



## BEA (MPF) Value Scheme

31 March 2024

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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 2024.

### **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\$24.0 million (2023: HK\$32.3 million) and HK\$16.3 million (2023: HK\$20.0 million) respectively. The net asset value as at 31 March 2024 was HK\$178.3 million (2023: HK\$163.0 million).

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

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

- Relevant amendments in relation to the termination of BEA Greater China Tracker Fund were made to the governing rules. For the details, please refer to the First Addendum to the MPF Scheme Brochure dated May 2023.

## 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 2024 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 Win	(Resigned on 2 January 2024)
Ng Kai Man	(Appointed on 1 August 2023)
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	(Resigned on 1 November 2023 and re-appointed on 1 April 2024 for a term of 2 years)
André HAAGMANN	
Janet Li Tze Yan	(Appointed on 1 November 2023)

#### *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 2024

## Investment analysis

### United States

- The US banking crisis in the first quarter of 2023 raised concerns about the US credit and the financial conditions. However, with the announcement of the Bank Term Funding Program (BTFP), the Federal Reserve provided liquidity to stabilize market confidence. The Fed raised interest rates four times in 2023, pushing the rate to a range of 5.25-5.5%, a 22-year high. It aimed to tighten monetary policy and keep inflation under control at a 2% level. Currently, inflation has dropped from its peak of over 9% to below 3.5%, marking the lowest level in two years. The US latest Core consumer price index (CPI) year-on-year growth rate remains steady at 3.8%. Although the core Personal Consumption Expenditure price index (PCE) continues its downward trend towards the Fed's target, the Fed is in no rush to initiate rate cuts amid sticky inflation data. The stronger-than-expected Purchasing Managers' Index (PMI) and nonfarm payrolls in March further support our view on the strength of the US economy, with US Gross Domestic Product (GDP) expected to reach 2.7% in 2024.
- The US economy experienced continuous improvements in economic growth, inflation, monetary policy, and financial market stability. With a robust economy, better-than-expected corporate profits, and the Fed's decision to halt interest rate hikes, the S&P 500 index rose by 24% in 2023. The index surged more than 10% again in the first quarter of 2024, with the energy and communication services sectors performing outstandingly. Both technology stocks and most growth stocks saw gains, benefiting from expectations of interest rate cuts and the rise of artificial intelligence technology.

### Europe

- Over the past year and a half, the European Central Bank (ECB) has raised interest rates to a historic high of 4.5%. In 2023, the Eurozone economy continued to be troubled by geopolitical instability, high inflation, and rapid tightening of monetary policy. The Euro Area's full-year GDP growth fell sharply from 3.4% in 2022 to 0.40 % in 2023. Germany, the largest economy in the Eurozone, contracted 0.3% in 2023. Germany faced the challenge of weak global demand for commodities, while heavy industries were affected by rising energy prices, leading to ongoing economic sluggishness. Additionally, prices of core goods and services have dropped for nine consecutive months. Eurozone inflation dropped from a peak of 10.6% in 2022 to 2.4% in November 2023, the lowest level since August 2021. In March 2024, the European Central Bank (ECB) left the key interest rate unchanged at 4% and significantly revised its inflation expectations downwards. It is expected that the inflation rate will reach the target of 2% by 2025, providing room for interest rate cuts. The ECB president emphasized that wage trends will play an increasingly important role in shaping inflation dynamics in the coming quarters.

## Investment report for the year ended 31 March 2024 (continued)

### Investment analysis (continued)

#### Japan

- The MSCI Japan Index rose 11.01% in the first quarter of 2024. Japan's economy exhibited strong growth after reopening, and its stock market demonstrated resilience among developed markets. Strong domestic demand, steady corporate earnings, and the Tokyo Stock Exchange's call for corporate governance reforms continued to support the Japanese market.
- After 25 years of deflation, Japan has maintained an inflation rate of 2% or higher since April 2022. In July 2023, Bank of Japan decided to adopt a more flexible approach to its yield curve control with the upper limit on the tolerable band raised to 1% in response to the current economic situation. In March 2024, the Bank of Japan decided to end its eight-year-long negative interest rate policy and abandon yield curve control (YCC), while pledging to maintain accommodative financial conditions. Wage negotiations have resulted in significant wage increases of over 5%. We believe that these robust wage hikes can support a virtuous cycle between wages and prices in Japan, shifting the country towards a growth-oriented economy. The Bank of Japan has also become more affirmative on inflation and may consider raising its inflation forecast in the future.

#### Asia

- The MSCI Asia Pacific ex-Japan index recorded a 7.36% increase in 2023 and continued its momentum with another 2.08% rise in the first quarter of 2024.
- India's Nifty 50 index saw a significant 19% increase in 2023. The Indian economy expanded by 8.4% year-on-year in Q4 2023, marking the strongest growth since Q2 2022. India's structural growth trend continues, driven by prospects of government reforms, middle-class population expansion, domestic investor growth, and increased personal investments. Prime Minister Modi's advantageous position in the upcoming presidential elections has sparked investor optimism and raised expectations for the continuation of current policies to further stimulate the economy.
- Indonesia's economic outlook remained stable, with a 5.11% year-on-year growth in the 1st quarter. Despite the impact of slowing fixed investment and exports, the Indonesian economy continues to demonstrate solid growth, supported by increased domestic consumption and hopes of a smooth transition with the new government.
- In 2023, Taiwan experienced a slowdown in exports due to weak global demand and destocking in the industrial chain. Additionally, cautious corporate investment led to a full-year economic growth rate of only 1.4%, the lowest in 14 years. As we entered 2024, Taiwan benefited from the ramp-up of AI inference in the data center and the preparation for integrating AI into edge computing. The demand for AI-related technologies surged, making Taiwan the best-performing market in the Asia-Pacific region (excluding Japan) in the first quarter. However, the industry performance has been highly polarized, with only IT and financial sector delivering positive returns.



# Investment report for the year ended 31 March 2024 (continued)

## Investment analysis (continued)

### Mainland China & Hong Kong

- China started 2023 with strong economic growth after the COVID-19 pandemic, with the purchasing managers' index far exceeding market expectations. Nevertheless, the pace of China's recovery slowed down due to subdued housing demand, weakened export momentum, and a significant slowdown in service sector activities. Last August, authorities lowered down payments and policy loan rates while pledging to enhance monetary support and capital market liquidity, providing temporary momentum to the market. However, due to the lack of effective policy support, the MSCI China index ended the year down over 11%. In March of this year, Fitch revised China's outlook from stable to negative, citing concerns that the government is likely to pile on debt as it seeks to pull the economy out of a real estate-driven slowdown. However, there are some signs of stabilization emerging from the latest PMIs and New Orders print.
- Hong Kong's real GDP grew by 3.2% in 2023 and 2.7% in the first quarter of 2024, recovering from a contraction of 3.7% in 2022. Export performance continued to be impacted by geopolitical tensions, financial instability, and a volatile external environment. Both investment and consumption sentiment remained under pressure, indicating ongoing weakness in the Hong Kong economy.

### Global Bonds

- The US inflation rate has declined from its peak of 9% two years ago to the current level of 3%. While the job market continues to show resilience, wage growth has gradually slowed down and adjusted. The Fed hinted at a shift towards rate cuts during the December 2023 meeting. The expectation of declining US bond yields boosted the performance of Global bonds in December 2023, stimulating demand for long-duration bonds. However, given that the overall US core consumer price index (CPI) has maintained a year-on-year growth rate of around 3.8% in recent months, the Fed is cautious about lowering interest rates despite the continued decline in the core personal consumption expenditure price index (PCE) towards the Fed's target.
- Federal Open Market Committee kept the 2024 dot plot at three rate cuts for 2024 while revised GDP higher, unemployment lower and core PCE higher in March meeting. The Fed also moved up 2025 and 2026 dot plot by 25 basis points. The Fed did not provide a policy statement on the slowdown and end of quantitative tightening which is expected to taper in June by the market. Strong activity data combined with higher term premium due to supply can push Treasury yields higher than the trading range in the first quarter of 2024.

# Investment report for the year ended 31 March 2024 (continued)

## Trustee's Commentary

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary</b>				
	Annualized return (in terms of %) <sup>5</sup>			
	1 year	5 years	10 years	Since Launch
BEA MPF Conservative Fund <i>Launch date: 25/10/2012</i>	3.59 <sup>1</sup>	1.30 <sup>1</sup>	0.98 <sup>1</sup>	0.90 <sup>1</sup>
Benchmark/Performance Target (MPFA Prescribed Savings Rate)	0.83	0.23	0.12	0.11 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	+2.76	+1.07	+0.86	+0.79 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year, 5-year and 10-year annualized returns were above the benchmark/performance target due to higher deposit rate secured by the Fund.</li> </ul>			
BEA Growth Fund <i>Launch date: 25/10/2012</i>	8.02	3.09	3.70	4.09
Benchmark/Performance Target (Lipper MPF Lifestyle (>60-80% Equity) Fund Category Median)	3.10	1.86	2.74	3.75 <sup>2</sup>
Deviation from the Benchmark/Performance Target <sup>4</sup>	+4.92	+1.23	+0.96	+0.34 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark/performance target due to overweighting in equities.</li> <li>The 5-year annualized return was above the benchmark/performance target due to overweighting in equities.</li> <li>The 10-year annualized return was above the benchmark/performance target due to overweighting in equities.</li> </ul>			

## Investment report for the year ended 31 March 2024 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %) <sup>5</sup>			
	1 year	5 years	10 years	Since Launch
BEA Balanced Fund <i>Launch date: 25/10/2012</i>	5.90	1.97	2.93	3.14
Benchmark/Performance Target (Lipper MPF Lifestyle (>40-60% Equity) Fund Category Median)	2.08	0.71	1.71	3.18 <sup>2</sup>
Deviation from the Benchmark/ Performance Target <sup>4</sup>	+3.82	+1.26	+1.22	-0.04 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark/performance target due to overweighting in equities.</li> <li>The 5-year annualized return was above the benchmark/performance target due to overweighting in equities.</li> <li>The 10-year annualized return was above the benchmark/performance target due to overweighting in equities.</li> </ul>			
BEA Stable Fund <i>Launch date: 25/10/2012</i>	3.93	0.68	1.73	1.86
Benchmark/Performance Target (Lipper MPF Lifestyle (>20-40% Equity) Fund Category Median)	1.22	-0.14	0.85	2.63 <sup>2</sup>
Deviation from the Benchmark/ Performance Target <sup>4</sup>	+2.71	+0.82	+0.88	-0.77 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark/performance target due to overweighting in equities.</li> <li>The 5-year annualized return was above the benchmark/performance target due to overweighting in equities.</li> <li>The 10-year annualized return was above the benchmark/performance target due to overweighting in equities.</li> </ul>			

## Investment report for the year ended 31 March 2024 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %) <sup>5</sup>			
	1 year	5 years	10 years	Since Launch
BEA Global Equity Fund <i>Launch date: 25/10/2012</i>	24.65	10.54	8.09	8.86
Benchmark/Performance Target (Lipper MPF Global Equity Fund Category Median)	20.75	8.56	6.29	6.57 <sup>2</sup>
Deviation from the Benchmark/ Performance Target <sup>4</sup>	+3.90	+1.98	+1.80	+2.29 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark/performance target due to positive sector allocation and stock selection, mainly in the US.</li> <li>The 5-year annualized return was above the benchmark/performance target due to positive sector allocation and stock selection, mainly in the US.</li> <li>The 10-year annualized return was above the benchmark/performance target due to positive sector allocation and stock selection, mainly in the US.</li> </ul>			
BEA Asian Equity Fund <i>Launch date: 25/10/2012</i>	10.48	2.63	3.22	3.30
Benchmark/Performance Target (Lipper MPF Asia ex Japan Equity Fund Category Median)	0.50	0.79	3.22	3.61 <sup>2</sup>
Deviation from the Benchmark/ Performance Target <sup>4</sup>	+9.98	+1.84	0.00	-0.31 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark/performance target due to positive asset allocation and selection in Technology stocks.</li> <li>The 5-year annualized return was above the benchmark/performance target due to positive asset allocation and selection in Technology stocks.</li> <li>The 10-year annualized return was in line with the benchmark/performance target due to stable asset allocation and stock selection.</li> </ul>			

## Investment report for the year ended 31 March 2024 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %) <sup>5</sup>			
	1 year	5 years	10 years	Since Launch
BEA Greater China Equity Fund <i>Launch date: 25/10/2012</i>	-8.96	-0.06	3.27	3.87
Benchmark/Performance Target (Lipper MPF Greater China Equity Fund Category Median)	-14.02	-1.09	2.44	2.99 <sup>2</sup>
Deviation from the Benchmark/ Performance Target <sup>4</sup>	+5.06	+1.03	+0.83	+0.88 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was above the benchmark/performance target due to positive asset allocation and selection in Technology stocks.</li> <li>The 5-year annualized return was above the benchmark/performance target due to positive asset allocation and selection in Technology stocks.</li> <li>The 10-year annualized return was above the benchmark/performance target due to positive asset allocation and selection in Technology stocks.</li> </ul>			
BEA Greater China Tracker Fund <i>Launch date: 25/10/2012</i>	N/A	N/A	N/A	N/A
Benchmark/Performance Target (FTSE Greater China HKD Net of Tax Index)	N/A	N/A	N/A	N/A
Deviation from the Benchmark/ Performance Target <sup>4</sup>	N/A	N/A	N/A	N/A
Trustee's commentary	<ul style="list-style-type: none"> <li>BEA Greater China Tracker Fund under BEA (MPF) Value Scheme ceased operation on 15 June, 2023.</li> </ul>			

## Investment report for the year ended 31 March 2024 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %) <sup>5</sup>			
	1 year	5 years	10 years	Since Launch
BEA Hong Kong Tracker Fund <i>Launch date: 25/10/2012</i>	-16.12	-8.50	-0.43	-0.39
Benchmark/Performance Target (Hang Seng Index)	-15.68	-7.63	0.60	1.02 <sup>2</sup>
Deviation from the Benchmark/ Performance Target <sup>4</sup>	-0.44	-0.87	-1.03	-1.41 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>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%.</li> </ul>			
BEA Global Bond Fund <i>Launch date: 25/10/2012</i>	-1.32	-2.39	-0.73	-0.65
Benchmark/Performance Target (Lipper MPF Global Bond Fund Category Median)	-0.66	-2.11	-1.00	0.72 <sup>2</sup>
Deviation from the Benchmark/ Performance Target <sup>4</sup>	-0.66	-0.28	+0.27	-1.37 <sup>3</sup>
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was below the benchmark/performance target due to unfavourable duration position and currency exposure.</li> <li>The 5-year annualized return was below the benchmark/performance target due to unfavourable duration position and currency exposure.</li> <li>The 10-year annualized return was above the benchmark/performance target due to positive country allocation and currency effect.</li> </ul>			

## Investment report for the year ended 31 March 2024 (continued)

### Trustee's Commentary (continued)

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary (continued)</b>				
	Annualized return (in terms of %) <sup>5</sup>			
	1 year	5 years	10 years	Since Launch
BEA Age 65 Plus Fund <i>Launch date: 01/04/2017</i>	5.29	1.45	N/A	2.07
Benchmark/Performance Target (Willis Towers Watson – MPF DIS Reference Portfolios – Age 65 Plus Fund)	4.45	1.11	N/A	1.66
Deviation from the Benchmark/ Performance Target <sup>4</sup>	+0.84	+0.34	N/A	+0.41
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection.</li> <li>The 5-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection.</li> <li>The since launch annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection.</li> </ul>			
BEA Core Accumulation Fund <i>Launch date: 01/04/2017</i>	15.14	6.37	N/A	6.38
Benchmark/Performance Target (Willis Towers Watson – MPF DIS Reference Portfolios – Core Accumulation Fund)	12.78	5.81	N/A	5.76
Deviation from the Benchmark/ Performance Target <sup>4</sup>	+2.36	+0.56	N/A	+0.62
Trustee's commentary	<ul style="list-style-type: none"> <li>The 1-year annualized return was unable to correspond to the reference portfolio due to positive asset allocation and stock selection.</li> <li>The 5-year annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection.</li> <li>The since launch annualized return was able to correspond to the reference portfolio due to stable asset allocation and stock selection.</li> </ul>			

## Investment report for the year ended 31 March 2024 (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, 2024, the following DIS CF triggered the performance monitoring in various time intervals based on the existing fund performance monitoring mechanism:

- (i) BEA Core Accumulation Fund

In this regard, BEA Trustees requested the investment manager to provide explanation for the outperformance of the CF concerned. The 1-year annualized return outperformed the return of the Reference Portfolio by over 2% mainly due to positive asset allocation and stock selection. 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 2024 (continued)

### Trustee's Commentary (continued)

#### Note:

<sup>1</sup> 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 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.

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

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

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

<sup>5</sup> The annualised return represents the percentage change in unit price at last dealing date 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 last dealing date and the initial offer price.

## Investment report for the year ended 31 March 2024 (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 <sup>(1)</sup>, 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 <sup>(1)</sup> 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.

<sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023.

## Investment report for the year ended 31 March 2024 (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 2024 (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.

#### **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 2024 (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 2024 (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 2024 (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 2024 (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 2024 (continued)

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

#### BEA Greater China Tracker Fund <sup>(1)</sup>

##### ***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.

<sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023.

## Investment report for the year ended 31 March 2024 (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 2024 (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 2024 (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 2024 (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 2024 (continued)

### Investment income and performance

	<i>BEA MPF Conservative Fund</i>			<i>BEA Growth Fund</i>			<i>BEA Balanced Fund</i>		
	2024 HK\$	2023 HK\$	2022 HK\$	2024 HK\$	2023 HK\$	2022 HK\$	2024 HK\$	2023 HK\$	2022 HK\$
Net income/(loss) excluding capital appreciation/(depreciation)	825,764	282,557	53,683	(170,348)	(160,073)	(167,943)	(133,011)	(121,638)	(114,490)
Capital appreciation/(depreciation) of investments - realised and unrealised	-	-	-	1,752,460	(1,557,002)	(935,482)	1,034,092	(1,038,116)	(687,736)
Value of scheme assets derived from investments as at 31 March	<u>22,038,370</u>	<u>22,569,880</u>	<u>22,241,436</u>	<u>21,119,205</u>	<u>18,469,811</u>	<u>17,901,211</u>	<u>15,877,838</u>	<u>14,365,795</u>	<u>12,689,974</u>
	<i>BEA Stable Fund</i>			<i>BEA Global Equity Fund</i>			<i>BEA Asian Equity Fund</i>		
	2024 HK\$	2023 HK\$	2022 HK\$	2024 HK\$	2023 HK\$	2022 HK\$	2024 HK\$	2023 HK\$	2022 HK\$
Net loss excluding capital appreciation/(depreciation)	(106,729)	(111,603)	(121,462)	(181,548)	(146,972)	(145,410)	(63,661)	(63,421)	(79,293)
Capital appreciation/(depreciation) of investments - realised and unrealised	532,555	(932,582)	(683,107)	4,957,414	(1,147,511)	1,296,081	878,963	(1,239,738)	(1,025,701)
Value of scheme assets derived from investments as at 31 March	<u>12,233,486</u>	<u>12,529,887</u>	<u>12,070,428</u>	<u>24,806,717</u>	<u>17,678,405</u>	<u>17,181,341</u>	<u>7,617,663</u>	<u>6,701,913</u>	<u>7,238,217</u>

## Investment report for the year ended 31 March 2024 (continued)

### Investment income and performance (continued)

	<i>BEA Greater China Equity Fund <sup>(1)</sup></i>			<i>BEA Greater China Tracker Fund <sup>(1)</sup></i>			<i>BEA Hong Kong Tracker Fund</i>		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net (loss)/income excluding capital depreciation	(154,350)	(127,540)	(142,988)	(6,768)	(38,379)	(51,218)	421,522	385,907	344,732
Capital depreciation of investments - realised and unrealised	(1,433,712)	(1,943,049)	(2,902,873)	(364,648)	(573,141)	(1,534,328)	(3,070,805)	(994,280)	(4,527,575)
Value of scheme assets derived from investments as at 31 March	<u>18,641,599</u>	<u>14,721,930</u>	<u>14,760,752</u>	<u>-</u>	<u>5,742,440</u>	<u>6,963,944</u>	<u>15,033,125</u>	<u>16,875,600</u>	<u>16,632,020</u>
	<i>BEA Global Bond Fund</i>			<i>BEA Age 65 Plus Fund</i>			<i>BEA Core Accumulation Fund</i>		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net loss excluding capital (depreciation)/appreciation	(54,291)	(45,729)	(42,804)	(71,647)	(62,552)	(57,549)	(142,015)	(113,949)	(96,545)
Capital (depreciation)/appreciation of investments - realised and unrealised	(8,395)	(399,648)	(268,047)	526,320	(441,192)	(157,829)	2,679,043	(843,403)	372,052
Value of scheme assets derived from investments as at 31 March	<u>6,871,153</u>	<u>5,698,813</u>	<u>4,840,877</u>	<u>8,938,472</u>	<u>8,259,531</u>	<u>7,205,323</u>	<u>20,388,902</u>	<u>15,140,928</u>	<u>13,338,748</u>

<sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.

## Investment report for the year ended 31 March 2024 (continued)

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

For the year ended 31 March 2024

	<i>Dividend income HK\$</i>	<i>Interest income HK\$</i>	<i>Interest income from financial assets at fair value through profit or loss HK\$</i>	<i>Total HK\$</i>
BEA MPF Conservative Fund	-	5,861	1,003,767	1,009,628
BEA Growth Fund	-	4,630	-	4,630
BEA Balanced Fund	-	3,333	-	3,333
BEA Stable Fund	-	3,340	-	3,340
BEA Global Equity Fund	-	3,867	-	3,867
BEA Asian Equity Fund	-	3,782	-	3,782
BEA Greater China Equity Fund <sup>(1)</sup>	-	4,218	-	4,218
BEA Greater China Tracker Fund <sup>(1)</sup>	-	359	-	359
BEA Hong Kong Tracker Fund	522,650	258	-	522,908
BEA Global Bond Fund	-	1,410	-	1,410
BEA Age 65 Plus Fund	-	129	-	129
BEA Core Accumulation Fund	-	312	-	312

<sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.



## Investment report for the year ended 31 March 2024 (continued)

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

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 2024 (continued)

### Performance table

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

Name of constituent funds	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
	Total net asset value HK\$	Net asset value per unit HK\$	Total net asset value HK\$	Net asset value per unit HK\$	Total net asset value HK\$	Net asset value per unit HK\$
BEA MPF Conservative Fund	22,790,201	11.3929	23,869,225	10.9952	23,374,968	10.8652
BEA Growth Fund	21,663,086	15.8205	18,616,305	14.6467	19,343,235	16.0949
BEA Balanced Fund	16,176,150	14.2357	14,543,358	13.4433	14,037,504	14.6836
BEA Stable Fund	12,555,651	12.3503	12,762,216	11.8842	13,218,870	12.9230
BEA Global Equity Fund	25,287,247	26.3982	18,042,945	21.1802	17,564,816	23.0379
BEA Asian Equity Fund	8,563,637	14.5031	7,242,812	13.1287	8,629,176	15.6338
BEA Greater China Equity Fund <sup>(1)</sup>	19,209,360	15.4458	15,071,692	16.9668	15,178,738	19.4610
BEA Greater China Tracker Fund <sup>(1)</sup>	-	-	5,744,239	14.5231	6,964,868	16.0372
BEA Hong Kong Tracker Fund	15,223,452	9.5606	16,878,832	11.3989	16,636,511	12.0368
BEA Global Bond Fund	7,042,576	9.2851	5,847,791	9.4097	4,976,156	10.3406
BEA Age 65 Plus Fund	8,932,738	11.5433	8,298,652	10.9639	7,212,662	11.8012
BEA Core Accumulation Fund	20,374,226	15.4174	15,129,529	13.3908	13,680,093	14.4578
	<u>177,818,324</u>		<u>162,047,596</u>		<u>160,817,597</u>	

<sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.

## Investment report for the year ended 31 March 2024 (continued)

### Performance table (continued)

(b) **Highest and lowest prices**

	<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>	<i>BEA Asian Equity Fund</i>	<i>BEA Greater China Equity Fund <sup>(2)</sup></i>	<i>BEA Greater China Tracker Fund <sup>(2)</sup></i>	<i>BEA Hong Kong Tracker Fund</i>	<i>BEA Global Bond Fund</i>	<i>BEA Age 65 Plus Fund <sup>(1)</sup></i>	<i>BEA Core Accumulation Fund <sup>(1)</sup></i>
<b>Highest issue price per unit (HK\$)</b>												
2024	11.3895	15.8630	14.2529	12.3733	26.4874	14.5041	16.9192	14.4707	11.6390	9.5438	11.5499	15.4258
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	-	-
<b>Lowest redemption price per unit (HK\$)</b>												
2024	10.9978	13.7636	12.6222	11.1943	20.8607	12.2145	13.8654	13.1362	8.6380	8.7416	10.5066	13.0335
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	-	-

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

<sup>(2)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.

## Investment report for the year ended 31 March 2024 (continued)

### Performance table (continued)

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

	BEA MPF Conservative Fund <sup>(3)</sup>	BEA Growth Fund	BEA Balanced Fund	BEA Stable Fund	BEA Global Equity Fund	BEA Asian Equity Fund	BEA Greater China Equity Fund <sup>(4)</sup>	BEA Greater China Tracker Fund <sup>(4)</sup>	BEA Hong Kong Tracker Fund	BEA Global Bond Fund	BEA Age 65 Plus Fund <sup>(2)</sup>	BEA Core Accumulation Fund <sup>(2)</sup>
Net annualised investment return (%)												
2024	3.62	8.01	5.89	3.92	24.64	10.47	(8.96)	(100.00)	(16.13)	(1.32)	5.28	15.13
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)	-	-

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

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

<sup>(3)</sup> 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.

<sup>(4)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.

# Investment report for the year ended 31 March 2024 (continued)

## Performance table (continued)

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

Name of constituent funds	2024	
	Transaction costs for the year ended 31 March HK\$	FER for the year ended 31 March
BEA MPF Conservative Fund	-	0.79220%
BEA Growth Fund	-	0.95046%
BEA Balanced Fund	-	0.94655%
BEA Stable Fund	-	0.94770%
BEA Global Equity Fund	-	0.93287%
BEA Asian Equity Fund	-	0.96293%
BEA Greater China Equity Fund <sup>(1)</sup>	-	0.96133%
BEA Greater China Tracker Fund <sup>(1)</sup>	392	0.99303%
BEA Hong Kong Tracker Fund	5,888	0.70010%
BEA Global Bond Fund	-	0.91811%
BEA Age 65 Plus Fund	-	0.85153%
BEA Core Accumulation Fund	-	0.83646%

<sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date. The fund expense ratio of BEA Greater China Tracker Fund is annualised based on the total expense and average net asset value for the period from 1 April 2023 to 15 June 2023.

## Investment report as at 31 March 2024 (continued)

### Investment portfolio

#### BEA MPF Conservative Fund

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits</b>				
<i>Hong Kong Dollar</i>				
Bank of East Asia, Limited (The) F/D 5.10% 07 June 2024	80,093	80,093	80,093	0.35
Bank of East Asia, Limited (The) F/D 5.10% 07 June 2024	218,028	218,028	218,028	0.96
Bank of East Asia, Limited (The) F/D 5.10% 07 June 2024	304,262	304,262	304,262	1.34
Bank of East Asia, Limited (The) F/D 4.43% 28 June 2024	205,860	205,860	205,860	0.90
Bank of East Asia, Limited (The) F/D 4.80% 28 June 2024	227,114	227,114	227,114	1.00
Bank of East Asia, Limited (The) F/D 4.65% 05 July 2024	453,885	453,885	453,885	1.99
China CITIC Bank International Limited F/D 4.25% 10 May 2024	664,320	664,320	664,320	2.91
China CITIC Bank International Limited F/D 4.38% 14 June 2024	1,147,197	1,147,197	1,147,197	5.03
China Construction Bank Corporation F/D 4.50% 12 April 2024	489,246	489,246	489,246	2.15
China Construction Bank Corporation F/D 4.44% 19 April 2024	695,318	695,318	695,318	3.05
China Construction Bank Corporation F/D 4.44% 19 April 2024	770,095	770,095	770,095	3.38
China Everbright Bank Co., Ltd. F/D 4.40% 19 April 2024	437,942	437,942	437,942	1.92
China Everbright Bank Co., Ltd. F/D 4.39% 17 May 2024	450,696	450,696	450,696	1.98
China Everbright Bank Co., Ltd. F/D 4.40% 24 May 2024	344,251	344,251	344,251	1.51
China Everbright Bank Co., Ltd. F/D 4.53% 21 June 2024	665,189	665,189	665,189	2.92
CMB Wing Lung Bank Limited F/D 4.60% 12 April 2024	880,553	880,553	880,553	3.86
CMB Wing Lung Bank Limited F/D 4.29% 10 May 2024	553,829	553,829	553,829	2.43
CMB Wing Lung Bank Limited F/D 4.42% 28 June 2024	608,421	608,421	608,421	2.67
Credit Agricole Corporate and Investment Bank F/D 4.24% 03 May 2024	716,569	716,569	716,569	3.14

## Investment report as at 31 March 2024 (continued)

### Investment portfolio (continued)

#### BEA MPF Conservative Fund (continued)

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits (continued)</b>				
<i>Hong Kong Dollar (continued)</i>				
Credit Agricole Corporate and Investment Bank F/D 4.20% 24 May 2024	483,665	483,665	483,665	2.12
Credit Agricole Corporate and Investment Bank F/D 4.20% 29 November 2024	447,266	447,266	447,266	1.96
Dah Sing Bank, Limited F/D 4.60% 12 April 2024	602,097	602,097	602,097	2.64
Dah Sing Bank, Limited F/D 4.45% 21 June 2024	339,331	339,331	339,331	1.49
Dah Sing Bank, Limited F/D 4.45% 21 June 2024	750,610	750,610	750,610	3.29
Dah Sing Bank, Limited F/D 5.00% 23 August 2024	127,443	127,443	127,443	0.56
Dah Sing Bank, Limited F/D 4.84% 27 September 2024	227,114	227,114	227,114	1.00
Fubon Bank (Hong Kong) Limited F/D 4.70% 12 April 2024	252,970	252,970	252,970	1.11
Fubon Bank (Hong Kong) Limited F/D 4.30% 26 April 2024	933,601	933,601	933,601	4.10
Fubon Bank (Hong Kong) Limited F/D 4.50% 07 June 2024	717,683	717,683	717,683	3.15
Industrial and Commercial Bank of China (Asia) Limited F/D 4.55% 21 June 2024	894,652	894,652	894,652	3.93
Industrial and Commercial Bank of China (Asia) Limited F/D 4.30% 20 December 2024	157,854	157,854	157,854	0.69
Industrial and Commercial Bank of China (Asia) Limited F/D 4.30% 20 December 2024	467,268	467,268	467,268	2.05
MUFG Bank, Ltd. F/D 4.60% 05 April 2024	217,077	217,077	217,077	0.95
MUFG Bank, Ltd. F/D 4.60% 05 April 2024	509,035	509,035	509,035	2.23
MUFG Bank, Ltd. F/D 4.67% 05 July 2024	237,864	237,864	237,864	1.04
MUFG Bank, Ltd. F/D 5.36% 06 September 2024	1,173,363	1,173,363	1,173,363	5.15
OCBC Bank (Hong Kong) Limited F/D 4.30% 17 May 2024	311,744	311,744	311,744	1.37

## Investment report as at 31 March 2024 (continued)

### Investment portfolio (continued)

#### BEA MPF Conservative Fund (continued)

	Nominal value	Fair value HK\$	Cost HK\$	% of net assets
<b>Short-term deposits (continued)</b>				
<i>Hong Kong Dollar (continued)</i>				
OCBC Bank (Hong Kong) Limited F/D 4.85% 17 May 2024	707,950	707,950	707,950	3.11
OCBC Bank (Hong Kong) Limited F/D 4.90% 23 August 2024	591,877	591,877	591,877	2.60
Sumitomo Mitsui Banking Corporation F/D 5.06% 05 April 2024	100,590	100,590	100,590	0.44
Sumitomo Mitsui Banking Corporation F/D 4.56% 17 May 2024	336,511	336,511	336,511	1.48
Sumitomo Mitsui Banking Corporation F/D 4.56% 17 May 2024	416,826	416,826	416,826	1.83
Sumitomo Mitsui Banking Corporation F/D 4.55% 24 May 2024	190,792	190,792	190,792	0.84
Sumitomo Mitsui Banking Corporation F/D 4.51% 21 June 2024	396,349	396,349	396,349	1.74
Sumitomo Mitsui Banking Corporation F/D 4.17% 20 December 2024	533,970	533,970	533,970	2.34
<b>Total investments</b>		<u>22,038,370</u>	<u>22,038,370</u>	<u>96.70</u>

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



## Investment report as at 31 March 2024 (continued)

### Investment portfolio (continued)

#### BEA Growth Fund

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	8,689.1980	1,240,731	1,161,956	5.73
BEA Union Investment Asia Strategic Growth Fund - Class A	6,978.5150	3,168,246	2,849,030	14.62
BEA Union Investment China A Opportunities Fund - Class A	9,429.0130	884,536	893,626	4.08
BEA Union Investment Europe Fund - Class A	22,131.8080	2,340,217	2,240,623	10.80
BEA Union Investment Global Bond Fund - Class A	27,619.4150	3,199,433	3,365,207	14.77
BEA Union Investment Global Equity Fund - Class A	11,612.3600	3,474,534	2,628,421	16.04
BEA Union Investment Greater China Growth Fund - Class A	862.0280	245,988	246,309	1.13
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	597.9030	90,086	86,607	0.42
BEA Union Investment Hong Kong Growth Fund - Class A	12,668.4940	2,751,850	3,059,751	12.70
BEA Union Investment Japan Fund - Class A	20,225.0410	2,191,383	2,061,953	10.12
BEA Union Investment Money Market Fund - Class A	1,830.6970	203,006	184,942	0.94
BEA Union Investment US Fund - Class A	12,977.8830	1,329,195	1,281,825	6.14
<b>Total investments</b>		<u>21,119,205</u>	<u>20,060,250</u>	<u>97.49</u>

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

## Investment report as at 31 March 2024 (continued)

### Investment portfolio (continued)

#### BEA Balanced Fund

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	9,366.2810	1,337,411	1,211,577	8.27
BEA Union Investment Asia Strategic Growth Fund - Class A	3,788.8000	1,720,115	1,564,326	10.63
BEA Union Investment China A Opportunities Fund - Class A	5,966.3740	559,706	565,120	3.46
BEA Union Investment Europe Fund - Class A	11,231.9820	1,187,670	1,140,452	7.34
BEA Union Investment Global Bond Fund - Class A	43,837.4010	5,078,124	5,411,037	31.39
BEA Union Investment Global Equity Fund - Class A	7,992.6250	2,391,473	1,887,191	14.79
BEA Union Investment Greater China Growth Fund - Class A	542.7860	154,889	155,646	0.96
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	835.5930	125,899	120,958	0.78
BEA Union Investment Hong Kong Growth Fund - Class A	6,376.1200	1,385,021	1,472,402	8.56
BEA Union Investment Japan Fund - Class A	11,367.9070	1,231,713	1,163,202	7.62
BEA Union Investment Money Market Fund - Class A	1,415.1030	156,921	143,684	0.97
BEA Union Investment US Fund - Class A	5,359.2640	548,896	529,335	3.39
<b>Total investments</b>		<u>15,877,838</u>	<u>15,364,930</u>	<u>98.16</u>

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

## Investment report as at 31 March 2024 (continued)

### Investment portfolio (continued)

#### BEA Stable Fund

	Holding units	Fair value HK\$	Cost HK\$	% of net assets
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	7,664.5880	1,094,426	978,079	8.72
BEA Union Investment Asia Strategic Growth Fund - Class A	1,885.2730	855,914	771,773	6.82
BEA Union Investment China A Opportunities Fund - Class A	3,425.0630	321,305	327,077	2.56
BEA Union Investment Europe Fund - Class A	5,171.7100	546,857	528,485	4.35
BEA Union Investment Global Bond Fund - Class A	50,056.5590	5,798,552	6,190,215	46.18
BEA Union Investment Global Equity Fund - Class A	4,802.0590	1,436,824	1,183,324	11.44
BEA Union Investment Greater China Growth Fund - Class A	458.0130	130,699	131,557	1.04
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	421.9550	63,576	57,229	0.51
BEA Union Investment Hong Kong Growth Fund - Class A	1,826.8750	396,834	398,145	3.16
BEA Union Investment Japan Fund - Class A	6,270.6010	679,420	646,178	5.41
BEA Union Investment Money Market Fund - Class A	5,879.6050	651,989	593,395	5.19
BEA Union Investment US Fund - Class A	2,510.1570	257,090	247,928	2.05
<b>Total investments</b>		<u>12,233,486</u>	<u>12,053,385</u>	<u>97.43</u>

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

## Investment report as at 31 March 2024 (continued)

### Investment portfolio (continued)

#### **BEA Global Equity Fund**

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Global Equity Fund - Class A	82,907.3790	<u>24,806,717</u>	<u>16,673,572</u>	<u>98.10</u>
<b>Total investment</b>		<u>24,806,717</u>	<u>16,673,572</u>	<u>98.10</u>

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

## Investment report as at 31 March 2024 (continued)

### Investment portfolio (continued)

#### BEA Asian Equity Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Pooled Investment Funds</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Asia Strategic Growth Fund - Class A	16,462.6830	7,474,058	6,028,120	87.27
BEA Union Investment Greater China Growth Fund - Class A	503.2400	143,605	145,767	1.68
<b>Total investments</b>		<u>7,617,663</u>	<u>6,173,887</u>	<u>88.95</u>

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

## Investment report as at 31 March 2024 (continued)

### Investment portfolio (continued)

#### **BEA Greater China Equity Fund**

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Greater China Growth Fund - Class A	65,326.6020	18,641,599	20,536,945	97.04
<b>Total investment</b>		<u>18,641,599</u>	<u>20,536,945</u>	<u>97.04</u>

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

## Investment report as at 31 March 2024 (continued)

### Investment portfolio (continued)

#### **BEA Greater China Tracker Fund <sup>(1)</sup>**

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Index-Tracking Collective Investment Scheme</b>	-	-	-	-
<b>Total investment</b>		-	-	-

<sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023. As at 31 March 2024, the constituent fund had no investments and therefore, no investment portfolio is presented.

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

## Investment report as at 31 March 2024 (continued)

### Investment portfolio (continued)

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

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Index-Tracking Collective Investment Scheme</b>				
<i>Hong Kong</i>				
Tracker Fund of Hong Kong	897,500.0000	15,033,125	20,423,868	98.75
<b>Total investment</b>		<u>15,033,125</u>	<u>20,423,868</u>	<u>98.75</u>

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



## Investment report as at 31 March 2024 (continued)

### Investment portfolio (continued)

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

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Global Bond Fund - Class A	59,315.8890	6,871,153	7,367,207	97.57
<b>Total investment</b>		<u>6,871,153</u>	<u>7,367,207</u>	<u>97.57</u>

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

## Investment report as at 31 March 2024 (continued)

### Investment portfolio (continued)

#### BEA Age 65 Plus Fund

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Age 65 Plus Fund - Class I	72,871.9370	8,938,472	8,684,407	100.06
<b>Total investment</b>		<u>8,938,472</u>	<u>8,684,407</u>	<u>100.06</u>

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

## Investment report as at 31 March 2024 (continued)

### Investment portfolio (continued)

#### **BEA Core Accumulation Fund**

	<i>Holding units</i>	<i>Fair value HK\$</i>	<i>Cost HK\$</i>	<i>% of net assets</i>
<b>Approved Pooled Investment Fund</b>				
<i>Established in Hong Kong</i>				
BEA Union Investment Core Accumulation Fund - Class I	125,238.9560	<u>20,388,902</u>	<u>17,158,509</u>	<u>100.07</u>
<b>Total investment</b>		<u>20,388,902</u>	<u>17,158,509</u>	<u>100.07</u>

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

## Investment report for the year ended 31 March 2024 (continued)

### Statement of movements in investment portfolio

#### *BEA MPF Conservative Fund*

	% of net assets	
	As at	As at
	31 March 2024	31 March 2023
<b>Short-term deposits</b>		
Hong Kong Dollar	<u>96.70</u>	<u>94.56</u>

# Investment report for the year ended 31 March 2024 (continued)

## Statement of movements in investment portfolio (continued)

### BEA Growth Fund

	Portfolio holdings			As at 31 March 2024 units
	As at 31 March 2023 units	Additions units	Disposals units	
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	7,562.1480	1,127.0500	-	8,689.1980
BEA Union Investment Asia Strategic Growth Fund - Class A	5,395.4930	5,135.9640	3,552.9420	6,978.5150
BEA Union Investment China A Opportunities Fund - Class A	-	10,201.0570	772.0440	9,429.0130
BEA Union Investment Europe Fund - Class A	-	22,948.8470	817.0390	22,131.8080
BEA Union Investment Global Bond Fund - Class A	30,760.0640	10,107.0380	13,247.6870	27,619.4150
BEA Union Investment Global Equity Fund - Class A	32,916.6230	13,818.8110	35,123.0740	11,612.3600
BEA Union Investment Greater China Growth Fund - Class A	1,932.0410	1,511.9890	2,582.0020	862.0280
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	597.9030	-	-	597.9030
BEA Union Investment Hong Kong Growth Fund - Class A	11,636.3210	14,793.9050	13,761.7320	12,668.4940
BEA Union Investment Japan Fund - Class A	-	26,018.3890	5,793.3480	20,225.0410
BEA Union Investment Money Market Fund - Class A	1,830.6970	-	-	1,830.6970
BEA Union Investment US Fund - Class A	-	13,396.6330	418.7500	12,977.8830

# Investment report for the year ended 31 March 2024 (continued)

## Statement of movements in investment portfolio (continued)

### BEA Balanced Fund

	Portfolio holdings			As at 31 March 2024 units
	As at 31 March 2023 units	Additions units	Disposals units	
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	8,588.1980	994.5650	216.4820	9,366.2810
BEA Union Investment Asia Strategic Growth Fund - Class A	3,244.2760	3,082.9720	2,538.4480	3,788.8000
BEA Union Investment China A Opportunities Fund - Class A	-	6,571.4850	605.1110	5,966.3740
BEA Union Investment Europe Fund - Class A	-	12,309.2800	1,077.2980	11,231.9820
BEA Union Investment Global Bond Fund - Class A	45,572.3780	8,990.9450	10,725.9220	43,837.4010
BEA Union Investment Global Equity Fund - Class A	18,144.2840	11,180.8280	21,332.4870	7,992.6250
BEA Union Investment Greater China Growth Fund - Class A	1,429.7870	1,172.2640	2,059.2650	542.7860
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	637.4500	198.1430	-	835.5930
BEA Union Investment Hong Kong Growth Fund - Class A	6,207.8510	10,892.6080	10,724.3390	6,376.1200
BEA Union Investment Japan Fund - Class A	-	15,755.0740	4,387.1670	11,367.9070
BEA Union Investment Money Market Fund - Class A	1,415.1030	-	-	1,415.1030
BEA Union Investment US Fund - Class A	-	5,672.5070	313.2430	5,359.2640

# Investment report for the year ended 31 March 2024 (continued)

## Statement of movements in investment portfolio (continued)

### BEA Stable Fund

	Portfolio holdings			As at 31 March 2024 units
	As at 31 March 2023 units	Additions units	Disposals units	
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	7,731.0650	449.5680	516.0450	7,664.5880
BEA Union Investment Asia Strategic Growth Fund - Class A	2,120.4490	2,117.4300	2,352.6060	1,885.2730
BEA Union Investment China A Opportunities Fund - Class A	-	3,918.2240	493.1610	3,425.0630
BEA Union Investment Europe Fund - Class A	-	5,772.1430	600.4330	5,171.7100
BEA Union Investment Global Bond Fund - Class A	56,341.2170	8,412.0320	14,696.6900	50,056.5590
BEA Union Investment Global Equity Fund - Class A	9,755.3850	9,761.4160	14,714.7420	4,802.0590
BEA Union Investment Greater China Growth Fund - Class A	1,104.3630	1,036.5320	1,682.8820	458.0130
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	421.9550	-	-	421.9550
BEA Union Investment Hong Kong Growth Fund - Class A	2,828.9250	8,035.9360	9,037.9860	1,826.8750
BEA Union Investment Japan Fund - Class A	-	8,984.2880	2,713.6870	6,270.6010
BEA Union Investment Money Market Fund - Class A	5,879.6050	-	-	5,879.6050
BEA Union Investment US Fund - Class A	-	2,753.9830	243.8260	2,510.1570

# Investment report for the year ended 31 March 2024 (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>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2024 units</i>
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Global Equity Fund - Class A	<u>74,658.5790</u>	<u>12,328.4710</u>	<u>4,079.6710</u>	<u>82,907.3790</u>



# Investment report for the year ended 31 March 2024 (continued)

## Statement of movements in investment portfolio (continued)

### BEA Asian Equity Fund

	<i>Portfolio holdings</i>			<i>As at 31 March 2024 units</i>
	<i>As at 31 March 2023 units</i>	<i>Additions units</i>	<i>Disposals units</i>	
<b>Approved Pooled Investment Funds</b>				
BEA Union Investment Asia Strategic Growth Fund - Class A	15,660.8700	1,543.0090	741.1960	16,462.6830
BEA Union Investment Greater China Growth Fund - Class A	1,152.0720	516.9990	1,165.8310	503.2400
BEA Union Investment Hong Kong Growth Fund - Class A	315.3040	-	315.3040	-

## Investment report for the year ended 31 March 2024 (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>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2024 units</i>
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Greater China Growth Fund - Class A	<u>47,265.9630</u>	<u>21,292.1410</u>	<u>3,231.5020</u>	<u>65,326.6020</u>

## Investment report for the year ended 31 March 2024 (continued)

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

#### BEA Greater China Tracker Fund <sup>(1)</sup>

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2023 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2024 units</i>
<b>Approved Index-Tracking Collective Investment Scheme</b>				
SPDR FTSE Greater China ETF	<u>136,400.0000</u>	<u>1,400.0000</u>	<u>137,800.0000</u>	<u>-</u>

<sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023. As at 31 March 2024, the constituent fund had no investments and therefore, no investment portfolio is presented.

# Investment report for the year ended 31 March 2024 (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>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2024 units</i>
<b>Approved Index-Tracking Collective Investment Scheme</b>				
Tracker Fund of Hong Kong	<u>820,000.0000</u>	<u>170,500.0000</u>	<u>93,000.0000</u>	<u>897,500.0000</u>

## Investment report for the year ended 31 March 2024 (continued)

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

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

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2023 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2024 units</i>
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Global Bond Fund - Class A	48,929.4520	16,334.5740	5,948.1370	59,315.8890

# Investment report for the year ended 31 March 2024 (continued)

## Statement of movements in investment portfolio (continued)

### BEA Age 65 Plus Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2023 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2024 units</i>
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Age 65 Plus Fund - Class I	71,511.0940	14,905.4180	13,544.5750	72,871.9370

# Investment report for the year ended 31 March 2024 (continued)

## Statement of movements in investment portfolio (continued)

### BEA Core Accumulation Fund

	<i>Portfolio holdings</i>			
	<i>As at 31 March 2023 units</i>	<i>Additions units</i>	<i>Disposals units</i>	<i>As at 31 March 2024 units</i>
<b>Approved Pooled Investment Fund</b>				
BEA Union Investment Core Accumulation Fund - Class I	<u>107,979.8010</u>	<u>26,823.8610</u>	<u>9,564.7060</u>	<u>125,238.9560</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 69 to 120, 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 2024, 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, comprising material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Scheme as at 31 March 2024, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

### *Basis for opinion*

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

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

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

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

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

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



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

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

### *Responsibilities of Investment Manager and Trustee for the financial statements*

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

In preparing the financial statements, the Investment Manager and the Trustee of the Scheme are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Investment Manager and the Trustee either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so. BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date. 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.

A handwritten signature in black ink, appearing to be 'DPMG', written over the KPMG logo.

Certified Public Accountants

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

12 September 2024

## 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 2024 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 12 September 2024.

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 2024 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 31 July 2023, 29 December 2023 and 31 March 2024;
  - 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 31 July 2023, 29 December 2023 and 31 March 2024; and
  - 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 2024.

## Independent auditor's assurance report (continued)

### *Opinion (continued)*

Based on the foregoing: (continued)

2. As at 31 March 2024, 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 2024 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

12 September 2024

# Statement of changes in net assets available for benefits - Value Scheme for the year ended 31 March 2024

	Note	2024 HK\$	2023 HK\$
<b>Income</b>			
Net gain/(loss) on investments in constituent funds	8	7,646,205	(11,433,053)
Interest on bank deposits	9(b)	7,797	2,798
<b>Total investment income/(loss)</b>		<u>7,654,002</u>	<u>(11,430,255)</u>
<b>Expenses</b>			
Administrative and other expenses		<u>7,797</u>	<u>2,798</u>
<b>Total operating expenses</b>		<u>7,797</u>	<u>2,798</u>
<b>Net profit/(loss)</b>		<u>7,646,205</u>	<u>(11,433,053)</u>
<b>Contributions received and receivable</b>	11		
From employers			
- Mandatory		9,116,929	9,555,086
- Additional voluntary		120,023	135,141
From members			
- Mandatory		8,926,195	9,197,506
- Additional voluntary		3,243,250	3,334,048
		<u>21,406,397</u>	<u>22,221,781</u>
<b>Contribution surcharge</b>		<u>32,556</u>	<u>66,972</u>

# Statement of changes in net assets available for benefits - Value Scheme for the year ended 31 March 2024 (continued)

	Note	2024 HK\$	2023 HK\$
<b>Transfers in</b>			
Group transfers in from other schemes		120,537	2,414,839
Individual transfers in from other schemes		2,462,175	7,595,993
		<u>2,582,712</u>	<u>10,010,832</u>
<b>Benefits paid and payable</b>	12		
Retirement		3,008,756	3,204,289
Early retirement		927,861	1,319,601
Death		22,310	35,806
Permanent departure		1,132,874	2,733,223
Total incapacity		-	3,721
Refund of contributions to leavers or employers		73,030	769,300
		<u>5,164,831</u>	<u>8,065,940</u>
<b>Transfers out</b>			
Group transfers out to other schemes		2,751,604	1,044,787
Individual transfers out to other schemes		7,120,208	7,539,972
		<u>9,871,812</u>	<u>8,584,759</u>
<b>Long service payments and severance payments and other payments</b>		<u>1,288,618</u>	<u>3,374,943</u>
<b>Changes in net assets available for benefits attributable to members</b>		15,342,609	840,890
<b>Net assets available for benefits attributable to members at the beginning of the year</b>		<u>162,985,334</u>	<u>162,144,444</u>
<b>Net assets available for benefits attributable to members at the end of the year</b>		<u>178,327,943</u>	<u>162,985,334</u>

The notes on pages 79 to 120 form part of these financial statements.



# Statement of net assets available for benefits - Value Scheme as at 31 March 2024

	Note	2024 HK\$	2023 HK\$
<b>Assets</b>			
Investments	6	177,818,324	162,047,596
Contributions receivable			
- from employers		474,933	404,469
- from members		663,843	557,348
- from other schemes		-	17,510
Interest receivable		719	533
Other receivables		9,209	1,257
Bank balances	7, 9(b)	540,469	525,108
<b>Total assets</b>		<u>179,507,497</u>	<u>163,553,821</u>
<b>Liabilities</b>			
Benefits payable	7	1,178,835	567,954
Accruals and other payables		719	533
<b>Total Liabilities (excluding net assets available for benefits attributable to members)</b>		<u>1,179,554</u>	<u>568,487</u>
<b>Net assets available for benefits attributable to members</b>		<u>178,327,943</u>	<u>162,985,334</u>

Approved and authorised for issue by the Trustee on 12 September 2024.




)  
)  
) 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 79 to 120 form part of these financial statements.

## Cash flow statement - Value Scheme for the year ended 31 March 2024

	Note	2024 HK\$	2023 HK\$
<b>Cash flows from operating activities</b>			
Net profit/(loss)		7,646,205	(11,433,053)
Adjustments for:			
Net (gain)/loss on investments in constituent funds		(7,646,205)	11,433,053
Interest on bank deposits		(7,797)	(2,798)
		(7,797)	(2,798)
Payments on purchase of investments		(38,281,142)	(48,845,095)
Proceeds from sale of investments		30,156,619	36,182,043
(Increase)/decrease in other receivables		(7,952)	1,636
Increase/(decrease) in accruals and other payables		186	(6,355)
Interest received on bank deposits		7,611	2,266
<b>Net cash used in operating activities</b>		(8,132,475)	(12,668,303)
<b>Cash flows from financing activities</b>			
Contributions and transfers in received		23,862,216	32,257,662
Benefits paid, transfers out, long service and severance payments and other payments		(15,714,380)	(19,778,936)
<b>Net cash generated from financing activities</b>		8,147,836	12,478,726
<b>Net increase/(decrease) in cash and cash equivalents</b>		15,361	(189,577)
<b>Cash and cash equivalents at the beginning of the year</b>		525,108	714,685
<b>Cash and cash equivalents at the end of the year</b>		540,469	525,108
<b>Analysis of balance of cash and cash equivalents</b>			
Bank balances		540,469	525,108

The notes on pages 79 to 120 form part of these financial statements.

## Statement of comprehensive income - Constituent funds for the year ended 31 March 2024

		2024											
	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 <sup>(1)</sup> HK\$	BEA Greater China Tracker Fund <sup>(1)</sup> HK\$	BEA Hong Kong Tracker Fund HK\$	BEA Global Bond Fund HK\$	BEA Age 65 Plus Fund HK\$	BEA Core Accumulation Fund HK\$
<b>Income</b>													
Net gain/(loss) on investments	8	-	1,752,460	1,034,092	532,555	4,957,414	878,963	(1,433,712)	(364,648)	(3,070,805)	(8,395)	526,320	2,679,043
Dividend income		-	-	-	-	-	-	-	-	522,650	-	-	-
Interest income	9(b)	5,861	4,630	3,333	3,340	3,867	3,782	4,218	359	258	1,410	129	312
Interest income from financial assets at fair value through profit or loss		1,003,767	-	-	-	-	-	-	-	-	-	-	-
Other income		-	-	-	-	-	-	-	12	-	-	-	-
<b>Total investment income/(loss)</b>		<u>1,009,628</u>	<u>1,757,090</u>	<u>1,037,425</u>	<u>535,895</u>	<u>4,961,281</u>	<u>882,745</u>	<u>(1,429,494)</u>	<u>(364,277)</u>	<u>(2,547,897)</u>	<u>(6,985)</u>	<u>526,449</u>	<u>2,679,355</u>
<b>Expenses</b>													
Trustee, administration and custodian fees	9(a)	61,211	58,326	45,448	36,689	61,805	22,481	52,856	2,249	30,477	18,567	24,890	50,198
Investment management fees	9(a)	61,287	58,326	45,448	36,690	61,805	22,481	52,856	2,249	30,477	18,567	13,503	27,216
Sponsor fees	9(a)	61,366	58,326	45,448	36,690	61,805	22,481	52,856	2,249	30,477	18,567	24,890	50,197
Safe custody and bank charges		-	-	-	-	-	-	-	-	250	-	-	-
License and registration fees		-	-	-	-	-	-	-	-	3,817	-	-	-
Fund price publication expenses		-	-	-	-	-	-	-	-	-	-	8,493	14,716
Transaction costs		-	-	-	-	-	-	-	392	5,888	-	-	-
<b>Total operating expenses</b>		<u>183,864</u>	<u>174,978</u>	<u>136,344</u>	<u>110,069</u>	<u>185,415</u>	<u>67,443</u>	<u>158,568</u>	<u>7,139</u>	<u>101,386</u>	<u>55,701</u>	<u>71,776</u>	<u>142,327</u>
<b>Changes in net assets attributable to members from operations</b>		<u>825,764</u>	<u>1,582,112</u>	<u>901,081</u>	<u>425,826</u>	<u>4,775,866</u>	<u>815,302</u>	<u>(1,588,062)</u>	<u>(371,416)</u>	<u>(2,649,283)</u>	<u>(62,686)</u>	<u>454,673</u>	<u>2,537,028</u>

<sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.

The notes on pages 79 to 120 form part of these financial statements.

## Statement of comprehensive income - Constituent funds for the year ended 31 March 2024 (continued)

		2023											
	Note	BEA MPF Conservative Fund <sup>(1)</sup> 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	-	-	-	-	-	-	-	-	-	-	-
Other income		-	-	-	-	-	-	-	-	-	-	-	-
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)

<sup>(1)</sup> 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 79 to 120 form part of these financial statements.

## Statement of assets and liabilities - Constituent funds as at 31 March 2024

		2024											
	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 <sup>(1)</sup> HK\$	BEA Greater China Tracker Fund <sup>(1)</sup> HK\$	BEA Hong Kong Tracker Fund HK\$	BEA Global Bond Fund HK\$	BEA Age 65 Plus Fund HK\$	BEA Core Accumulation Fund HK\$
<b>Assets</b>													
Investments	6, 9(c)	22,038,370	21,119,205	15,877,838	12,233,486	24,806,717	7,617,663	18,641,599	-	15,033,125	6,871,153	8,938,472	20,388,902
Amounts receivable on sale of investments		-	108,382	80,876	62,757	-	-	-	-	-	-	4	-
Amounts receivable on subscriptions		-	-	-	-	-	-	-	-	185,408	-	505	-
Interest, dividend and other receivables		201,639	1,188	609	645	1,262	1,131	1,123	-	60	430	60	125
Bank balances	9(b)	565,361	450,693	229,090	286,856	812,341	951,271	581,156	-	13,390	268,975	62,539	202,050
<b>Total assets</b>		<b>22,805,370</b>	<b>21,679,468</b>	<b>16,188,413</b>	<b>12,583,744</b>	<b>25,620,320</b>	<b>8,570,065</b>	<b>19,223,878</b>	<b>-</b>	<b>15,231,983</b>	<b>7,140,558</b>	<b>9,001,580</b>	<b>20,591,077</b>
<b>Liabilities</b>													
Amounts payable on purchase of investments		-	-	-	-	272,164	-	-	-	-	92,723	62,543	16,139
Amounts payable on redemptions		-	-	-	18,583	41,936	-	-	-	-	-	-	185,912
Accruals and other payables		15,169	16,382	12,263	9,510	18,973	6,428	14,518	-	8,531	5,259	6,299	14,800
<b>Total liabilities (excluding net assets attributable to members)</b>		<b>15,169</b>	<b>16,382</b>	<b>12,263</b>	<b>28,093</b>	<b>333,073</b>	<b>6,428</b>	<b>14,518</b>	<b>-</b>	<b>8,531</b>	<b>97,982</b>	<b>68,842</b>	<b>216,851</b>
<b>Net assets attributable to members</b>	4(b)	<b>22,790,201</b>	<b>21,663,086</b>	<b>16,176,150</b>	<b>12,555,651</b>	<b>25,287,247</b>	<b>8,563,637</b>	<b>19,209,360</b>	<b>-</b>	<b>15,223,452</b>	<b>7,042,576</b>	<b>8,932,738</b>	<b>20,374,226</b>
<b>Represented by:</b>													
Number of units outstanding	4(a)	2,000,379.725	1,369,307.962	1,136,311.529	1,016,628.962	957,914.818	590,468.313	1,243,659.433	-	1,592,315.126	758,478.907	773,848.159	1,321,512.798
Net asset value per unit	4(b)	11.3929	15.8205	14.2357	12.3503	26.3982	14.5031	15.4458	-	9.5606	9.2851	11.5433	15.4174

<sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.

Approved and authorised for issue by the Trustee on 12 September 2024.



  
 ) 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 79 to 120 form part of these financial statements.

## Statement of assets and liabilities - Constituent funds as at 31 March 2024 (continued)

		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\$
<b>Assets</b>													
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	8,259,531	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	20	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	4,050	37,511
<b>Total assets</b>		<b>23,885,255</b>	<b>18,902,622</b>	<b>14,759,293</b>	<b>12,962,215</b>	<b>18,070,090</b>	<b>7,248,211</b>	<b>15,238,483</b>	<b>5,755,505</b>	<b>16,908,138</b>	<b>5,852,163</b>	<b>8,310,964</b>	<b>15,193,174</b>
<b>Liabilities</b>													
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	5,840	10,749
<b>Total liabilities (excluding net assets attributable to members)</b>		<b>16,030</b>	<b>286,317</b>	<b>215,935</b>	<b>199,999</b>	<b>27,145</b>	<b>5,399</b>	<b>166,791</b>	<b>11,266</b>	<b>29,306</b>	<b>4,372</b>	<b>12,312</b>	<b>63,645</b>
<b>Net assets attributable to members</b>	4(b)	<b>23,869,225</b>	<b>18,616,305</b>	<b>14,543,358</b>	<b>12,762,216</b>	<b>18,042,945</b>	<b>7,242,812</b>	<b>15,071,692</b>	<b>5,744,239</b>	<b>16,878,832</b>	<b>5,847,791</b>	<b>8,298,652</b>	<b>15,129,529</b>
<b>Represented by:</b>													
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	756,903.773	1,129,848.913
Net asset value per unit	4(b)	10.9952	14.6467	13.4433	11.8842	21.1802	13.1287	16.9668	14.5231	11.3989	9.4097	10.9639	13.3908

Approved and authorised for issue by the Trustee on 12 September 2024.



  
 ) 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 79 to 120 form part of these financial statements.

## Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 March 2024

	2024											
	<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 <sup>(1)</sup> HK\$</i>	<i>BEA Greater China Tracker Fund <sup>(1)</sup> HK\$</i>	<i>BEA Hong Kong Tracker Fund HK\$</i>	<i>BEA Global Bond Fund HK\$</i>	<i>BEA Age 65 Plus Fund HK\$</i>	<i>BEA Core Accumulation Fund HK\$</i>
<b>Net assets attributable to members at the beginning of the year</b>	23,869,225	18,616,305	14,543,358	12,762,216	18,042,945	7,242,812	15,071,692	5,744,239	16,878,832	5,847,791	8,298,652	15,129,529
Proceeds on subscription of units	4,265,402	3,283,167	2,213,550	2,073,733	5,124,380	1,263,925	7,914,342	96,280	2,949,470	2,400,028	1,821,230	4,875,635
Payments on redemption of units	(6,170,190)	(1,818,498)	(1,481,839)	(2,706,124)	(2,655,944)	(758,402)	(2,188,612)	(5,469,103)	(1,955,567)	(1,142,557)	(1,641,817)	(2,167,966)
<b>Net (redemption)/subscription</b>	(1,904,788)	1,464,669	731,711	(632,391)	2,468,436	505,523	5,725,730	(5,372,823)	993,903	1,257,471	179,413	2,707,669
<b>Changes in net assets attributable to members from operations</b>	825,764	1,582,112	901,081	425,826	4,775,866	815,302	(1,588,062)	(371,416)	(2,649,283)	(62,686)	454,673	2,537,028
<b>Net assets attributable to members at the end of the year</b>	22,790,201	21,663,086	16,176,150	12,555,651	25,287,247	8,563,637	19,209,360	-	15,223,452	7,042,576	8,932,738	20,374,226

<sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.

The notes on pages 79 to 120 form part of these financial statements.

## Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 March 2024 (continued)

	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>
<b>Net assets attributable to members at the beginning of the year</b>	23,374,968	19,343,235	14,037,504	13,218,870	17,564,816	8,629,176	15,178,738	6,964,868	16,636,511	4,976,156	7,212,662	13,680,093
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	(10,344,942)	(2,644,184)	(1,442,320)	(2,818,848)	(3,035,557)	(1,455,520)	(1,925,725)	(1,692,853)	(5,834,174)	(723,126)	(1,076,484)	(3,188,310)
<b>Net subscription/(redemption)</b>	211,700	990,145	1,665,607	587,531	1,772,612	(83,205)	1,963,543	(609,109)	850,694	1,317,012	1,589,734	2,406,788
<b>Changes in net assets attributable to members from operations</b>	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)
<b>Net assets attributable to members at the end of the year</b>	23,869,225	18,616,305	14,543,358	12,762,216	18,042,945	7,242,812	15,071,692	5,744,239	16,878,832	5,847,791	8,298,652	15,129,529

The notes on pages 79 to 120 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 for the year:

- 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 (ceased operation on 15 June 2023)
- BEA Hong Kong Tracker Fund
- BEA Global Bond Fund
- BEA Age 65 Plus Fund
- BEA Core Accumulation Fund

## 2 Material accounting policies

Changes to material accounting policies are described in note 3.

### (a) *Statement of compliance*

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

The Scheme and its constituent fund have consistently applied the accounting policies during the year and are consistently with the prior year.

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

For BEA Greater China Tracker Fund, the constituent fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date. 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 cease of operation, 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 Material 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 Material 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 Material 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 Material 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 Material 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 Material 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 Material 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 Material 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 Material 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 Material 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 to HKFRSs that are first effective for the current accounting period of the Scheme and its constituent funds. None of these developments have had a material effect on the Scheme and its constituent funds' financial statements.

The Scheme and its constituent funds adopted *Disclosure of Accounting Policies (Amendments to HKAS 1 and HKFRS Practice Statement 2)* from 1 April 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2023: Summary of significant accounting policies) in certain instances in line with the amendments.

The Scheme and its constituent funds has 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>	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units
Balance at the beginning of the year	2,170,878.242	2,151,367.541	1,271,027.060	1,201,824.935	1,081,832.755	955,998.257	1,073,876.459	1,022,893.057	851,879.135	762,431.300
Units issued	381,723.142	970,066.096	222,790.074	252,937.824	164,721.479	233,109.081	175,507.501	291,010.485	223,632.146	239,292.894
Units redeemed	(552,221.659)	(950,555.395)	(124,509.172)	(183,735.699)	(110,242.705)	(107,274.583)	(232,754.998)	(240,027.083)	(117,596.463)	(149,845.059)
Balance at the end of the year	<u>2,000,379.725</u>	<u>2,170,878.242</u>	<u>1,369,307.962</u>	<u>1,271,027.060</u>	<u>1,136,311.529</u>	<u>1,081,832.755</u>	<u>1,016,628.962</u>	<u>1,073,876.459</u>	<u>957,914.818</u>	<u>851,879.135</u>
	<i>BEA Asian Equity Fund</i>		<i>BEA Greater China Equity Fund <sup>(1)</sup></i>		<i>BEA Greater China Tracker Fund <sup>(1)</sup></i>		<i>BEA Hong Kong Tracker Fund</i>		<i>BEA Global Bond Fund</i>	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units
Balance at the beginning of the year	551,676.439	551,956.013	888,307.429	779,955.624	395,523.071	434,294.469	1,480,742.015	1,382,143.040	621,466.610	481,225.441
Units issued	96,123.207	105,188.179	498,764.307	226,375.767	6,966.009	78,704.590	299,053.165	625,054.162	261,753.067	215,960.472
Units redeemed	(57,331.333)	(105,467.753)	(143,412.303)	(118,023.962)	(402,489.080)	(117,475.988)	(187,480.054)	(526,455.187)	(124,740.770)	(75,719.303)
Balance at the end of the year	<u>590,468.313</u>	<u>551,676.439</u>	<u>1,243,659.433</u>	<u>888,307.429</u>	<u>-</u>	<u>395,523.071</u>	<u>1,592,315.126</u>	<u>1,480,742.015</u>	<u>758,478.907</u>	<u>621,466.610</u>
	<i>BEA Age 65 Plus Fund</i>		<i>BEA Core Accumulation Fund</i>							
	2024	2023	2024	2023						
	Units	Units	Units	Units						
Balance at the beginning of the year	756,903.773	611,178.446	1,129,848.913	946,207.986						
Units issued	164,215.721	243,525.328	345,246.313	426,391.126						
Units redeemed	(147,271.335)	(97,800.001)	(153,582.428)	(242,750.199)						
Balance at the end of the year	<u>773,848.159</u>	<u>756,903.773</u>	<u>1,321,512.798</u>	<u>1,129,848.913</u>						

<sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.

#### 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>	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	<u>22,790,201</u>	<u>23,869,225</u>	<u>21,663,086</u>	<u>18,616,305</u>	<u>16,176,150</u>	<u>14,543,358</u>	<u>12,555,651</u>	<u>12,762,216</u>	<u>25,287,247</u>	<u>18,042,945</u>
Net assets attributable to members per unit	<u>11.3929</u>	<u>10.9952</u>	<u>15.8205</u>	<u>14.6467</u>	<u>14.2357</u>	<u>13.4433</u>	<u>12.3503</u>	<u>11.8842</u>	<u>26.3982</u>	<u>21.1802</u>
	<i>BEA Asian Equity Fund</i>		<i>BEA Greater China Equity Fund <sup>(1)</sup></i>		<i>BEA Greater China Tracker Fund <sup>(1)</sup></i>		<i>BEA Hong Kong Tracker Fund</i>		<i>BEA Global Bond Fund</i>	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members	<u>8,563,637</u>	<u>7,242,812</u>	<u>19,209,360</u>	<u>15,071,692</u>	<u>-</u>	<u>5,744,239</u>	<u>15,223,452</u>	<u>16,878,832</u>	<u>7,042,576</u>	<u>5,847,791</u>
Net assets attributable to members per unit	<u>14.5031</u>	<u>13.1287</u>	<u>15.4458</u>	<u>16.9668</u>	<u>-</u>	<u>14.5231</u>	<u>9.5606</u>	<u>11.3989</u>	<u>9.2851</u>	<u>9.4097</u>
	<i>BEA Age 65 Plus Fund</i>		<i>BEA Core Accumulation Fund</i>							
	2024	2023	2024	2023						
	HK\$	HK\$	HK\$	HK\$						
Net assets attributable to members	<u>8,932,738</u>	<u>8,298,652</u>	<u>20,374,226</u>	<u>15,129,529</u>						
Net assets attributable to members per unit	<u>11.5433</u>	<u>10.9639</u>	<u>15.4174</u>	<u>13.3908</u>						

<sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.

## **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 constituent fund ceased operation on 15 June 2023.

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 2023.

	<i>BEA Growth Fund</i>		<i>BEA Balanced Fund</i>		<i>BEA Stable Fund</i>		<i>BEA Global Equity Fund</i>	
	2024	2023	2024	2023	2024	2023	2024	2023
Upward price movement of the underlying investment funds	11%	9%	9%	9%	7%	8%	26%	7%
Estimated increase in net assets attributable to members and changes in net assets attributable to members from operations	HK\$ 2,323,113	HK\$ 1,662,283	HK\$ 1,429,005	HK\$ 1,292,922	HK\$ 856,344	HK\$ 1,002,391	HK\$ 6,449,746	HK\$ 1,237,488
	<i>BEA Asian Equity Fund</i>		<i>BEA Greater China Equity Fund <sup>(1)</sup></i>		<i>BEA Global Bond Fund</i>		<i>BEA Age 65 Plus Fund</i>	
	2024	2023	2024	2023	2024	2023	2024	2023
Upward price movement of the underlying investment funds	13%	17%	8%	12%	1%	8%	6%	6%
Estimated increase in net assets attributable to members and changes in net assets attributable to members from operations	HK\$ 990,296	HK\$ 1,139,325	HK\$ 1,491,328	HK\$ 1,766,632	HK\$ 68,712	HK\$ 455,905	HK\$ 536,308	HK\$ 495,572
	<i>BEA Core Accumulation Fund</i>							
	2024	2023						
Upward price movement of the underlying investment funds	16%	7%						
Estimated increase in net assets attributable to members and changes in net assets attributable to members from operations	HK\$ 3,262,224	HK\$ 1,059,865						

## 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 2023.

	% of possible reasonable shift	Estimated increase 2024 HK\$	Estimated increase 2023 HK\$
BEA Greater China Tracker Fund <sup>(1)</sup> (note (a))	5%	-	283,869
BEA Hong Kong Tracker Fund (note (b))	5%	723,046	807,880

<sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.

Notes:

(a) 100% FTSE Greater China HKD Index

(b) The composite of 100% Hang Seng Total Return Index was used from 1 April 2023 to 31 December 2023 and 100% Hang Seng Total Net Return Index was used from 1 January 2024 to 31 March 2024 for better estimation of potential movement of BEA Hong Kong Tracker Fund.

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

	2024	2023
<b>Rating (S&amp;P/Moody's)</b>		
AA-/Aa3	14.79%	19.44%
A+/A1	34.43%	35.45%
A/A2	18.55%	16.90%
A-/A3	14.98%	9.73%
BBB+/Baa1	17.25%	18.48%
	<hr/>	<hr/>
Total	100.00%	100.00%
	<hr/>	<hr/>

The Scheme and its constituent funds' investments are held by the custodians and the majority of the Scheme and its constituent funds' cash is deposited with The Bank of East Asia, Limited and The Bank of New York Mellon (the "Banks"). Bankruptcy or insolvency of the custodians and the 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 2024 and 2023.

## **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 2024 and 2023, 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*

	2024 HK\$	2023 HK\$
BEA MPF Conservative Fund	22,790,201	23,869,225
BEA Growth Fund	21,663,086	18,616,305
BEA Balanced Fund	16,176,150	14,543,358
BEA Stable Fund	12,555,651	12,762,216
BEA Global Equity Fund	25,287,247	18,042,945
BEA Asian Equity Fund	8,563,637	7,242,812
BEA Greater China Equity Fund <sup>(1)</sup>	19,209,360	15,071,692
BEA Greater China Tracker Fund <sup>(1)</sup>	-	5,744,239
BEA Hong Kong Tracker Fund	15,223,452	16,878,832
BEA Global Bond Fund	7,042,576	5,847,791
BEA Age 65 Plus Fund	8,932,738	8,298,652
BEA Core Accumulation Fund	20,374,226	15,129,529
	<hr/>	<hr/>
Investments at fair value	177,818,324	162,047,596
	<hr/>	<hr/>
Investments at cost	170,890,785	163,396,350
	<hr/>	<hr/>

<sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.

### (b) Constituent funds

#### *BEA MPF Conservative Fund*

	2024 HK\$	2023 HK\$
Short-term deposits	22,038,370	22,569,880
	<hr/>	<hr/>

#### *BEA Growth Fund*

	2024 HK\$	2023 HK\$
Approved Pooled Investment Funds	21,119,205	18,469,811
	<hr/>	<hr/>

## 6 Investments (continued)

### (b) Constituent funds (continued)

#### *BEA Balanced Fund*

	2024 HK\$	2023 HK\$
Approved Pooled Investment Funds	15,877,838	14,365,795

#### *BEA Stable Fund*

	2024 HK\$	2023 HK\$
Approved Pooled Investment Funds	12,233,486	12,529,887

#### *BEA Global Equity Fund*

	2024 HK\$	2023 HK\$
Approved Pooled Investment Fund	24,806,717	17,678,405

#### *BEA Asian Equity Fund*

	2024 HK\$	2023 HK\$
Approved Pooled Investment Funds	7,617,663	6,701,913

#### *BEA Greater China Equity Fund <sup>(1)</sup>*

	2024 HK\$	2023 HK\$
Approved Pooled Investment Fund	18,641,599	14,721,930

#### *BEA Greater China Tracker Fund <sup>(1)</sup>*

	2024 HK\$	2023 HK\$
Approved Index-Tracking Collective Investment Scheme	-	5,742,440



## 6 Investments (continued)

### (b) Constituent funds (continued)

#### *BEA Hong Kong Tracker Fund*

	2024 HK\$	2023 HK\$
Approved Index-Tracking Collective Investment Scheme	15,033,125	16,875,600

#### *BEA Global Bond Fund*

	2024 HK\$	2023 HK\$
Approved Pooled Investment Fund	6,871,153	5,698,813

#### *BEA Age 65 Plus Fund*

	2024 HK\$	2023 HK\$
Approved Pooled Investment Fund	8,938,472	8,259,531

#### *BEA Core Accumulation Fund*

	2024 HK\$	2023 HK\$
Approved Pooled Investment Fund	20,388,902	15,140,928
Total investments at fair value	173,566,530	158,754,933
Total investments at cost	166,535,330	158,529,259

(1) BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.

## 7 Bank balances

As at 31 March 2024, the Scheme placed bank deposits amounted to HK\$540,469 (2023: HK\$525,108).

### 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> 2024 HK\$	2023 HK\$
As at the beginning of the year	567,954	321,248
Benefits	5,164,831	8,065,940
Transfers out	9,871,812	8,584,759
Long service and severance payments and other payments	1,288,618	3,374,943
Benefits paid, transfers out, long service and severance payments and other payments	<u>(15,714,380)</u>	<u>(19,778,936)</u>
As at the end of the year	<u>1,178,835</u>	<u>567,954</u>

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

### (a) The Scheme

	2024 HK\$	2023 HK\$
Change in unrealised gain/(loss) in value of constituent funds	8,276,293	(10,265,284)
Realised loss on sale of constituent funds	<u>(630,088)</u>	<u>(1,167,769)</u>
Net gain/(loss) on investments in constituent funds	<u>7,646,205</u>	<u>(11,433,053)</u>

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

### (b) Constituent funds

	<i>BEA MPF Conservative Fund</i>		<i>BEA Growth Fund</i>		<i>BEA Balanced Fund</i>	
	2024	2023	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Change in unrealised gain/(loss) in value of investments	-	-	826,416	(1,085,222)	776,528	(645,431)
Realised gain/(loss) on sale of investments	-	-	926,044	(471,780)	257,564	(392,685)
Net gain/(loss) on investments	-	-	1,752,460	(1,557,002)	1,034,092	(1,038,116)
	<i>BEA Stable Fund</i>		<i>BEA Global Equity Fund</i>		<i>BEA Asian Equity Fund</i>	
	2024	2023	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Change in unrealised gain/(loss) in value of investments	581,805	(564,401)	4,730,505	(1,344,617)	838,033	(1,143,043)
Realised (loss)/gain on sale of investments	(49,250)	(368,181)	226,909	197,106	40,930	(96,695)
Net gain/(loss) on investments	532,555	(932,582)	4,957,414	(1,147,511)	878,963	(1,239,738)
	<i>BEA Greater China Equity Fund <sup>(1)</sup></i>		<i>BEA Greater China Tracker Fund <sup>(1)</sup></i>		<i>BEA Hong Kong Tracker Fund</i>	
	2024	2023	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Change in unrealised (loss)/gain in value of investments	(1,323,918)	(1,867,135)	(174,769)	(593,909)	(2,609,826)	188,698
Realised (loss)/gain on sale of investments	(109,794)	(75,914)	(189,879)	20,768	(460,979)	(1,182,978)
Net loss on investments	(1,433,712)	(1,943,049)	(364,648)	(573,141)	(3,070,805)	(994,280)

## 8 Net gain/(loss) 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>	
	2024	2023	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Change in unrealised gain/(loss) in value of investments	66,820	(346,305)	541,474	(393,316)	2,552,457	(901,092)
Realised (loss)/gain on sale of investments	(75,215)	(53,343)	(15,154)	(47,876)	126,586	57,689
Net (loss)/gain on investments	(8,395)	(399,648)	526,320	(441,192)	2,679,043	(843,403)

(1) BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.

## 9 Transactions with related parties

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

### (a) Management fees

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

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

## 9 Transactions with related parties (continued)

### (a) Management fees (continued)

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

<i>Name of Constituent Fund</i>	<i>Sponsor <sup>(3)</sup> (p.a. of NAV)</i>	<i>Trustee/ Administrator/ Custodian <sup>(3)</sup> (p.a. of NAV)</i>	<i>Investment Manager <sup>(3)</sup> (p.a. of NAV)</i>	<i>Total (p.a. of NAV)</i>
BEA MPF Conservative Fund <sup>(1)</sup>	0.264%	0.263%	0.263%	0.79%
BEA Growth Fund	0.30%	0.30%	0.30%	0.90%
BEA Balanced Fund	0.30%	0.30%	0.30%	0.90%
BEA Stable Fund	0.30%	0.30%	0.30%	0.90%
BEA Global Equity Fund	0.30%	0.30%	0.30%	0.90%
BEA Asian Equity Fund	0.30%	0.30%	0.30%	0.90%
BEA Greater China Equity Fund <sup>(4)</sup>	0.30%	0.30%	0.30%	0.90%
BEA Greater China Tracker Fund <sup>(4)</sup>	0.20%	0.20%	0.20%	0.60%
BEA Hong Kong Tracker Fund	0.20%	0.20%	0.20%	0.60%
BEA Global Bond Fund	0.30%	0.30%	0.30%	0.90%
BEA Age 65 Plus Fund <sup>(2)</sup>	0.295%	0.295%	0.16%	0.75%
BEA Core Accumulation Fund <sup>(2)</sup>	0.295%	0.295%	0.16%	0.75%

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.

## 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:

	2024 HK\$	2023 HK\$
BEA Conservative Fund	<u>15,169</u>	<u>16,030</u>
BEA Growth Fund	<u>16,382</u>	<u>13,843</u>
BEA Balanced Fund	<u>12,263</u>	<u>10,812</u>
BEA Stable Fund	<u>9,510</u>	<u>9,544</u>
BEA Global Equity Fund	<u>18,973</u>	<u>13,275</u>
BEA Asian Equity Fund	<u>6,428</u>	<u>5,399</u>
BEA Greater China Equity Fund <sup>(1)</sup>	<u>14,518</u>	<u>11,060</u>
BEA Greater China Tracker Fund <sup>(1)</sup>	<u>-</u>	<u>2,831</u>
BEA Hong Kong Tracker Fund	<u>7,633</u>	<u>8,226</u>
BEA Global Bond Fund	<u>5,259</u>	<u>4,372</u>
BEA Age 65 Plus Fund	<u>5,560</u>	<u>5,150</u>
BEA Core Accumulation Fund	<u>12,783</u>	<u>9,274</u>

<sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.

## 9 Transactions with related parties (continued)

### (b) Bank balances

As at 31 March 2024, the Scheme and its constituent funds placed bank deposits amounted to HK\$540,469 and HK\$3,987,394 (2023: HK\$525,108 and HK\$3,555,907) 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\$7,797 (2023: HK\$2,798) and HK\$31,499 (2023: HK\$8,415) 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>	
	2024	2023
	HK\$	HK\$
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,240,731	1,019,756
BEA Union Investment Asia Strategic Growth Fund - Class A	3,168,246	2,157,010
BEA Union Investment China A Opportunities Fund - Class A	884,536	-
BEA Union Investment Europe Fund - Class A	2,340,217	-
BEA Union Investment Global Bond Fund - Class A	3,199,433	3,582,625
BEA Union Investment Global Equity Fund - Class A	3,474,534	7,794,327
BEA Union Investment Greater China Growth Fund - Class A	245,988	601,773
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	90,086	87,096
BEA Union Investment Hong Kong Growth Fund - Class A	2,751,850	3,032,658
BEA Union Investment Japan Fund - Class A	2,191,383	-
BEA Union Investment Money Market Fund - Class A	203,006	194,566
BEA Union Investment US Fund - Class A	1,329,195	-

## 9 Transactions with related parties (continued)

### (c) Investments (continued)

	<i>BEA Balanced Fund</i>		<i>BEA Stable Fund</i>	
	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$
BEA Union Investment Asia Pacific Investment Grade Bond Fund - Class A	1,337,411	1,158,118	1,094,427	1,042,534
BEA Union Investment Asia Strategic Growth Fund- Class A	1,720,115	1,296,997	855,914	847,713
BEA Union Investment China A Opportunities Fund - Class A	559,706	-	321,305	-
BEA Union Investment Europe Fund - Class A	1,187,670	-	546,857	-
BEA Union Investment Global Bond Fund - Class A	5,078,125	5,307,815	5,798,552	6,562,062
BEA Union Investment Global Equity Fund - Class A	2,391,473	4,296,385	1,436,824	2,309,978
BEA Union Investment Greater China Growth Fund - Class A	154,889	445,336	130,699	343,976
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund - Class A	125,899	92,857	63,576	61,466
BEA Union Investment Hong Kong Growth Fund - Class A	1,385,021	1,617,890	396,834	737,274
BEA Union Investment Japan Fund - Class A	1,231,713	-	679,420	-
BEA Union Investment Money Market Fund - Class A	156,921	150,397	651,989	624,884
BEA Union Investment US Fund - Class A	548,896	-	257,090	-
	<i>BEA Global Equity Fund</i>		<i>BEA Asian Equity Fund</i>	
	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$
BEA Union Investment Asia Strategic Growth Fund - Class A	-	-	7,474,058	6,260,903
BEA Union Investment Global Equity Fund - Class A	24,806,717	17,678,405	-	-
BEA Union Investment Greater China Growth Fund - Class A	-	-	143,605	358,836
BEA Union Investment Hong Kong Growth Fund - Class A	-	-	-	82,174
	<i>BEA Greater China Equity Fund</i>		<i>BEA Global Bond Fund</i>	
	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$
BEA Union Investment Global Bond Fund - Class A	-	-	6,871,153	5,698,813
BEA Union Investment Greater China Growth Fund - Class A	18,641,599	14,721,930	-	-



## 9 Transactions with related parties (continued)

### (c) Investments (continued)

	BEA Age 65 Plus Fund		BEA Core Accumulation Fund	
	2024	2023	2024	2023
	HK\$	HK\$	HK\$	HK\$
BEA Union Investment Age 65 Plus Fund - Class I	8,938,472	8,259,531	-	-
BEA Union Investment Core Accumulation Fund - Class I	-	-	20,388,902	15,140,928

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

	BEA MPF Conservative Fund			
	2024		2023	
	Nominal value	Fair value	Nominal value	Fair value
	HK\$	HK\$	HK\$	HK\$
Bank of East Asia, Limited (The) F/D 5.10% 07 June 2024	80,093	80,093	-	-
Bank of East Asia, Limited (The) F/D 5.10% 07 June 2024	218,028	218,028	-	-
Bank of East Asia, Limited (The) F/D 5.10% 07 June 2024	304,262	304,262	-	-
Bank of East Asia, Limited (The) F/D 4.43% 28 June 2024	205,860	205,860	-	-
Bank of East Asia, Limited (The) F/D 4.80% 28 June 2024	227,114	227,114	-	-
Bank of East Asia, Limited (The) F/D 4.65% 05 July 2024	453,885	453,885	-	-
	<u>1,489,242</u>	<u>1,489,242</u>	<u>-</u>	<u>-</u>

### (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 2024 and 2023.

## 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 2023/2024 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 2024 and 2023.

## 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 2024, 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 (2023: HK\$Nil).

## **16 Security lending arrangements**

During the year ended 31 March 2024, the Scheme and its constituent funds did not enter into any security lending arrangements (2023: HK\$Nil).

## **17 Negotiability of assets**

As at 31 March 2024, there were no statutory or contractual requirements restricting the negotiability of the assets of the Scheme and its constituent funds (2023: HK\$Nil).

## **18 Commitments**

As at 31 March 2024, the Scheme and its constituent funds had no commitments (2023: HK\$Nil).

## **19 Contingent liabilities and capital commitment**

As at 31 March 2024, there were no contingent liabilities or capital commitments outstanding for the Scheme and its constituent funds (2023: HK\$Nil).

## **20 Marketing expenses**

During the year ended 31 March 2024, 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 (2023: 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\$Nil was recognised during the year (2023: HK\$13,088). As at 31 March 2024, there was no deferred administrative expenses (2023: HK\$Nil), amounts of HK\$Nil (2023: HK\$36,588) and HK\$ Nil (2023: HK\$99,512) were forfeited and utilised, respectively.

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. 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 2024**

	<i>Number of investee funds</i>	<i>Total net assets HK\$ (in thousands)</i>	<i>Carrying amount included in "Investments" HK\$ (in thousands)</i>
<b>BEA Growth Fund</b>			
- Approved Pooled Investment Funds	12	16,407,453	21,119
<b>BEA Balanced Fund</b>			
- Approved Pooled Investment Funds	12	16,407,453	15,878
<b>BEA Stable Fund</b>			
- Approved Pooled Investment Funds	12	16,407,453	12,233
<b>BEA Global Equity Fund</b>			
- Approved Pooled Investment Fund	1	2,589,567	24,807
<b>BEA Asian Equity Fund</b>			
- Approved Pooled Investment Funds	2	3,946,947	7,618
<b>BEA Greater China Equity Fund <sup>(1)</sup></b>			
- Approved Pooled Investment Fund	1	1,684,875	18,642
<b>BEA Greater China Tracker Fund <sup>(1)</sup></b>			
- Approved Index-Tracking Collective Investment Scheme	-	-	-
<b>BEA Hong Kong Tracker Fund</b>			
- Approved Index-Tracking Collective Investment Scheme	1	122,960,451	15,033
<b>BEA Global Bond Fund</b>			
- Approved Pooled Investment Fund	1	4,285,736	6,871
<b>BEA Age 65 Plus Fund</b>			
- Approved Pooled Investment Fund	1	1,725,330	8,938
<b>BEA Core Accumulation Fund</b>			
- Approved Pooled Investment Fund	1	3,114,281	20,389

## 23 Involvement with unconsolidated structured entities (continued)

### As at 31 March 2024 (continued)

- <sup>(1)</sup> BEA Greater China Tracker Fund ceased operation on 15 June 2023, all members of the constituent fund and their accrued benefits were transferred to BEA Greater China Equity Fund on the same date.

### As at 31 March 2023

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

## 23 Involvement with unconsolidated structured entities (continued)

As at 31 March 2023 (continued)

	Number of Investee funds	Total net assets HK\$ (in thousands)	Carrying amount included in "Investments" HK\$ (in thousands)
<b>BEA Age 65 Plus Fund</b>			
- Approved Pooled Investment Fund	1	849,200	8,260
<b>BEA Core Accumulation Fund</b>			
- Approved Pooled Investment Fund	1	2,284,960	15,141

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.

**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 2024

	BEA Age 65 Plus Fund HK\$	BEA Core Accumulation Fund HK\$
<b>(a) Payments for services</b>		
Trustee, administration and custodian fees	24,890	50,198
Investment management fees	13,503	27,216
Sponsor fees	24,890	50,197
<b>Total payments for services</b>	<b>63,283</b>	<b>127,611</b>
<b>(b) Out-of-pocket expenses</b>		
Fund price publication expenses	8,493	14,716
<b>Total out-of-pocket expenses</b>	<b>8,493</b>	<b>14,716</b>
<b>(c) Payments other than (a) and (b) above</b>	<b>-</b>	<b>-</b>
<b>Total payments</b>	<b>71,776</b>	<b>142,327</b>
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	0.100%	0.085%

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 2024.



**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 2023**

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

The net asset value used for calculating the percentage is the average of the net asset value of the DIS constituent funds as at the last dealing day of each month during the year ended 31 March 2023.

## 25 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 March 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards which are not yet effective for the year ended 31 March 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Scheme and its constituent funds.

*Effective for  
accounting periods  
beginning on or after*

Amendments to HKAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current ("2020 amendments")</i>	1 January 2024
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Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	1 January 2025
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The Trustee is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

## 26 Subsequent event

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