-9.44	-1.13	4.00	3.64
Benchmark/Performance Target (FTSE Greater China HKD Net of Tax Index)	-8.40	0.16	5.17	5.46 ²
Deviation from the Benchmark/Performance Target ⁴	-1.04	-1.29	-1.17	-1.82 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year, 5-year and 10-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%. 			

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

Trustee's Commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Hong Kong Tracker Fund <i>Launch date: 25/10/2012</i>	-5.30	-5.41	1.43	1.26
Benchmark/Performance Target (Hang Seng Index)	-4.05	-4.42	2.63	2.78 ²
Deviation from the Benchmark/Performance Target ⁴	-1.25	-0.99	-1.20	-1.52 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year, 5-year and 10-year annualized returns corresponded to the return of the Hang Seng Index through investing in a single approved index-tracking collective investment scheme, namely the Tracker Fund of Hong Kong. Tracking error of the fund has been on target and within 3%. 			
BEA Global Bond Fund <i>Launch date: 25/10/2012</i>	-9.00	-2.27	-0.53	-0.58
Benchmark/Performance Target (Lipper MPF Global Bond Fund Category Median)	-8.16	-2.12	-0.99	0.75 ²
Deviation from the Benchmark/Performance Target ⁴	-0.84	-0.15	+0.46	-1.33 ³
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was below the benchmark/performance target due to underweighting in non-USD currency in the fourth quarter of 2022 and underweight in ultra-long-end Japan duration in the first quarter of 2023. The 5-year annualized return was below the benchmark/performance target because the performance of the fund was affected by country and currency allocation. The 10-year annualized return was above the benchmark/performance target due to positive country allocation and currency effect. 			

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

Trustee's Commentary (continued)

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)				
	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
BEA Age 65 Plus Fund <i>Launch date: 01/04/2017</i>	-7.10	0.95	N/A	1.55
Benchmark/Performance Target (Willis Towers Watson – MPF DIS Reference Portfolios – Age 65 Plus Fund)	-7.24	0.72	N/A	1.20
Deviation from the Benchmark/Performance Target ⁴	+0.14	+0.23	N/A	+0.35
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection. The 5-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection. The since launch annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection. 			
BEA Core Accumulation Fund <i>Launch date: 01/04/2017</i>	-7.38	3.89	N/A	4.99
Benchmark/Performance Target (Willis Towers Watson – MPF DIS Reference Portfolios – Core Accumulation Fund)	-7.21	3.70	N/A	4.61
Deviation from the Benchmark/Performance Target ⁴	-0.17	+0.19	N/A	+0.38
Trustee's commentary	<ul style="list-style-type: none"> The 1-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection. The 5-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection. The since launch annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection. 			

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

Trustee's Commentary (continued)

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

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

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

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

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

(i) BEA Greater China Tracker Fund

In this regard, BEA Trustees requested the investment manager to provide explanation and take immediate remedial action for improvement on fund performance. Due to a significant performance difference between the ITCIS and underlying index on weekly basis, the tracking error between the BEA Greater China Tracker Fund and underlying index was higher than 3%. BEA Trustees would continue to monitor the fund performance of CFs according to the existing fund performance monitoring mechanism.

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

Trustee's Commentary (continued)

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 (continued)

Note:

¹ Fees and charges of MPF conservative fund can be deducted from either (i) the assets of such fund or (ii) Member's account by way of unit deduction. From 1 April, 2022, the fees and charges deduction method of the BEA MPF Conservative Fund has been changed from (ii) to (i).

Before 1 April, 2022, 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.

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

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

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

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

Investment objectives and policies of the Scheme and the constituent funds

The Scheme commenced operations on 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 2023 (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 2023 (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 2023 (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 2023 (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 2023 (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 2023 (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 2023 (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 2023 (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 2023 (continued)

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

BEA Hong Kong Tracker Fund

Investment objective:

To provide investment returns that 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 2023 (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 2023 (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 2023 (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 2023 (continued)

Investment income and performance

	<i>BEA MPF Conservative Fund</i>			<i>BEA Growth Fund</i>			<i>BEA Balanced Fund</i>		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net income/(loss) excluding capital (depreciation)/appreciation	282,557	53,683	173,753	(160,073)	(167,943)	(130,733)	(121,638)	(114,490)	(88,870)
Capital (depreciation)/appreciation of investments - realised and unrealised	-	-	-	(1,557,002)	(935,482)	4,286,659	(1,038,116)	(687,736)	2,219,293
Value of scheme assets derived from investments as at 31 March	<u>22,569,880</u>	<u>22,241,436</u>	<u>20,932,564</u>	<u>18,469,811</u>	<u>17,901,211</u>	<u>14,991,467</u>	<u>14,365,795</u>	<u>12,689,974</u>	<u>9,690,597</u>
	<i>BEA Stable Fund</i>			<i>BEA Global Equity Fund</i>			<i>BEA Asian Equity Fund</i>		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net loss excluding capital (depreciation)/appreciation	(111,603)	(121,462)	(101,611)	(146,972)	(145,410)	(97,839)	(63,421)	(79,293)	(65,269)
Capital (depreciation)/appreciation of investments - realised and unrealised	(932,582)	(683,107)	1,712,110	(1,147,511)	1,296,081	4,321,739	(1,239,738)	(1,025,701)	3,012,351
Value of scheme assets derived from investments as at 31 March	<u>12,529,887</u>	<u>12,070,428</u>	<u>10,783,869</u>	<u>17,678,405</u>	<u>17,181,341</u>	<u>13,025,713</u>	<u>6,701,913</u>	<u>7,238,217</u>	<u>8,860,977</u>

Investment report for the year ended 31 March 2023 (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>		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net (loss)/income excluding capital (depreciation)/appreciation	(127,540)	(142,988)	(99,508)	(38,379)	(51,218)	(45,941)	385,907	344,732	368,812
Capital (depreciation)/appreciation of investments - realised and unrealised	(1,943,049)	(2,902,873)	4,215,542	(573,141)	(1,534,328)	2,579,342	(994,280)	(4,527,575)	3,230,345
Value of scheme assets derived from investments as at 31 March	<u>14,721,930</u>	<u>14,760,752</u>	<u>15,294,224</u>	<u>5,742,440</u>	<u>6,963,944</u>	<u>8,463,720</u>	<u>16,875,600</u>	<u>16,632,020</u>	<u>19,273,850</u>
	<i>BEA Global Bond Fund</i>			<i>BEA Age 65 Plus Fund</i>			<i>BEA Core Accumulation Fund</i>		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net loss excluding capital (depreciation)/appreciation	(45,729)	(42,804)	(41,184)	(62,552)	(57,549)	(30,202)	(113,949)	(96,545)	(66,487)
Capital (depreciation)/appreciation of investments - realised and unrealised	(399,648)	(268,047)	68,104	(441,192)	(157,829)	278,448	(843,403)	372,052	1,949,031
Value of scheme assets derived from investments as at 31 March	<u>5,698,813</u>	<u>4,840,877</u>	<u>4,240,746</u>	<u>8,259,531</u>	<u>7,205,323</u>	<u>4,386,971</u>	<u>15,140,928</u>	<u>13,338,748</u>	<u>9,127,985</u>

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

Breakdown of income derived from investments and bank balances

For the year ended 31 March 2023

	<i>Dividend income HK\$</i>	<i>Interest income HK\$</i>	<i>Interest income from financial assets at fair value through profit or loss HK\$</i>	<i>Total HK\$</i>
BEA MPF Conservative Fund	-	3,121	553,994	557,115
BEA Growth Fund	-	912	-	912
BEA Balanced Fund	-	622	-	622
BEA Stable Fund	-	665	-	665
BEA Global Equity Fund	-	907	-	907
BEA Asian Equity Fund	-	533	-	533
BEA Greater China Equity Fund	-	969	-	969
BEA Greater China Tracker Fund	-	42	-	42
BEA Hong Kong Tracker Fund	506,280	148	-	506,428
BEA Global Bond Fund	-	374	-	374
BEA Age 65 Plus Fund	-	40	-	40
BEA Core Accumulation Fund	-	82	-	82

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

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

For the year ended 31 March 2022

	<i>Dividend income HK\$</i>	<i>Interest income HK\$</i>	<i>Interest income from financial assets at fair value through profit or loss HK\$</i>	<i>Total HK\$</i>
BEA 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	-	-	-	-

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

Performance table

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

<i>Name of constituent funds</i>	<i>As at 31 March 2023</i>		<i>As at 31 March 2022</i>		<i>As at 31 March 2021</i>	
	<i>Total net asset value HK\$</i>	<i>Net asset value per unit HK\$</i>	<i>Total net asset value HK\$</i>	<i>Net asset value per unit HK\$</i>	<i>Total net asset value HK\$</i>	<i>Net asset value per unit HK\$</i>
BEA MPF Conservative Fund	23,869,225	10.9952	23,374,968	10.8652	22,725,976	10.8396
BEA Growth Fund	18,616,305	14.6467	19,343,235	16.0949	16,117,821	16.9418
BEA Balanced Fund	14,543,358	13.4433	14,037,504	14.6836	10,399,455	15.4989
BEA Stable Fund	12,762,216	11.8842	13,218,870	12.9230	11,748,975	13.6576
BEA Global Equity Fund	18,042,945	21.1802	17,564,816	23.0379	13,195,878	21.2880
BEA Asian Equity Fund	7,242,812	13.1287	8,629,176	15.6338	9,025,998	17.7430
BEA Greater China Equity Fund	15,071,692	16.9668	15,178,738	19.4610	15,687,434	23.6578
BEA Greater China Tracker Fund	5,744,239	14.5231	6,964,868	16.0372	8,467,064	19.6453
BEA Hong Kong Tracker Fund	16,878,832	11.3989	16,636,511	12.0368	19,747,547	15.2338
BEA Global Bond Fund	5,847,791	9.4097	4,976,156	10.3406	4,342,491	11.0501
BEA Age 65 Plus Fund	8,298,652	10.9639	7,212,662	11.8012	4,395,710	12.0304
BEA Core Accumulation Fund	15,129,529	13.3908	13,680,093	14.4578	9,136,285	13.9936
	<u>162,047,596</u>		<u>160,817,597</u>		<u>144,990,634</u>	

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

Performance table (continued)

(b) **Highest and lowest prices**

	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 ⁽¹⁾	BEA Core Accumulation Fund ⁽¹⁾
Highest issue price per unit (HK\$)												
2023	10.9952	16.2430	14.7618	12.9463	23.2375	15.7936	19.8695	16.1747	12.6404	10.2937	11.8108	14.5270
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	-	-
Lowest redemption price per unit (HK\$)												
2023	10.8652	12.9579	12.1525	10.9891	18.0786	11.6673	12.8922	10.6197	8.2971	8.8732	10.3682	11.9940
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	-	-

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

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

Performance table (continued)

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

	BEA MPF Conservative Fund ⁽³⁾	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 ⁽²⁾	BEA Core Accumulation Fund ⁽²⁾
Net annualised investment return (%)												
2023	1.20	(9.00)	(8.45)	(8.04)	(8.06)	(16.02)	(12.82)	(9.44)	(5.30)	(9.00)	(7.10)	(7.38)
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	-	-

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

⁽²⁾ The launch date of BEA Age 65 Plus Fund and BEA Core Accumulation Fund was 1 April 2017.

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

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

Performance table (continued)

(d) **Fund Expense Ratio (“FER”)**

<i>Name of constituent funds</i>	2023	
	<i>Transaction costs for the year ended 31 March HK\$</i>	<i>FER for the year ended 31 March</i>
BEA MPF Conservative Fund	-	1.15%
BEA Growth Fund	-	0.95%
BEA Balanced Fund	-	0.95%
BEA Stable Fund	-	0.95%
BEA Global Equity Fund	-	0.96%
BEA Asian Equity Fund	-	0.97%
BEA Greater China Equity Fund	-	0.96%
BEA Greater China Tracker Fund	4,884	1.09%
BEA Hong Kong Tracker Fund	20,328	0.72%
BEA Global Bond Fund	-	0.94%
BEA Age 65 Plus Fund	-	0.85%
BEA Core Accumulation Fund	-	0.86%

Investment report as at 31 March 2023 (continued)

Investment portfolio

BEA MPF Conservative Fund

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits				
<i>Hong Kong Dollar</i>				
China CITIC Bank International Limited F/D 3.55% 05 May 2023	150,938	150,938	150,938	0.63
China CITIC Bank International Limited F/D 5.38% 25 May 2023	290,303	290,303	290,303	1.22
China CITIC Bank International Limited F/D 3.22% 30 June 2023	244,383	244,383	244,383	1.02
China CITIC Bank International Limited F/D 3.22% 30 June 2023	1,510,298	1,510,298	1,510,298	6.33
China Construction Bank Corporation F/D 5.19% 19 May 2023	179,854	179,854	179,854	0.75
China Construction Bank Corporation F/D 3.60% 09 June 2023	856,017	856,017	856,017	3.59
China Construction Bank Corporation F/D 5.49% 25 August 2023	76,015	76,015	76,015	0.32
China Construction Bank Corporation F/D 5.01% 06 October 2023	464,898	464,898	464,898	1.95
China Everbright Bank Co., Ltd. F/D 3.41% 05 May 2023	633,596	633,596	633,596	2.66
China Everbright Bank Co., Ltd. F/D 3.41% 05 May 2023	660,405	660,405	660,405	2.77
China Everbright Bank Co., Ltd. F/D 3.45% 12 May 2023	432,937	432,937	432,937	1.81
China Everbright Bank Co., Ltd. F/D 5.00% 19 May 2023	324,958	324,958	324,958	1.36
Chong Hing Bank Limited F/D 4.80% 25 May 2023	687,400	687,400	687,400	2.88
CMB Wing Lung Bank Limited F/D 3.40% 30 June 2023	581,980	581,980	581,980	2.44
CMB Wing Lung Bank Limited F/D 3.40% 30 June 2023	851,494	851,494	851,494	3.57
Credit Agricole Corporate and Investment Bank F/D 3.35% 07 July 2023	690,611	690,611	690,611	2.89
Credit Agricole Corporate and Investment Bank F/D 3.35% 07 July 2023	1,023,053	1,023,053	1,023,053	4.29
Dah Sing Bank, Limited F/D 3.50% 09 June 2023	719,875	719,875	719,875	3.02
Dah Sing Bank, Limited F/D 3.51% 30 June 2023	244,278	244,278	244,278	1.02

Investment report as at 31 March 2023 (continued)

Investment portfolio (continued)

BEA MPF Conservative Fund (continued)

	Nominal value HK\$	Fair value HK\$	Cost HK\$	% of net assets
Short-term deposits (continued)				
<i>Hong Kong Dollar (continued)</i>				
DBS Bank (Hong Kong) Limited F/D 4.47% 23 June 2023	980,653	980,653	980,653	4.11
Dah Sing Bank, Limited F/D 3.51% 30 June 2023	533,072	533,072	533,072	2.23
Dah Sing Bank, Limited F/D 3.55% 07 July 2023	196,737	196,737	196,737	0.82
Fubon Bank (Hong Kong) Limited F/D 3.60% 07 July 2023	299,935	299,935	299,935	1.26
Fubon Bank (Hong Kong) Limited F/D 3.60% 07 July 2023	448,224	448,224	448,224	1.88
Fubon Bank (Hong Kong) Limited F/D 3.60% 07 July 2023	576,488	576,488	576,488	2.42
Fubon Bank (Hong Kong) Limited F/D 3.60% 07 July 2023	792,872	792,872	792,872	3.32
Industrial and Commercial Bank of China (Asia) Limited F/D 4.80% 19 May 2023	880,938	880,938	880,938	3.69
Industrial and Commercial Bank of China (Asia) Limited F/D 4.70% 25 May 2023	208,439	208,439	208,439	0.87
Industrial and Commercial Bank of China (Asia) Limited F/D 3.55% 09 June 2023	324,781	324,781	324,781	1.36
Industrial and Commercial Bank of China (Asia) Limited F/D 3.55% 09 June 2023	741,236	741,236	741,236	3.11
MUFG Bank, Ltd. F/D 5.25% 23 June 2023	206,198	206,198	206,198	0.86
MUFG Bank, Ltd. F/D 5.31% 25 August 2023	1,115,069	1,115,069	1,115,069	4.67
MUFG Bank, Ltd. F/D 5.35% 29 September 2023	225,618	225,618	225,618	0.95
MUFG Bank, Ltd. F/D 5.35% 29 September 2023	482,829	482,829	482,829	2.02
OCBC Wing Hang Bank Limited F/D 3.80% 14 April 2023	1,024,271	1,024,271	1,024,271	4.29
OCBC Wing Hang Bank Limited F/D 3.52% 09 June 2023	669,180	669,180	669,180	2.80
Sumitomo Mitsui Banking Corporation F/D 3.38% 05 May 2023	805,253	805,253	805,253	3.37

Investment report as at 31 March 2023 (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>
Short-term deposits (continued)				
<i>Hong Kong Dollar (continued)</i>				
Sumitomo Mitsui Banking Corporation F/D 3.38% 12 May 2023	323,428	323,428	323,428	1.36
Sumitomo Mitsui Banking Corporation F/D 3.83% 09 June 2023	509,357	509,357	509,357	2.13
Sumitomo Mitsui Banking Corporation F/D 3.83% 09 June 2023	602,009	602,009	602,009	2.52
Total investments		<u>22,569,880</u>	<u>22,569,880</u>	<u>94.56</u>

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

Investment report as at 31 March 2023 (continued)

Investment portfolio (continued)

BEA Growth Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	7,562.1480	1,019,756	1,007,381	5.48
BEA Union Investment Asia Strategic Growth Fund - Class A	5,395.4930	2,157,010	2,201,638	11.59
BEA Union Investment Global Bond Fund - Class A	30,760.0640	3,582,625	3,896,383	19.24
BEA Union Investment Global Equity Fund - Class A	32,916.6230	7,794,327	7,009,286	41.87
BEA Union Investment Greater China Growth Fund - Class A	1,932.0410	601,773	558,124	3.23
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	597.9030	87,096	86,606	0.47
BEA Union Investment Hong Kong Growth Fund - Class A	11,636.3210	3,032,658	3,292,912	16.29
BEA Union Investment Money Market Fund - Class A	1,830.6970	194,566	184,942	1.04
Total investments		<u>18,469,811</u>	<u>18,237,272</u>	<u>99.21</u>

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

Investment report as at 31 March 2023 (continued)

Investment portfolio (continued)

BEA Balanced Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	8,588.1980	1,158,118	1,105,500	7.96
BEA Union Investment Asia Strategic Growth Fund - Class A	3,244.2760	1,296,997	1,383,795	8.92
BEA Union Investment Global Bond Fund - Class A	45,572.3780	5,307,815	5,748,564	36.50
BEA Union Investment Global Equity Fund - Class A	18,144.2840	4,296,385	4,045,600	29.54
BEA Union Investment Greater China Growth Fund - Class A	1,429.7870	445,336	421,657	3.06
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	637.4500	92,857	92,094	0.64
BEA Union Investment Hong Kong Growth Fund - Class A	6,207.8510	1,617,890	1,688,520	11.13
BEA Union Investment Money Market Fund - Class A	1,415.1030	150,397	143,685	1.03
Total investments		<u>14,365,795</u>	<u>14,629,415</u>	<u>98.78</u>

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

Investment report as at 31 March 2023 (continued)

Investment portfolio (continued)

BEA Stable Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	7,731.0650	1,042,534	982,080	8.17
BEA Union Investment Asia Strategic Growth Fund - Class A	2,120.4490	847,713	910,743	6.64
BEA Union Investment Global Bond Fund - Class A	56,341.2170	6,562,062	7,092,041	51.42
BEA Union Investment Global Equity Fund - Class A	9,755.3850	2,309,978	2,228,616	18.10
BEA Union Investment Greater China Growth Fund - Class A	1,104.3630	343,976	326,925	2.69
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	421.9550	61,466	57,229	0.48
BEA Union Investment Hong Kong Growth Fund - Class A	2,828.9250	737,274	740,563	5.78
BEA Union Investment Money Market Fund - Class A	5,879.6050	624,884	593,395	4.90
Total investments		<u>12,529,887</u>	<u>12,931,592</u>	<u>98.18</u>

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

Investment report as at 31 March 2023 (continued)

Investment portfolio (continued)

BEA Global Equity Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
BEA Union Investment Global Equity Fund - Class A	74,658.5790	<u>17,678,405</u>	<u>14,275,765</u>	<u>97.98</u>
Total investments		<u><u>17,678,405</u></u>	<u><u>14,275,765</u></u>	<u><u>97.98</u></u>

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

Investment report as at 31 March 2023 (continued)

Investment portfolio (continued)

BEA Asian Equity Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Funds				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Strategic Growth Fund - Class A	15,660.8700	6,260,903	5,673,222	86.45
BEA Union Investment Greater China Growth Fund - Class A	1,152.0720	358,836	347,951	4.95
BEA Union Investment Hong Kong Growth Fund - Class A	315.3040	82,174	74,997	1.13
Total investments		<u>6,701,913</u>	<u>6,096,170</u>	<u>92.53</u>

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

Investment report as at 31 March 2023 (continued)

Investment portfolio (continued)

BEA Greater China Equity Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
BEA Union Investment Greater China Growth Fund - Class A	47,265.9630	<u>14,721,930</u>	<u>15,293,358</u>	<u>97.68</u>
Total investments		<u><u>14,721,930</u></u>	<u><u>15,293,358</u></u>	<u><u>97.68</u></u>

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

Investment report as at 31 March 2023 (continued)

Investment portfolio (continued)

BEA Greater China Tracker Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Index-Tracking Collective Investment Scheme				
<i>Hong Kong</i>				
SPDR FTSE Greater China ETF	136,400.0000	5,742,440	5,567,671	99.97
Total investments		<u>5,742,440</u>	<u>5,567,671</u>	<u>99.97</u>

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

Investment report as at 31 March 2023 (continued)

Investment portfolio (continued)

BEA Hong Kong Tracker Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Index-Tracking Collective Investment Scheme				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	820,000.000	<u>16,875,600</u>	<u>19,656,517</u>	<u>99.98</u>
Total investments		<u><u>16,875,600</u></u>	<u><u>19,656,517</u></u>	<u><u>99.98</u></u>

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

Investment report as at 31 March 2023 (continued)

Investment portfolio (continued)

BEA Global Bond Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
BEA Union Investment Global Bond Fund - Class A	48,929.4520	<u>5,698,813</u>	<u>6,261,687</u>	<u>97.45</u>
Total investments		<u><u>5,698,813</u></u>	<u><u>6,261,687</u></u>	<u><u>97.45</u></u>

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

Investment report as at 31 March 2023 (continued)

Investment portfolio (continued)

BEA Age 65 Plus Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
BEA Union Investment Age 65 Plus Fund - Class I	71,511.0940	<u>8,259,531</u>	<u>8,546,940</u>	<u>99.53</u>
Total investments		<u><u>8,259,531</u></u>	<u><u>8,546,940</u></u>	<u><u>99.53</u></u>

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

Investment report as at 31 March 2023 (continued)

Investment portfolio (continued)

BEA Core Accumulation Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
Approved Pooled Investment Fund				
<i>Established in Hong Kong</i>				
BEA Union Investment Core Accumulation Fund - Class I	107,979.8010	<u>15,140,928</u>	<u>14,462,992</u>	<u>100.08</u>
Total investments		<u><u>15,140,928</u></u>	<u><u>14,462,992</u></u>	<u><u>100.08</u></u>

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

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

Statement of movements in investment portfolio

BEA MPF Conservative Fund

	<i>% of net assets</i>	
	<i>As at</i> <i>31 March 2023</i>	<i>As at</i> <i>31 March 2022</i>
Short-term deposits		
Hong Kong Dollar	<u>94.56</u>	<u>95.15</u>

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

Statement of movements in investment portfolio (continued)

BEA Growth Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2023 units</i>
	<i>As at 31 March 2022 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
Approved Pooled Investment Funds				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	5,963.4490	1,598.6990	-	7,562.1480
BEA Union Investment Asia Strategic Growth Fund - Class A	5,828.4690	2,531.4970	2,964.4730	5,395.4930
BEA Union Investment Global Bond Fund - Class A	23,016.2590	8,559.7940	815.9890	30,760.0640
BEA Union Investment Global Equity Fund - Class A	28,502.0470	18,432.4280	14,017.8520	32,916.6230
BEA Union Investment Greater China Growth Fund - Class A	325.9300	1,606.1110	-	1,932.0410
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	597.9030	-	-	597.9030
BEA Union Investment Hong Kong Growth Fund - Class A	12,153.1250	11,757.1480	12,273.9520	11,636.3210
BEA Union Investment Money Market Fund - Class A	<u>2,709.5500</u>	<u>-</u>	<u>878.8530</u>	<u>1,830.6970</u>

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

Statement of movements in investment portfolio (continued)

BEA Balanced Fund

	Portfolio holdings			As at 31 March 2023 units
	As at 31 March 2022 units	Additions units	Disposals units	
Approved Pooled Investment Funds				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	5,920.5870	2,667.6110	-	8,588.1980
BEA Union Investment Asia Strategic Growth Fund - Class A	3,266.8430	1,460.2620	1,482.8290	3,244.2760
BEA Union Investment Global Bond Fund - Class A	35,752.6110	10,445.2220	625.4550	45,572.3780
BEA Union Investment Global Equity Fund - Class A	14,027.3180	14,469.3380	10,352.3720	18,144.2840
BEA Union Investment Greater China Growth Fund - Class A	143.3530	1,286.4340	-	1,429.7870
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	637.4500	-	-	637.4500
BEA Union Investment Hong Kong Growth Fund - Class A	6,130.8210	8,316.3010	8,239.2710	6,207.8510
BEA Union Investment Money Market Fund - Class A	<u>2,095.6590</u>	<u>-</u>	<u>680.5560</u>	<u>1,415.1030</u>

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

Statement of movements in investment portfolio (continued)

BEA Stable Fund

	Portfolio holdings			As at 31 March 2023 units
	As at 31 March 2022 units	Additions units	Disposals units	
Approved Pooled Investment Funds				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	6,682.9700	1,522.3700	474.2750	7,731.0650
BEA Union Investment Asia Strategic Growth Fund - Class A	2,377.1980	1,198.0850	1,454.8340	2,120.4490
BEA Union Investment Global Bond Fund - Class A	49,655.7420	10,193.0570	3,507.5820	56,341.2170
BEA Union Investment Global Equity Fund - Class A	7,709.1880	10,777.9510	8,731.7540	9,755.3850
BEA Union Investment Greater China Growth Fund - Class A	121.6750	982.6880	-	1,104.3630
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	421.9550	-	-	421.9550
BEA Union Investment Hong Kong Growth Fund - Class A	3,184.8190	6,896.1140	7,252.0080	2,828.9250
BEA Union Investment Money Market Fund - Class A	<u>6,486.0180</u>	<u>-</u>	<u>606.4130</u>	<u>5,879.6050</u>

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

Statement of movements in investment portfolio (continued)

BEA Global Equity Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2023 units</i>
	<i>As at 31 March 2022 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
Approved Pooled Investment Fund				
BEA Union Investment Global Equity Fund - Class A	<u>67,359.3180</u>	<u>12,881.9250</u>	<u>5,582.6640</u>	<u>74,658.5790</u>

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

Statement of movements in investment portfolio (continued)

BEA Asian Equity Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2023 units</i>
	<i>As at 31 March 2022 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
Approved Pooled Investment Funds				
BEA Union Investment Asia Strategic Growth Fund - Class A	13,733.9780	2,958.3980	1,031.5060	15,660.8700
BEA Union Investment Greater China Growth Fund - Class A	1,107.5710	2,106.9310	2,062.4300	1,152.0720
BEA Union Investment Hong Kong Growth Fund - Class A	<u>717.9050</u>	<u>1,674.3770</u>	<u>2,076.9780</u>	<u>315.3040</u>

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

Statement of movements in investment portfolio (continued)

BEA Greater China Equity Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2023 units</i>
	<i>As at 31 March 2022 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
Approved Pooled Investment Fund				
BEA Union Investment Greater China Growth Fund - Class A	<u>41,552.6610</u>	<u>7,581.0740</u>	<u>1,867.7720</u>	<u>47,265.9630</u>

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

Statement of movements in investment portfolio (continued)

BEA Greater China Tracker Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2023 units</i>
	<i>As at 31 March 2022 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
Approved Index-Tracking Collective Investment Scheme				
SPDR FTSE Greater China ETF	<u>150,800.0000</u>	<u>26,600.0000</u>	<u>41,000.0000</u>	<u>136,400.0000</u>

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

Statement of movements in investment portfolio (continued)

BEA Hong Kong Tracker Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2023 units</i>
	<i>As at 31 March 2022 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
Approved Index-Tracking Collective Investment Scheme				
Tracker Fund of Hong Kong	<u>746,500.0000</u>	<u>325,000.0000</u>	<u>251,500.0000</u>	<u>820,000.0000</u>

Investment report for the year ended 31 March 2023 (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>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2023 units</i>
Approved Pooled Investment Fund				
BEA Union Investment Global Bond Fund - Class A	<u>38,033.2850</u>	<u>14,713.9630</u>	<u>3,817.7960</u>	<u>48,929.4520</u>

Investment report for the year ended 31 March 2023 (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>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2023 units</i>
Approved Pooled Investment Fund				
BEA Union Investment Age 65 Plus Fund - Class I	<u>58,442.0730</u>	<u>22,090.7460</u>	<u>9,021.7250</u>	<u>71,511.0940</u>

Investment report for the year ended 31 March 2023 (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>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2023 units</i>
Approved Pooled Investment Fund				
BEA Union Investment Core Accumulation Fund - Class I	<u>88,836.1520</u>	<u>38,223.1450</u>	<u>19,079.4960</u>	<u>107,979.8010</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 72 to 122, which comprise the statement of net assets available for benefits of the Scheme and the statement of assets and liabilities of each of its constituent funds as at 31 March 2023, and the statement of changes in net assets available for benefits and the cash flow statement of the Scheme, and the statement of comprehensive income and the statement of changes in net assets attributable to members of each of its constituent funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Scheme as at 31 March 2023, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for opinion

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

Information other than the financial statements and auditor's report thereon

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

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

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

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

Independent auditor's report to the Trustee of BEA (MPF) 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. The Trustee of the Scheme considers that BEA Greater China Tracker Fund is no longer a going concern and has prepared the financial statements on the basis as set out in note 2(b) thereto.

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 HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Investment Manager and the Trustee of the Scheme.
- Conclude on the appropriateness of the Investment Manager's and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern. For BEA Greater China Tracker Fund, conclude on the appropriateness of the Trustee's judgement that this constituent funds is no longer a going concern based on the audit evidence obtained.
- 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.

Certified Public Accountants

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

14 September 2023

Independent auditor's assurance report

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

We have audited the financial statements of the Scheme for the year ended 31 March 2023 in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 860.1 (Revised), *The Audit of Retirement Schemes* ("PN 860.1 (Revised)") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and have issued an unqualified auditor's report thereon dated 14 September 2023.

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

Trustee's responsibility

The General Regulation requires the Trustee to ensure that:

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

Our independence and quality management

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

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent auditor's assurance report (continued)

Auditor's responsibility

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

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

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

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

Opinion

Based on the foregoing:

1. In our opinion:
 - a. proper accounting and other records have been kept during the year ended 31 March 2023 in respect of the constituent funds of the Scheme, the Scheme assets and all financial transactions entered into in relation to the Scheme;
 - b. the requirements specified in the guidelines made by the MPFA under section 28 of the MPFSO with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part X of, and Schedule 1 to, the General Regulation have been complied with, in all material respects, as at 29 July 2022, 30 December 2022 and 31 March 2023;
 - c. the requirements specified in the MPFSO under section 34DB(1)(a), (b), (c) and (d), 34DC(1) and 34DD(1) and (4)(a) with respect to the investment of accrued benefits and control of payment for services relating to BEA Age 65 Plus Fund and BEA Core Accumulation Fund have been complied with, in all material respects, as at 29 July 2022, 30 December 2022 and 31 March 2023; and

Independent auditor's assurance report (continued)

Opinion (continued)

Based on the foregoing: (continued)

1. In our opinion: (continued)
 - d. the requirements specified in section 34DD(4)(b) of the MPFSO with respect to the controls of out-of-pocket expenses of the BEA Age 65 Plus Fund and BEA Core Accumulation Fund have been complied with, in all material respects, as at 31 March 2023.
2. As at 31 March 2023, the Scheme assets were not subject to any encumbrance, otherwise than as permitted by the General Regulation.

Other matter

The requirements specified in the MPFSO under sections 34DI(1) and (2) and 34DK(2) with respect to the transfer of accrued benefits to an account and specified notice, and 34DJ(2), (3), (4) and (5) with respect to locating scheme members relating to BEA Age 65 Plus Fund and BEA Core Accumulation Fund are not applicable to the Trustee during the year ended 31 March 2023 as the Trustee has completed the relevant transitional provisions and the default investment arrangement of the Scheme prior to 1 April 2017 were not guaranteed funds. Accordingly, there is no reporting on these sections.

Intended users and purpose

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



Certified Public Accountants

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

14 September 2023

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

	Note	2023 HK\$	2022 HK\$
Income			
Net loss on investments in constituent funds	8	(11,433,053)	(11,675,832)
Interest on bank deposits	9(b)	2,798	10
Total investment loss		<u>(11,430,255)</u>	<u>(11,675,822)</u>
Expenses			
Administrative and other expenses		2,798	10
Total operating expenses		<u>2,798</u>	<u>10</u>
Net loss		<u>(11,433,053)</u>	<u>(11,675,832)</u>
Contributions received and receivable	11		
From employers			
- Mandatory		9,555,086	7,285,986
- Additional voluntary		135,141	89,119
From members			
- Mandatory		9,197,506	7,212,725
- Additional voluntary		3,334,048	13,875,857
		<u>22,221,781</u>	<u>28,463,687</u>
Contribution surcharge		<u>66,972</u>	<u>38,550</u>

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

	Note	2023 HK\$	2022 HK\$
Transfers in			
Group transfers in from other schemes		2,414,839	6,538,800
Individual transfers in from other schemes		7,595,993	8,619,270
		<u>10,010,832</u>	<u>15,158,070</u>
Benefits paid and payable	12		
Retirement		3,204,289	1,045,755
Early retirement		1,319,601	1,132,365
Death		35,806	-
Permanent departure		2,733,223	2,262,203
Total incapacity		3,721	-
Refund of contributions to leavers or employers		769,300	8,138
		<u>8,065,940</u>	<u>4,448,461</u>
Transfers out			
Group transfers out to other schemes		1,044,787	1,808,066
Individual transfers out to other schemes		7,539,972	8,681,525
		<u>8,584,759</u>	<u>10,489,591</u>
Long service payments and severance payments and other payments		<u>3,374,943</u>	<u>517,993</u>
Fees and expenses deduction for conservative fund	21	<u>-</u>	<u>52,071</u>
Changes in net assets available for benefits attributable to members		840,890	16,476,359
Net assets available for benefits attributable to members at the beginning of the year		<u>162,144,444</u>	<u>145,668,085</u>
Net assets available for benefits attributable to members at the end of the year		<u>162,985,334</u>	<u>162,144,444</u>

The notes on pages 82 to 122 form part of these financial statements.

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

	Note	2023 HK\$	2022 HK\$
Assets			
Investments	6	162,047,596	160,817,597
Contributions receivable			
- from employers		404,469	326,514
- from members		557,348	610,890
- from other schemes		17,510	-
Interest receivable		533	1
Other receivables		1,257	2,893
Bank balances	7, 9(b)	525,108	714,685
Total assets		<u>163,553,821</u>	<u>162,472,580</u>
Liabilities			
Benefits payable	7	567,954	321,248
Accruals and other payables		533	6,888
Total Liabilities (excluding net assets available for benefits attributable to members)		<u>568,487</u>	<u>328,136</u>
Net assets available for benefits attributable to members		<u>162,985,334</u>	<u>162,144,444</u>

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




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

The notes on pages 82 to 122 form part of these financial statements.

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

	Note	2023 HK\$	2022 HK\$
Cash flows from operating activities			
Net loss		(11,433,053)	(11,675,832)
Adjustments for:			
Net loss on investments in constituent funds		11,433,053	11,675,832
Interest on bank deposits		(2,798)	(10)
Fees and expenses deduction for conservative fund	21	-	(52,071)
		(2,798)	(52,081)
Payments on purchase of investments		(48,845,095)	(64,486,000)
Proceeds from sale of investments		36,182,043	36,983,205
Decrease in other receivables		1,636	2,516
(Decrease)/increase in accruals and other payables		(6,355)	1,393
Interest received on bank deposits		2,266	10
Net cash used in operating activities		(12,668,303)	(27,550,957)
Cash flows from financing activities			
Contributions and transfers in received		32,257,662	43,595,915
Benefits paid, transfers out, long service and severance payments and other payments		(19,778,936)	(15,847,963)
Net cash generated from financing activities		12,478,726	27,747,952
Net (decrease)/increase in cash and cash equivalents		(189,577)	196,995
Cash and cash equivalents at the beginning of the year		714,685	517,690
Cash and cash equivalents at the end of the year		525,108	714,685
Analysis of balance of cash and cash equivalents			
Bank balances		525,108	714,685

The notes on pages 82 to 122 form part of these financial statements.

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

		2023											
	Note	BEA MPF Conservative Fund ⁽¹⁾ 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\$
Income													
Net loss on investments	8	-	(1,557,002)	(1,038,116)	(932,582)	(1,147,511)	(1,239,738)	(1,943,049)	(573,141)	(994,280)	(399,648)	(441,192)	(843,403)
Dividend income		-	-	-	-	-	-	-	-	506,280	-	-	-
Interest income	9(b)	3,121	912	622	665	907	533	969	42	148	374	40	82
Interest income from financial assets at fair value through profit or loss		553,994	-	-	-	-	-	-	-	-	-	-	-
Exchange loss		-	-	-	-	-	-	-	-	-	-	-	-
Total investment income/(loss)		557,115	(1,556,090)	(1,037,494)	(931,917)	(1,146,604)	(1,239,205)	(1,942,080)	(573,099)	(487,852)	(399,274)	(441,152)	(843,321)
Expenses													
Trustee, administration and custodian fees	9(a)	91,403	53,661	40,753	37,422	49,293	21,318	42,837	11,179	31,958	15,367	21,699	39,562
Investment management fees	9(a)	91,519	53,662	40,753	37,423	49,293	21,318	42,836	11,179	31,958	15,368	11,771	21,468
Sponsor fees	9(a)	91,636	53,662	40,753	37,423	49,293	21,318	42,836	11,179	31,958	15,368	21,699	39,562
Safe custody and bank charges		-	-	-	-	-	-	-	-	324	-	-	-
License and registration fees		-	-	-	-	-	-	-	-	3,995	-	-	-
Fund price publication expenses		-	-	-	-	-	-	-	-	-	-	7,423	13,439
Transaction costs		-	-	-	-	-	-	-	4,884	20,328	-	-	-
Total operating expenses		274,558	160,985	122,259	112,268	147,879	63,954	128,509	38,421	120,521	46,103	62,592	114,031
Changes in net assets attributable to members from operations													
		282,557	(1,717,075)	(1,159,753)	(1,044,185)	(1,294,483)	(1,303,159)	(2,070,589)	(611,520)	(608,373)	(445,377)	(503,744)	(957,352)

⁽¹⁾ 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.

The notes on pages 82 to 122 form part of these financial statements.

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


		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\$
Income													
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)	-	-	-	-	-	-	-	-	-	-
Total investment income/(loss)		53,683	(935,497)	(687,731)	(683,102)	1,296,084	(1,025,697)	(2,902,868)	(1,534,328)	(4,048,394)	(268,045)	(157,829)	372,052
Expenses													
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	-	-	-
Total operating expenses		-	167,928	114,495	121,467	145,413	79,297	142,993	51,218	134,449	42,806	57,549	96,545
Changes in net assets attributable to members from operations													
		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

The notes on pages 82 to 122 form part of these financial statements.

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

		2023										
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\$
Assets												
Investments	6, 9(c)	22,569,880	18,469,811	14,365,795	12,529,887	17,678,405	6,701,913	14,721,930	5,742,440	16,875,600	5,698,813	15,140,928
Amounts receivable on sale of investments		-	200,492	57,500	101,383	-	-	-	-	-	2,384	14,684
Amounts receivable on subscriptions		-	-	-	-	-	-	-	-	-	44,979	-
Interest, dividend and other receivables		139,997	579	399	486	618	353	672	25	80	243	51
Bank balances	9(b)	1,175,378	231,740	335,599	330,459	391,067	545,945	515,881	13,040	32,458	153,107	37,511
Total assets		<u>23,885,255</u>	<u>18,902,622</u>	<u>14,759,293</u>	<u>12,962,215</u>	<u>18,070,090</u>	<u>7,248,211</u>	<u>15,238,483</u>	<u>5,755,505</u>	<u>16,908,138</u>	<u>5,852,163</u>	<u>15,193,174</u>
Liabilities												
Amounts payable on purchase of investments		-	258,418	173,671	190,455	-	-	155,731	8,435	10,308	-	-
Amounts payable on redemptions		-	14,056	31,452	-	13,870	-	-	9,741	-	6,472	52,896
Accruals and other payables		16,030	13,843	10,812	9,544	13,275	5,399	11,060	2,831	9,257	4,372	10,749
Total liabilities (excluding net assets attributable to members)		<u>16,030</u>	<u>286,317</u>	<u>215,935</u>	<u>199,999</u>	<u>27,145</u>	<u>5,399</u>	<u>166,791</u>	<u>11,266</u>	<u>29,306</u>	<u>4,372</u>	<u>63,645</u>
Net assets attributable to members	4(b)	<u>23,869,225</u>	<u>18,616,305</u>	<u>14,543,358</u>	<u>12,762,216</u>	<u>18,042,945</u>	<u>7,242,812</u>	<u>15,071,692</u>	<u>5,744,239</u>	<u>16,878,832</u>	<u>5,847,791</u>	<u>15,129,529</u>
Represented by:												
Number of units outstanding	4(a)	2,170,878.242	1,271,027.060	1,081,832.755	1,073,876.459	851,879.135	551,676.439	888,307.429	395,523.071	1,480,742.015	621,466.610	1,129,848.913
Net asset value per unit	4(b)	<u>10.9952</u>	<u>14.6467</u>	<u>13.4433</u>	<u>11.8842</u>	<u>21.1802</u>	<u>13.1287</u>	<u>16.9668</u>	<u>14.5231</u>	<u>11.3989</u>	<u>9.4097</u>	<u>13.3908</u>

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





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

The notes on pages 82 to 122 form part of these financial statements.

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

		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\$
Assets													
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
Total assets		23,535,677	19,557,415	14,211,735	13,359,334	17,639,411	8,721,012	15,189,917	6,977,724	16,734,690	5,369,644	7,224,456	13,719,269
Liabilities													
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
Total liabilities (excluding net assets attributable to members)		160,709	214,180	174,231	140,464	74,595	91,836	11,179	12,856	98,179	393,488	11,794	39,176
Net assets attributable to members	4(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
Represented by:													
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 2023.

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

The notes on pages 82 to 122 form part of these financial statements.

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

	2023											
	<i>BEA 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>
Net assets attributable to members at the beginning of the year	<u>23,374,968</u>	<u>19,343,235</u>	<u>14,037,504</u>	<u>13,218,870</u>	<u>17,564,816</u>	<u>8,629,176</u>	<u>15,178,738</u>	<u>6,964,868</u>	<u>16,636,511</u>	<u>4,976,156</u>	<u>7,212,662</u>	<u>13,680,093</u>
Proceeds on subscription of units	10,556,642	3,634,329	3,107,927	3,406,379	4,808,169	1,372,315	3,889,268	1,083,744	6,684,868	2,040,138	2,666,218	5,595,098
Payments on redemption of units	<u>(10,344,942)</u>	<u>(2,644,184)</u>	<u>(1,442,320)</u>	<u>(2,818,848)</u>	<u>(3,035,557)</u>	<u>(1,455,520)</u>	<u>(1,925,725)</u>	<u>(1,692,853)</u>	<u>(5,834,174)</u>	<u>(723,126)</u>	<u>(1,076,484)</u>	<u>(3,188,310)</u>
Net subscription/(redemption)	<u>211,700</u>	<u>990,145</u>	<u>1,665,607</u>	<u>587,531</u>	<u>1,772,612</u>	<u>(83,205)</u>	<u>1,963,543</u>	<u>(609,109)</u>	<u>850,694</u>	<u>1,317,012</u>	<u>1,589,734</u>	<u>2,406,788</u>
Changes in net assets attributable to members from operations	<u>282,557</u>	<u>(1,717,075)</u>	<u>(1,159,753)</u>	<u>(1,044,185)</u>	<u>(1,294,483)</u>	<u>(1,303,159)</u>	<u>(2,070,589)</u>	<u>(611,520)</u>	<u>(608,373)</u>	<u>(445,377)</u>	<u>(503,744)</u>	<u>(957,352)</u>
Net assets attributable to members at the end of the year	<u>23,869,225</u>	<u>18,616,305</u>	<u>14,543,358</u>	<u>12,762,216</u>	<u>18,042,945</u>	<u>7,242,812</u>	<u>15,071,692</u>	<u>5,744,239</u>	<u>16,878,832</u>	<u>5,847,791</u>	<u>8,298,652</u>	<u>15,129,529</u>

The notes on pages 82 to 122 form part of these financial statements.

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

	2022											
	<i>BEA 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>
Net assets attributable to members at the beginning of the year	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)
Net subscription	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
Changes in net assets attributable to members from operations	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
Net assets attributable to members at the end of the year	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 82 to 122 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 2023:

- 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*

For BEA Greater China Tracker Fund, the constituent fund was terminated on 15 June 2023, and the members’ benefit was transferred to BEA Greater China Equity Fund. The financial statements of this constituent fund have been prepared on a non-going concern basis as the constituent fund is no longer considered to be a going concern. The Trustee considers that additional provisions required under the non-going concern basis are not necessary as expenses after the termination, if any, will be borne by the Trustee. No adjustments had been made to 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, other receivables, 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 benefit payables, 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 are not in the class of instruments that are subordinate to all other classes of instruments which have identical features. Therefore, they do not meet the criteria for equity classification and are classified as financial liabilities. They are measured at the redemption amounts.

(f) Translation of foreign currencies

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

(g) Subscription and redemption of units

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

2 Summary of significant accounting policies (continued)

(h) Cash and cash equivalents

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

(i) Financial assets and liabilities not at fair value

Financial assets that are classified as financial assets measured at amortised cost include contributions 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

The HKICPA has issued a number of amendments and new standards are effective for the current accounting period. None of these developments have had a material effect on the Scheme and its constituent funds' financial statements.

The Scheme and its constituent funds have not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 25).

4 Capital management and units in issue

(a) Movement of units in issue

	<i>BEA 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>	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units
Balance at the beginning of the year	2,151,367.541	2,096,575.291	1,201,824.935	951,361.718	955,998.257	670,979.975	1,022,893.057	860,253.598	762,431.300	619,873.980
Units issued	970,066.096	1,161,149.127	252,937.824	339,649.217	233,109.081	341,034.528	291,010.485	319,568.170	239,292.894	285,156.105
Units redeemed	(950,555.395)	(1,106,356.877)	(183,735.699)	(89,186.000)	(107,274.583)	(56,016.246)	(240,027.083)	(156,928.711)	(149,845.059)	(142,598.785)
Balance at the end of the year	<u>2,170,878.242</u>	<u>2,151,367.541</u>	<u>1,271,027.060</u>	<u>1,201,824.935</u>	<u>1,081,832.755</u>	<u>955,998.257</u>	<u>1,073,876.459</u>	<u>1,022,893.057</u>	<u>851,879.135</u>	<u>762,431.300</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>	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units
Balance at the beginning of the year	551,956.013	508,708.430	779,955.624	663,098.816	434,294.469	430,997.386	1,382,143.040	1,296,295.989	481,225.441	392,981.510
Units issued	105,188.179	116,100.897	226,375.767	206,952.783	78,704.590	57,326.534	625,054.162	471,151.172	215,960.472	440,318.887
Units redeemed	(105,467.753)	(72,853.314)	(118,023.962)	(90,095.975)	(117,475.988)	(54,029.451)	(526,455.187)	(385,304.121)	(75,719.303)	(352,074.956)
Balance at the end of the year	<u>551,676.439</u>	<u>551,956.013</u>	<u>888,307.429</u>	<u>779,955.624</u>	<u>395,523.071</u>	<u>434,294.469</u>	<u>1,480,742.015</u>	<u>1,382,143.040</u>	<u>621,466.610</u>	<u>481,225.441</u>
	<i>BEA Age 65 Plus Fund</i>		<i>BEA Core Accumulation Fund</i>							
	2023	2022	2023	2022						
	Units	Units	Units	Units						
Balance at the beginning of the year	611,178.446	365,382.094	946,207.986	652,889.520						
Units issued	243,525.328	314,679.871	426,391.126	482,023.512						
Units redeemed	(97,800.001)	(68,883.519)	(242,750.199)	(188,705.046)						
Balance at the end of the year	<u>756,903.773</u>	<u>611,178.446</u>	<u>1,129,848.913</u>	<u>946,207.986</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>	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	<u>23,869,225</u>	<u>23,374,968</u>	<u>18,616,305</u>	<u>19,343,235</u>	<u>14,543,358</u>	<u>14,037,504</u>	<u>12,762,216</u>	<u>13,218,870</u>	<u>18,042,945</u>	<u>17,564,816</u>
Net assets attributable to members per unit	<u>10.9952</u>	<u>10.8652</u>	<u>14.6467</u>	<u>16.0949</u>	<u>13.4433</u>	<u>14.6836</u>	<u>11.8842</u>	<u>12.9230</u>	<u>21.1802</u>	<u>23.0379</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>	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	<u>7,242,812</u>	<u>8,629,176</u>	<u>15,071,692</u>	<u>15,178,738</u>	<u>5,744,239</u>	<u>6,964,868</u>	<u>16,878,832</u>	<u>16,636,511</u>	<u>5,847,791</u>	<u>4,976,156</u>
Net assets attributable to members per unit	<u>13.1287</u>	<u>15.6338</u>	<u>16.9668</u>	<u>19.4610</u>	<u>14.5231</u>	<u>16.0372</u>	<u>11.3989</u>	<u>12.0368</u>	<u>9.4097</u>	<u>10.3406</u>
	<i>BEA Age 65 Plus Fund</i>		<i>BEA Core Accumulation Fund</i>							
	2023	2022	2023	2022						
	HK\$	HK\$	HK\$	HK\$						
Net assets attributable to members	<u>8,298,652</u>	<u>7,212,662</u>	<u>15,129,529</u>	<u>13,680,093</u>						
Net assets attributable to members per unit	<u>10.9639</u>	<u>11.8012</u>	<u>13.3908</u>	<u>14.4578</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 2022.

	<i>BEA Growth Fund</i>		<i>BEA Balanced Fund</i>		<i>BEA Stable Fund</i>		<i>BEA Global Equity Fund</i>	
	2023	2022	2023	2022	2023	2022	2023	2022
Upward price movement of the underlying investment funds	9%	12%	9%	10%	8%	8%	7%	9%
Estimated increase in net assets attributable to members and changes in net assets attributable to members from operations	HK\$ 1,662,283	HK\$ 2,148,145	HK\$ 1,292,922	HK\$ 1,268,997	HK\$ 1,002,391	HK\$ 965,634	HK\$ 1,237,488	HK\$ 1,546,321
	<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>	
	2023	2022	2023	2022	2023	2022	2023	2022
Upward price movement of the underlying investment funds	17%	12%	12%	17%	8%	6%	6%	1%
Estimated increase in net assets attributable to members and changes in net assets attributable to members from operations	HK\$ 1,139,325	HK\$ 868,586	HK\$ 1,766,632	HK\$ 2,509,328	HK\$ 455,905	HK\$ 290,453	HK\$ 495,572	HK\$ 72,053
	<i>BEA Core Accumulation Fund</i>							
	2023	2022						
Upward price movement of the underlying investment funds	7%	4%						
Estimated increase in net assets attributable to members and changes in net assets attributable to members from operations	HK\$ 1,059,865	HK\$ 533,550						

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 2022.

	<i>% of possible reasonable shift</i>	<i>Estimated increase 2023 HK\$</i>	<i>Estimated increase 2022 HK\$</i>
BEA Greater China Tracker Fund (note (a))	5%	283,869	297,878
BEA Hong Kong Tracker Fund (note (b))	5%	807,880	810,594

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

	2023	2022
Rating (S&P/Moody's)		
AA-/Aa3	19.44%	16.48%
A+/A1	35.45%	30.69%
A/A2	16.90%	8.45%
A-/A3	9.73%	18.02%
BBB+/Baa1	18.48%	17.41%
BBB/Baa2	0.00%	8.95%
Total	<u>100.00%</u>	<u>100.00%</u>

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 2023 and 2022.

5 Financial risk management (continued)

(b) Credit risk (continued)

Amounts arising from ECLs

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

The Scheme and its constituent funds monitor changes in credit risk on these exposures by tracking published external credit ratings of the counterparties and perform on-going review of the counterparties. The Investment Manager considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. There is no impairment allowance recognized on contributions receivable, interest receivable, other receivables, 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 2023 and 2022, all the financial liabilities of the Scheme and its constituent funds are repayable on demand or due within three months.

6 Investments

(a) The Scheme

Investments in constituent funds

	2023 HK\$	2022 HK\$
BEA MPF Conservative Fund	23,869,225	23,374,968
BEA Growth Fund	18,616,305	19,343,235
BEA Balanced Fund	14,543,358	14,037,504
BEA Stable Fund	12,762,216	13,218,870
BEA Global Equity Fund	18,042,945	17,564,816
BEA Asian Equity Fund	7,242,812	8,629,176
BEA Greater China Equity Fund	15,071,692	15,178,738
BEA Greater China Tracker Fund	5,744,239	6,964,868
BEA Hong Kong Tracker Fund	16,878,832	16,636,511
BEA Global Bond Fund	5,847,791	4,976,156
BEA Age 65 Plus Fund	8,298,652	7,212,662
BEA Core Accumulation Fund	15,129,529	13,680,093
	<hr/>	<hr/>
Investments at fair value	162,047,596	160,817,597
	<hr/>	<hr/>
Investments at cost	163,396,350	151,901,067
	<hr/>	<hr/>

6 Investments (continued)

(b) Constituent funds

BEA MPF Conservative Fund

	2023 HK\$	2022 HK\$
Short-term deposits	22,569,880	22,241,436

BEA Growth Fund

	2023 HK\$	2022 HK\$
Approved Pooled Investment Funds	18,469,811	17,901,211

BEA Balanced Fund

	2023 HK\$	2022 HK\$
Approved Pooled Investment Funds	14,365,795	12,689,974

BEA Stable Fund

	2023 HK\$	2022 HK\$
Approved Pooled Investment Funds	12,529,887	12,070,428

6 Investments (continued)

(b) Constituent funds (continued)

BEA Global Equity Fund

	2023 HK\$	2022 HK\$
Approved Pooled Investment Fund	17,678,405	17,181,341

BEA Asian Equity Fund

	2023 HK\$	2022 HK\$
Approved Pooled Investment Funds	6,701,913	7,238,217

BEA Greater China Equity Fund

	2023 HK\$	2022 HK\$
Approved Pooled Investment Fund	14,721,930	14,760,752

BEA Greater China Tracker Fund

	2023 HK\$	2022 HK\$
Approved Index-Tracking Collective Investment Scheme	5,742,440	6,963,944

6 Investments (continued)

(b) Constituent funds (continued)

BEA Hong Kong Tracker Fund

	2023 HK\$	2022 HK\$
Approved Index-Tracking Collective Investment Scheme	16,875,600	16,632,020

BEA Global Bond Fund

	2023 HK\$	2022 HK\$
Approved Pooled Investment Fund	5,698,813	4,840,877

BEA Age 65 Plus Fund

	2023 HK\$	2022 HK\$
Approved Pooled Investment Fund	8,259,531	7,205,323

BEA Core Accumulation Fund

	2023 HK\$	2022 HK\$
Approved Pooled Investment Fund	15,140,928	13,338,748
Total investments at fair value	158,754,933	153,064,271
Total investments at cost	158,529,259	144,142,823

7 Bank balances

As at 31 March 2023, the Scheme placed bank deposits amounted to HK\$525,108 (2022: HK\$714,685).

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>	
	2023	2022
	HK\$	HK\$
As at beginning of the year	321,248	713,166
Benefits	8,065,940	4,448,461
Transfers out	8,584,759	10,489,591
Long service and severance payments and other payments	3,374,943	517,993
Benefits paid, transfers out, long service and severance payments and other payments	(19,778,936)	(15,847,963)
As at the end of the year	<u>567,954</u>	<u>321,248</u>

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

(a) The Scheme

	2023	2022
	HK\$	HK\$
Change in unrealised loss in value of constituent funds	(10,265,284)	(14,773,498)
Realised (loss)/gain on sale of constituent funds	<u>(1,167,769)</u>	<u>3,097,666</u>
Net loss on investments in constituent funds	<u>(11,433,053)</u>	<u>(11,675,832)</u>

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

(b) Constituent funds

	<i>BEA MPF</i>		<i>BEA Growth Fund</i>		<i>BEA Balanced Fund</i>	
	<i>Conservative Fund</i>					
	2023	2022	2023	2022	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Change in unrealised loss in value of investments	-	-	(1,085,222)	(1,928,555)	(645,431)	(1,249,605)
Realised (loss)/gain on sale of investments	-	-	(471,780)	993,073	(392,685)	561,869
Net loss on investments	-	-	(1,557,002)	(935,482)	(1,038,116)	(687,736)
	<i>BEA Stable Fund</i>		<i>BEA Global Equity Fund</i>		<i>BEA Asian Equity Fund</i>	
	2023	2022	2023	2022	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Change in unrealised (loss)/gain in value of investments	(564,401)	(1,061,442)	(1,344,617)	803,853	(1,143,043)	(1,149,049)
Realised (loss)/gain on sale of investments	(368,181)	378,335	197,106	492,228	(96,695)	123,348
Net (loss)/gain on investments	(932,582)	(683,107)	(1,147,511)	1,296,081	(1,239,738)	(1,025,701)
	<i>BEA Greater China Equity Fund</i>		<i>BEA Greater China Tracker Fund</i>		<i>BEA Hong Kong Tracker Fund</i>	
	2023	2022	2023	2022	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Change in unrealised (loss)/gain in value of investments	(1,867,135)	(3,122,319)	(593,909)	(1,751,407)	188,698	(4,414,621)
Realised (loss)/gain on sale of investments	(75,914)	219,446	20,768	217,079	(1,182,978)	(112,954)
Net loss on investments	(1,943,049)	(2,902,873)	(573,141)	(1,534,328)	(994,280)	(4,527,575)

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>	
	2023	2022	2023	2022	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Change in unrealised loss in value of investments	(346,305)	(281,347)	(393,316)	(180,202)	(901,092)	(17,192)
Realised (loss)/gain on sale of investments	(53,343)	13,300	(47,876)	22,373	57,689	389,244
Net (loss)/gain on investments	<u>(399,648)</u>	<u>(268,047)</u>	<u>(441,192)</u>	<u>(157,829)</u>	<u>(843,403)</u>	<u>372,052</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 ⁽³⁾ (p.a. of NAV)</i>	<i>Trustee/ Administrator/ Custodian ⁽³⁾ (p.a. of NAV)</i>	<i>Investment Manager ⁽³⁾ (p.a. of NAV)</i>	<i>Total (p.a. of NAV)</i>
BEA MPF Conservative Fund ⁽¹⁾	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 ⁽²⁾	0.295%	0.295%	0.16%	0.75%
BEA Core Accumulation Fund ⁽²⁾	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:

	2023 HK\$	2022 HK\$
BEA Conservative Fund	16,030	-
BEA Growth Fund	13,843	14,439
BEA Balanced Fund	10,812	10,266
BEA Stable Fund	9,544	10,114
BEA Global Equity Fund	13,275	12,773
BEA Asian Equity Fund	5,399	6,386
BEA Greater China Equity Fund	11,060	11,179
BEA Greater China Tracker Fund	2,831	3,524
BEA Hong Kong Tracker Fund	8,226	8,073
BEA Global Bond Fund	4,372	3,672
BEA Age 65 Plus Fund	5,150	4,725
BEA Core Accumulation Fund	9,274	7,863

9 Transactions with related parties (continued)

(b) Bank balances

As at 31 March 2023, the Scheme and its constituent funds placed bank deposits amounted to HK\$525,108 and HK\$3,555,907 (2022: HK\$714,685 and HK\$6,095,531) 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\$2,798 (2022: HK\$10) and HK\$8,415 (2022: HK\$49) respectively. Bank charges incurred are not disclosed as the Trustee considers the amounts immaterial.

(c) Investments

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

	<i>BEA Growth Fund</i>	
	2023	2022
	HK\$	HK\$
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,019,756	820,451
BEA Union Investment Asia Strategic Growth Fund - Class A	2,157,010	2,815,034
BEA Union Investment Global Bond Fund - Class A	3,582,625	2,929,510
BEA Union Investment Global Equity Fund - Class A	7,794,327	7,270,017
BEA Union Investment Greater China Growth Fund - Class A	601,773	115,780
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	87,096	88,615
BEA Union Investment Hong Kong Growth Fund - Class A	3,032,658	3,581,040
BEA Union Investment Money Market Fund - Class A	194,566	280,764
	<hr/>	<hr/>

9 Transactions with related parties (continued)

(c) Investments (continued)

	<i>BEA Balanced Fund</i>		<i>BEA Stable Fund</i>	
	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,158,118	814,554	1,042,534	919,443
BEA Union Investment Asia Strategic Growth Fund- Class A	1,296,997	1,577,820	847,713	1,148,139
BEA Union Investment Global Bond Fund - Class A	5,307,815	4,550,592	6,562,062	6,320,183
BEA Union Investment Global Equity Fund - Class A	4,296,385	3,577,948	2,309,978	1,966,382
BEA Union Investment Greater China Growth Fund - Class A	445,336	50,923	343,976	43,223
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	92,857	94,477	61,466	62,538
BEA Union Investment Hong Kong Growth Fund - Class A	1,617,890	1,806,508	737,274	938,439
BEA Union Investment Money Market Fund - Class A	150,397	217,152	624,884	672,081
	<i>BEA Global Equity Fund</i>		<i>BEA Asian Equity Fund</i>	
	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$
BEA Union Investment Asia Strategic Growth Fund - Class A	-	-	6,260,903	6,633,237
BEA Union Investment Global Equity Fund - Class A	17,678,405	17,181,341	-	-
BEA Union Investment Greater China Growth Fund - Class A	-	-	358,836	393,442
BEA Union Investment Hong Kong Growth Fund - Class A	-	-	82,174	211,538
	<i>BEA Greater China Equity Fund</i>		<i>BEA Global Bond Fund</i>	
	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$
BEA Union Investment Global Bond Fund - Class A	-	-	5,698,813	4,840,877
BEA Union Investment Greater China Growth Fund - Class A	14,721,930	14,760,752	-	-
	<i>BEA Age 65 Plus Fund</i>		<i>BEA Core Accumulation Fund</i>	
	2023 HK\$	2022 HK\$	2023 HK\$	2022 HK\$
BEA Union Investment Age 65 Plus Fund - Class I	8,259,531	7,205,323	-	-
BEA Union Investment Core Accumulation Fund - Class I	-	-	15,140,928	13,338,748

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 2023 and 2022.

10 Transactions with associates

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

11 Contributions received and receivable

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

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

Any contributions made to the Scheme by the employers or members in excess of their mandatory contributions are voluntary contributions (including tax deductible voluntary contributions effective from 1 April 2019). The maximum tax deductible limit per year of assessment for tax deductible voluntary contributions in the year of assessment 2022/2023 is HK\$60,000.

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

12 Benefits paid and payable

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

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

13 Bank loans, overdrafts and other borrowings

The Scheme and its constituent funds had no bank loans, overdrafts and other borrowings as at 31 March 2023 and 2022.

14 Taxation

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

15 Soft commission arrangements

During the year ended 31 March 2023, the Investment Manager and its delegates did not enter into any soft commission arrangements with brokers relating to dealings in the assets of the Scheme and its constituent funds (2022: HK\$Nil).

16 Security lending arrangements

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

17 Negotiability of assets

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

18 Commitments

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

19 Contingent liabilities and capital commitment

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

20 Marketing expenses

During the year ended 31 March 2023, there have been no advertising expenses, promotional expenses or commissions or brokerage fees paid and payable to the MPF intermediaries deducted from the Scheme and its constituent funds (2022: HK\$Nil).

21 Fees and expenses deduction for conservative fund

In accordance with section 37 of the General Regulation, administrative expenses for the BEA MPF Conservative Fund which have not been deducted in the respective months may be deducted in the following twelve months. The deferred administrative expenses amounted to HK\$13,088 was recognised during the year (2022: HK\$123,012). As at 31 March 2023, there was no deferred administrative expenses (2022: HK\$123,012), amounts of HK\$36,588 (2022: HK\$30,580) and HK\$99,512 (2022: HK\$Nil) were forfeited and utilised, respectively.

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

22 Segment information

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

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

23 Involvement with unconsolidated structured entities

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

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

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

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

23 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 2023

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in thousands)</i>	<i>Carrying amount included in "Investments" HK\$ (in thousands)</i>
BEA Growth Fund			
- Approved Pooled Investment Funds	8	15,586,211	18,470
BEA Balanced Fund			
- Approved Pooled Investment Funds	8	15,586,211	14,366
BEA Stable Fund			
- Approved Pooled Investment Funds	8	15,586,211	12,530
BEA Global Equity Fund			
- Approved Pooled Investment Fund	1	1,313,843	17,678
BEA Asian Equity Fund			
- Approved Pooled Investment Funds	3	6,206,931	6,702
BEA Greater China Equity Fund			
- Approved Pooled Investment Fund	1	2,024,743	14,722
BEA Greater China Tracker Fund			
- Approved Index-Tracking Collective Investment Scheme	1	1,607,230	5,742
BEA Hong Kong Tracker Fund			
- Approved Index-Tracking Collective Investment Scheme	1	131,244,034	16,876
BEA Global Bond Fund			
- Approved Pooled Investment Fund	1	6,513,240	5,699
BEA Age 65 Plus Fund			
- Approved Pooled Investment Fund	1	849,200	8,260
BEA Core Accumulation Fund			
- Approved Pooled Investment Fund	1	2,284,960	15,141

23 Involvement with unconsolidated structured entities (continued)

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>
BEA Growth Fund			
- Approved Pooled Investment Funds	8	19,029,135	17,901
BEA Balanced Fund			
- Approved Pooled Investment Funds	8	19,029,135	12,690
BEA Stable Fund			
- Approved Pooled Investment Funds	8	19,029,135	12,070
BEA Global Equity Fund			
- Approved Pooled Investment Fund	1	2,506,998	17,181
BEA Asian Equity Fund			
- Approved Pooled Investment Funds	3	7,239,022	7,238
BEA Greater China Equity Fund			
- Approved Pooled Investment Fund	1	2,284,811	14,761
BEA Greater China Tracker Fund			
- Approved Index-Tracking Collective Investment Scheme	1	1,316,900	6,964
BEA Hong Kong Tracker Fund			
- Approved Index-Tracking Collective Investment Scheme	1	111,826,300	16,632
BEA Global Bond Fund			
- Approved Pooled Investment Fund	1	6,374,300	4,841
BEA Age 65 Plus Fund			
- Approved Pooled Investment Fund	1	801,110	7,205
BEA Core Accumulation Fund			
- Approved Pooled Investment Fund	1	2,088,330	13,339

During the year, the constituent funds did not provide financial support to the unconsolidated structured entities and have no intention of providing financial or other support.

The constituent funds can redeem units in their investment funds on a daily basis.

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

BEA 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 2023

	<i>BEA Age 65 Plus Fund HK\$</i>	<i>BEA Core Accumulation Fund HK\$</i>
(a) Payments for services		
Trustee, administration and custodian fees	21,699	39,562
Investment management fees	11,771	21,468
Sponsor fees	21,699	39,562
	<hr/>	<hr/>
Total payments for services	55,169	100,592
	<hr/>	<hr/>
(b) Out-of-pocket expenses		
Fund price publication expenses	7,423	13,439
	<hr/>	<hr/>
Total out-of-pocket expenses	7,423	13,439
	<hr/>	<hr/>
(c) Payments other than (a) and (b) above	-	-
	<hr/>	<hr/>
Total payments	62,592	114,031
	<hr/>	<hr/>
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	0.100%	0.100%
	<hr/>	<hr/>

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 2023.

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

During the year ended 31 March 2022

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

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

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

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 March 2023 and which have not been adopted in these financial statements. These include the following which may be relevant to the Scheme and its constituent funds.

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

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

26 Subsequent event

BEA Greater China Tracker Fund was terminated on 15 June 2023, and the members' benefit was transferred to BEA Greater China Equity Fund. The termination of the constituent fund has no financial effect to the financial statements for the year ended 31 March 2023.