

Annual Report (Audited)

For the year ended 31 December 2018

BEA Union Investment Capital Growth Fund

BEA Union Investment Asia Strategic Growth Fund

BEA Union Investment Global Bond Fund

BEA Union Investment Hong Kong Growth Fund

BEA Union Investment Greater China Growth Fund

BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund

BEA Union Investment Global Equity Fund

BEA Union Investment Asia Pacific Investment Grade Bond Fund

BEA Union Investment Core Accumulation Fund*

BEA Union Investment Age 65 Plus Fund*

(*Not available to Hong Kong retail investors)

The Fund may not obtain leverage exposure through borrowing and the use of financial derivative instruments. Leverage arising from derivatives, if any, is calculated based on commitment approach (i.e. in accordance with CSSF Circular 11/512), and factors in the market value of the equivalent positions in the underlying assets of the financial derivative instruments held by a Sub-Fund (sometimes referred to as "effective notional exposure"), after taking into account netting and hedging arrangements where the market value of underlying security positions may be offset by other commitments related to the same underlying positions.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

YEAR ENDED 31 DECEMBER 2018

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BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

TRUSTEE'S COMMENTARY

BEA UNION INVESTMENT ASIA STRATEGIC GROWTH FUND

Analysis of the investments

The fund recorded a negative return in 2018 and underperformed its peer group average (Asia ex Japan Equity as classified by Morningstar).

Trustee's commentary

Asian equities generally underperformed developed markets in 2018. Market sentiment improved following a sell-off in October, Asian and Hong Kong equities outperformed, as emerging market currencies strengthened.

ASEAN markets trended up but underperformance against the region. Indonesia and Philippines led performance in ASEAN and were mainly led by meaningful inflows on the back of currency appreciation. Moderating ASEAN GDP, continued softness in the region's manufacturing PMIs, coupled with lukewarm earnings will all weigh on investor sentiments going forward.

Trade war concerns receding after a meeting between presidents Trump and Xi at the G20 summit. The central government is continuing to provide support for small and medium-sized enterprises as well as private companies by instituting further financial measures, including government-led investment fund, equity and bond financing and bank loan allocation.

BEA UNION INVESTMENT GLOBAL BOND FUND

Analysis of the investments

The fund recorded a negative return in 2018 but outperformed its peer group average (Global Bond as classified by Morningstar).

Trustee's commentary

In line with market expectation, the U.S. Federal Reserve (Fed) raised its benchmark rate by 25 basis points at its 2018 December meeting. U.S. Treasury bonds rallied as various Federal Reserve members including the chairman, Jerome Powell, issued dovish comments on the path of interest rate hikes.

The core European government bonds yield continued to grind lower as the European Central Bank showed no sign of further policy tightening in near term amid the weaker economic figures. The UK and Japanese government bonds yield also went down along with the overall market.

Looking forward, the more dovish tones of the Fed and weaker economic data in the U.S. may lower the market expectation on rate hikes in near term. However, the monetary policies normalization of the Fed should continue unless there is big negative surprise on the economic growth. On the other hand, the market uncertainties, such as trade war, political uncertainties in Italy, results of Brexit, could create short term volatility on the global government bond markets.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

TRUSTEE'S COMMENTARY (CONTINUED)

BEA UNION INVESTMENT HONG KONG GROWTH FUND

Analysis of the investments

The fund recorded a negative return in 2018 and underperformed its peer group average (Hong Kong Equity as classified by Morningstar).

Trustee's commentary

Hong Kong equity market experienced a volatile year in 2018. The Hang Seng Index reached its all-time high in January, then the market plunged in February and sell off pressure persisted over the subsequent months due to trade war concerns, U.S. rate hikes, and volatility in emerging market currencies.

Emerging market equities eventually rebounded after underperforming the developed markets for over half year. Market sentiment improved following a sell-off in October and Hong Kong equities outperformed.

In November, trade war concerns receded after a meeting between presidents Trump and Xi following the G20 summit as market expecting for more constructive negotiation over trade conflicts.

BEA UNION INVESTMENT GREATER CHINA GROWTH FUND

Analysis of the investments

The fund recorded a negative return in 2018 but outperformed its peer group average (Greater China Equity as classified by Morningstar).

Trustee's commentary

Trade war concerns receding after a meeting between presidents Trump and Xi at the G20 summit. The central government is continuing to provide support for small and medium-sized enterprises as well as private companies by instituting further financial measures, including government-led investment fund, equity and bond financing and bank loan allocation.

China's economy continues to send mixed signals. On the one hand, sales on Alibaba's Singles Day in 2018 reach a record RMB213 billion, an increase of 27% year-on-year. On the other hand, the government's push for deleveraging continues to manifest in decelerating growth in fixed asset investment, previously a key driver of the economy.

Controls on real estate have reduced demand for basic materials in China, leading to renewed pressure on the Producer Price Index, a key barometer of the health of the country's 'overcapacity' industries.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

TRUSTEE'S COMMENTARY (CONTINUED)

BEA UNION INVESTMENT HONG KONG DOLLAR (HK\$) BOND FUND

Analysis of the investments

The fund recorded a positive return in 2018 but underperformed its peer group average (HKD Bond as classified by Morningstar).

Trustee's commentary

In line with market expectation, the U.S. Federal Reserve (Fed) raised its benchmark rate by 25 basis points at its 2018 December meeting. Following the rate hike in the U.S., The Hong Kong Monetary Authority (HKMA) also adjusted the Base Rate upward by 25 basis points to 2.75%.

The weak side of the convertibility zone of Hong Kong dollar was triggered on 12 April 2018 for the first time since it was set, as a result of the selling pressure on the Hong Kong dollar caused by negative interest rate differential with the U.S.

We expect the Hong Kong dollar to trade on par with the U.S. dollar going forward, and the Hong Kong dollar prime rate will gradually increase along with Fed's policy.

BEA UNION INVESTMENT GLOBAL EQUITY FUND

Analysis of the investments

The fund recorded a negative return in 2018 but outperformed its peer group average (Global Large-Cap Blend Equity as classified by Morningstar).

Trustee's commentary

Emerging market equities eventually rebounded after underperforming the developed markets for over half year. Market stabilized ahead of the G20 summit expecting for more constructive negotiation over trade conflicts. The rebound in developed markets suggested investors' conservatism as it was led by defensive sectors like healthcare, utilities and telecommunication.

The U.S. economy continues to show signs it is moving into the late stages of the cycle. For example, due to a tight labour market, wage growth has reaccelerated and remains meaningfully higher than core inflation rates.

European equities underperformed with uncertainty over the Brexit deal still the major concern. At the same time, core inflation in the eurozone fell short of market expectation, with economic confidence continuing to decline.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

TRUSTEE'S COMMENTARY (CONTINUED)

BEA UNION INVESTMENT ASIA PACIFIC INVESTMENT GRADE BOND FUND

Analysis of the investments

The fund recorded a positive return in 2018 and outperformed its peer group average (Asia Bond as classified by Morningstar).

Trustee's commentary

In line with market expectation, the U.S. Federal Reserve (Fed) raised its benchmark rate by 25 basis points at its 2018 December meeting. U.S. Treasury bonds rallied as various Federal Reserve members including the chairman, Jerome Powell, issued dovish comments on the path of interest rate hikes.

The yields of Asian investment grade bonds widened due to movement of U.S. Treasury bonds and widening spread. In terms of sectors, oil and gas performed relatively resilient while Chinese TMT sector underperformed due to industry momentum weakening and trade war issue.

The fundamentals of Asia Pacific investment grade bonds remain solid. The market correction in 2018 has pushed valuations for certain segments to attractive levels. Key risks are: 1) the U.S.-China trade war; 2) volatility of Asian currencies; and 3) a heavy political calendar in 2019.

BEA UNION INVESTMENT CORE ACCUMULATION FUND

Analysis of the investments

The fund recorded a negative return in 2018 but outperformed its peer group average (USD Moderate Allocation as classified by Morningstar).

Trustee's commentary

The U.S. economy continues to show signs it is moving into the late stages of the cycle. Market stabilized ahead of the G20 summit expecting for more constructive negotiation over trade conflicts. The rebound in developed markets suggested investors' conservatism as it was led by defensive sectors.

European equities underperformed with uncertainty over the Brexit deal still the major concern. At the same time, core inflation in the eurozone fell short of market expectation, with economic confidence continuing to decline.

Asian equities generally underperformed developed markets in 2018. Market sentiment improved following a sell-off in October, Asian and Hong Kong equities outperformed, as emerging market currencies strengthened.

The U.S. credit spread has started to widen recently due to stretched valuations, risk-off sentiment, and increased supply. On the other hand, dovish comments from the Federal Reserve's chairman have boosted market sentiment by encouraging expectations of a slower rate hike schedule.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

TRUSTEE'S COMMENTARY (CONTINUED)

BEA UNION INVESTMENT AGE 65 PLUS FUND

Analysis of the investments

The fund recorded a negative return in 2018 but outperformed its peer group average (USD Cautious Allocation as classified by Morningstar).

Trustee's commentary

The U.S. economy continues to show signs it is moving into the late stages of the cycle. Market stabilized ahead of the G20 summit expecting for more constructive negotiation over trade conflicts. The rebound in developed markets suggested investors' conservatism as it was led by defensive sectors.

European equities underperformed with uncertainty over the Brexit deal still the major concern. At the same time, core inflation in the eurozone fell short of market expectation, with economic confidence continuing to decline.

Asian equities generally underperformed developed markets in 2018. Market sentiment improved following a sell-off in October, Asian and Hong Kong equities outperformed, as emerging market currencies strengthened.

The U.S. credit spread has started to widen recently due to stretched valuations, risk-off sentiment, and increased supply. On the other hand, dovish comments from the Federal Reserve's chairman have boosted market sentiment by encouraging expectations of a slower rate hike schedule.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

INVESTMENT OBJECTIVES AND POLICIES OF THE FUND AND THE SUB-FUNDS

BEA Union Investment Capital Growth Fund was established by the Trust Deed dated 22 September 2000, as amended. The Fund offers 9 Sub-funds with different investment policies. The Sub-funds of the Fund are BEA Union Investment Asia Strategic Growth Fund, BEA Union Investment Global Bond Fund, BEA Union Investment Hong Kong Growth Fund, BEA Union Investment Greater China Growth Fund, BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund, BEA Union Investment Global Equity Fund, BEA Union Investment Asia Pacific Investment Grade Bond Fund, BEA Union Investment Core Accumulation Fund and BEA Union Investment Age 65 Plus Fund.

Separate and distinct investment policies are applied in the investments of each Sub-fund. The respective investment objectives and policies are set out below.

BEA UNION INVESTMENT ASIA STRATEGIC GROWTH FUND

Investment objective

To provide investors with long-term capital growth in HK dollar terms through investing in a diversified portfolio primarily consisting of securities that are either (a) listed in the Asia Pacific region or (b) issued by companies that are incorporated in the Asia Pacific region or companies which have significant operations in or derive a significant portion of revenue or profits from the Asia Pacific region but excluding Japan.

Investment policy

The Manager intends to adopt a "top-down" approach to first determine the asset allocation in each country according to the Manager's analysis of the market and economic trends and then select suitable investments within each country by applying fundamental analysis. Corporate earnings growth and funds flow analysis will also be an integral part of the investment decision-making process.

The Manager anticipates that the maximum exposure to any one of the Singapore, Malaysia, Korea, Taiwan and China markets will not exceed 50% of the Sub-fund's assets and the maximum exposure to any one of the Thailand, Indonesia, the Philippines and India markets will not exceed 30% of the Sub-fund's assets.

At least 60% of the assets of the Sub-fund other than cash or deposits may be invested in equity securities, which may include securities from initial public offering. Up to 10% of the assets of the Sub-fund may be invested in other securities (as permitted under Schedule 1 to the Mandatory Provident Fund Schemes (General) Regulation). The Sub-fund's portfolio may also include cash, deposits, fixed interest securities, instruments with floating interest rates and short-term paper such as Treasury Bills, certificates of deposit, bankers' acceptances and short-term commercial paper. If the Manager considers that conditions so require and it is in the interests of unitholders to do so, a substantial portion of the portfolio may be held in cash or such instruments.

Subject to the restrictions imposed by the MPF Ordinance, financial futures and options contracts may be entered into for the Sub-fund for hedging purposes to protect and enhance asset value, consistent with the investment objective of the Sub-fund. Currency forward contracts may be used for the purposes of hedging into HK dollars.

The Manager expects the return of the Sub-fund over the long-term to reflect movements in the stock markets of the Asian region.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

INVESTMENT OBJECTIVES AND POLICIES OF THE FUND AND THE SUB-FUNDS (CONTINUED)

BEA UNION INVESTMENT 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 denominated in various major currencies (including but not limited to, US dollars, Euro, British pounds, Japanese yen and Hong Kong dollars).

Investment policy

The Sub-fund's assets will normally be invested between 20% to 100% in short to long-term government bonds and 0% to 80% in short to long-term corporate bonds. Investments will be made mainly in the United States, Europe and Asia, but may include other markets. However, the actual allocation may vary as market and other conditions change.

Subject to the restrictions imposed by the MPF Ordinance, the Manager and its delegates may acquire financial futures contracts for the Sub-fund for hedging purposes to reduce risk and enhance asset value, consistent with the investment objective of the Sub-fund.

The Manager expects the return of the Sub-fund over the long-term to reflect movements in the global bond market.

BEA UNION INVESTMENT HONG KONG GROWTH FUND

Investment objective

To provide investors with long-term capital growth in Hong Kong dollar terms through investing in a diversified portfolio consisting primarily of securities of companies, either listed or with operations or interests principally in Hong Kong.

Investment policy

The Sub-fund's portfolio will consist primarily of Hong Kong listed securities, and may include securities from initial public offering. Up to 100% of the assets of the Sub-fund may be invested in equity securities. Up to 10% of the assets of the Sub-fund may be invested in other securities (as permitted under Schedule 1 to the Mandatory Provident Fund Schemes (General) Regulation). Investments will be selected based on their expected long-term capital growth. The weighting of the portfolio between sectors may change according to economic circumstances.

The Sub-fund's portfolio may also include cash, deposits, fixed interest securities, instruments with floating interest rates and short-term paper such as Treasury Bills, certificates of deposit, bankers' acceptances and short-term commercial paper. If the Manager considers that conditions so require and it is in the interests of unitholders to do so, a substantial portion of the portfolio may be held in cash or such instruments.

The Manager intends to adopt a "top-down" approach to first determine the sector allocation of the portfolio according to the Manager's analysis of the market and economic trends, and then select suitable investments within each sector.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

INVESTMENT OBJECTIVES AND POLICIES OF THE FUND AND THE SUB-FUNDS (CONTINUED)

BEA UNION INVESTMENT HONG KONG GROWTH FUND (CONTINUED)

Investment policy (continued)

Subject to the restrictions imposed by the MPF Ordinance, the Manager may acquire financial futures and options contracts for the Sub-fund for hedging purposes to protect and enhance asset value, consistent with the investment objective of the Sub-fund.

In addition, at least 30% of the assets of the Sub-fund will be held in Hong Kong dollar currency investments as measured by effective currency exposure (determined in accordance with Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation).

The Manager expects the Sub-fund's return over the long-term to reflect movements in the Hong Kong stock market.

BEA UNION INVESTMENT GREATER CHINA GROWTH FUND

Investment objective

To provide investors with long-term capital growth through investing in a diversified portfolio primarily consisting of securities that are either (a) listed in Greater China or (b) issued by companies that are incorporated in Greater China or companies which have significant operations in or derive a significant portion of revenue or profits from Greater China, which includes the People's Republic of China (PRC), Hong Kong, Macau and Taiwan.

Investment policy

Normally not less than 70% of the assets of the Sub-fund will be invested directly in equities. Up to 10% of the assets of the Sub-fund may be invested in other securities, including other collective investment schemes, China A-shares (subject to availability of investment quota) and China B-shares. Any remaining assets may be held in cash or cash equivalents. In times of extreme volatility of the markets or during severe adverse market conditions, the Sub-fund may hold a substantial portion of its assets in cash or cash equivalents, or invest in short-term money market instruments to safeguard the investment portfolio of the Sub-fund. In addition, at least 30% of the assets of the Sub-fund will be held in Hong Kong dollar currency investments as measured by effective currency exposure (determined in accordance with Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation).

Subject to the restrictions imposed by the MPF Ordinance, the Manager may enter into financial futures and options contracts for the Sub-fund for hedging purposes to reduce risk and protect or enhance asset value, consistent with the investment objective of the Sub-fund.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

INVESTMENT OBJECTIVES AND POLICIES OF THE FUND AND THE SUB-FUNDS (CONTINUED)

BEA UNION INVESTMENT HONG KONG DOLLAR (HK\$) BOND FUND

Investment objective

To provide investors with long-term capital growth in Hong Kong dollar terms through investing in a portfolio consisting primarily of Hong Kong dollar denominated interest bearing securities. If the Manager considers that conditions so require and it is in the interests of unitholders to do so, a substantial portion of the portfolio may be held in cash.

Investment policy

The Manager anticipates that a majority of the portfolio will be invested in bonds issued by governments, quasi-governmental organisations, multilateral international agencies and blue chip corporations. Investments in corporate bonds and debentures must meet the minimum required credit ratings as determined by the Mandatory Provident Fund Schemes Authority from time to time. The value of the portfolio's holding of Hong Kong dollar denominated securities shall not be less than 70% of the net asset value of the Sub-fund.

Subject to the restrictions imposed by the MPF Ordinance, the Manager and its delegates may acquire financial futures contracts for the Sub-fund for hedging purposes to protect and enhance asset value, consistent with the investment objective of the Sub-fund.

In addition, at least 30% of the assets of the investment will be held in Hong Kong dollar currency investments as measured by effective currency exposure (determined in accordance with Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation).

The Manager expects the return of the Sub-fund over the long-term to exceed the Hong Kong inflation rate.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

INVESTMENT OBJECTIVES AND POLICIES OF THE FUND AND THE SUB-FUNDS (CONTINUED)

BEA UNION INVESTMENT GLOBAL EQUITY FUND

Investment objective

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

Investment policy

The Sub-fund's portfolio will 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 of the Mandatory Provident Fund Schemes (General) Regulation.

In managing the asset allocation of the portfolio, the Manager 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 Sub-fund is expected to be:

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

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

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

Subject to the restrictions imposed by the MPF Ordinance, the Manager may enter into financial futures, options and currency forward contracts for the Sub-fund for hedging purposes to reduce risk and protect asset value, consistent with the investment objective of the Sub-fund.

In addition, at least 30% of the assets of the Sub-fund will be held in Hong Kong dollar currency investments as measured by effective currency exposure (determined in accordance with Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation).

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

INVESTMENT OBJECTIVES AND POLICIES OF THE FUND AND THE SUB-FUNDS (CONTINUED)

BEA UNION INVESTMENT ASIA PACIFIC INVESTMENT GRADE BOND FUND

Investment objective

To provide total investment return over the medium to long-term through investing in Asia Pacific investment grade bonds.

Investment policy

The Sub-fund's portfolio will primarily consist of bonds, denominated in various Asian or major global currencies (e.g. USD), which are of investment grade and issued by Asia Pacific government or corporate entities. "Investment grade" for this purpose means a credit rating that satisfies the criteria prescribed by the Mandatory Provident Fund Schemes Authority (the "Authority") from time to time. The investments of the Sub-fund may include, but are not limited to, fixed and floating rate bonds, zero coupon and discount bonds and commercial paper.

The Asia Pacific countries or regions which the Sub-fund may invest in include, but are not limited to, Australia, Hong Kong, China, Korea, Malaysia, New Zealand, Singapore and Thailand. The Sub-fund may obtain exposure to the China bond markets through investment in offshore Renminbi denominated debt securities or other securities issued or distributed outside mainland China, e.g. offshore RMB bonds issued in Hong Kong. It does not invest in debt securities or other securities issued or distributed within mainland China.

Normally no more than 30% of Sub-fund's assets will be invested in other bonds, denominated in various major currencies (e.g. USD), (a) which are either of investment grade but not issued by Asia Pacific government or corporate entities including, but not limited to, members of the European Union (with a minimum credit rating equivalent to BBB- by Standard and Poor's), Canada, the United States, the United Kingdom, Mexico, Russia, Brazil and Qatar, or (b) which are otherwise permitted under Schedule 1 to the Mandatory Provident Fund Schemes (General) Regulation. Investments in bonds issued by non-Asia Pacific issuers may be made to (i) manage downside risks or (ii) achieve additional investment returns by allocating assets into such bonds where the Manager considers they are attractive on a risk/return basis or (iii) benefit from diversification of the portfolio of investments.

The Sub-fund may also invest no more than 30% of its assets in money market instruments, cash or cash equivalents. In times of extreme volatility of the markets or during severe adverse market conditions, the Sub-fund may hold a substantial portion of its assets in money market instruments, cash or cash equivalents to safeguard the investment portfolio of the Sub-fund.

The target asset allocation is as follows:

	Minimum (% of net asset value)	Maximum (% of net asset value)
By asset type		
– Debt securities	70%	100%
– Money market instruments/Cash and cash equivalents	0%	30%
By geographical allocation		
– Asia Pacific	70%	100%
– Non-Asia Pacific	0%	30%

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

INVESTMENT OBJECTIVES AND POLICIES OF THE FUND AND THE SUB-FUNDS (CONTINUED)

BEA UNION INVESTMENT ASIA PACIFIC INVESTMENT GRADE BOND FUND (CONTINUED)

Investment policy (continued)

Subject to the restrictions imposed by the MPF Ordinance, the Manager may enter into financial futures, options and currency forward contracts for the Sub-fund for hedging purposes to reduce risk and protect asset value, consistent with the investment objective of the Sub-fund.

In addition, at least 30% of the assets of the Sub-fund will be held in Hong Kong dollar currency investments as measured by effective currency exposure (determined in accordance with Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation).

The Sub-fund will not invest in any structured deposits or products, and will not enter into any securities lending, repurchase transactions or other similar transactions.

BEA UNION INVESTMENT CORE ACCUMULATION FUND

Investment objective

To achieve capital growth by investing in a globally diversified manner in two approved pool investment funds, namely the BEA Union Investment Global Equity Fund (which invests in a diversified global equity portfolio) and the BEA Union Investment Global Bond Fund (which invests in a diversified global bond portfolio) (the "Underlying Funds"), both existing Investment Funds under the Fund.

Investment policy

The Sub-fund aims to achieve the asset allocation requirements applicable to a "Core Accumulation Fund" (as defined in the MPF Ordinance). Subject to the discretion of the Manager and through an active asset allocation strategy investing in the Underlying Funds (which in turn adopt relevant active investment strategy in selecting particular global equities or global bonds), the Sub-fund will invest 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. The Manager will from time to time rebalance the allocation between the two Underlying Funds, such that so far as practicable the asset allocation of the Sub-fund will be as follows:

The asset allocation is as follows:

	Minimum (% of net asset value)	Maximum (% of net asset value)
Higher risk assets* (such as global equities)	55%	65%
Lower risk assets# (such as global bonds, cash and money market instruments)	35%	45%

* means such investment instruments which are identified as "higher risk assets" in the relevant guidelines issued by the Authority

Lower risk assets# (such as global bonds, cash and money market instruments)

The Sub-fund's holding in cash and bank deposits will be for ancillary purposes, such as for meeting redemption requests or defraying operating expenses, or for reducing market exposure.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

INVESTMENT OBJECTIVES AND POLICIES OF THE FUND AND THE SUB-FUNDS (CONTINUED)

BEA UNION INVESTMENT CORE ACCUMULATION FUND (CONTINUED)

Investment policy (continued)

Subject to the restrictions imposed by the MPF Ordinance, the Manager may enter into currency forward contracts, financial future and options contracts for the Sub-fund for hedging purposes to reduce risk and protect asset value, consistent with the investment objective of the Sub-fund.

In addition, at least 30% of the assets of the Sub-fund will be held in Hong Kong dollar currency investments as measured by effective currency exposure (determined in accordance with Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation).

The Sub-fund will not invest in any structured deposits or products, and will not enter into any securities lending, repurchase transactions or other similar transactions.

The Manager expects the return of the Sub-fund over the long-term to reflect movements between the global equity market and global bond market, with an emphasis on the asset allocation applicable to the Core Accumulation Fund, targeting to outperform the relevant MPF industry developed reference portfolio which is published by the Hong Kong Investment Funds Association and to provide a common reference point for the performance and asset allocation of the Sub-fund.

BEA UNION INVESTMENT AGE 65 PLUS FUND

Investment objective

To achieve stable growth by investing in a globally diversified manner in two approved pool investment funds, namely the BEA Union Investment Global Equity Fund (which invests in a diversified global equity portfolio) and the BEA Union Investment Global Bond Fund (which invests in a diversified global bond portfolio) (the "Underlying Funds"), both existing Investment Funds under the Fund.

Investment policy

The Sub-fund aims to achieve the asset allocation requirements applicable to an "Age 65 Plus Fund" (as defined in the MPF Ordinance). Subject to the discretion of the Manager and through an active asset allocation strategy investing in the Underlying Funds (which in turn adopt relevant active investment strategy in selecting particular global equities or global bonds), the Sub-fund will invest around 20% of its net asset value in higher risk assets* and, 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. The Manager will from time to time rebalance the allocation between the two Underlying Funds, such that so far as practicable the asset allocation of the Sub-fund will be as follows:

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

INVESTMENT OBJECTIVES AND POLICIES OF THE FUND AND THE SUB-FUNDS (CONTINUED)

BEA UNION INVESTMENT AGE 65 PLUS FUND (CONTINUED)

Investment policy (continued)

The asset allocation is as follows:

	Minimum (% of net asset value)	Maximum (% of net asset value)
Higher risk assets* (such as global equities)	15%	25%

* means such investment instruments which are identified as "higher risk assets" in the relevant guidelines issued by the Authority

Lower risk assets# (such as global bonds, cash and money market instruments)	75%	85%
--	-----	-----

The Sub-fund's holding in cash and bank deposits will be for ancillary purposes, such as for meeting redemption requests or defraying operating expenses, or for reducing market exposure.

Subject to the restrictions imposed by the MPF Ordinance, the Manager may enter into currency forward contracts, financial future and options contracts for the Sub-fund for hedging purposes to reduce risk and protect asset value, consistent with the investment objective of the Sub-fund.

In addition, at least 30% of the assets of the Sub-fund will be held in Hong Kong dollar currency investments as measured by effective currency exposure (determined in accordance with Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation).

The Sub-fund will not invest in any structured deposits or products, and will not enter into any securities lending, repurchase transactions or other similar transactions.

The Manager expects the return of the Sub-fund over the long-term to reflect movements between the global equity market and global bond market, with an emphasis on the asset allocation applicable to the Age 65 Plus Fund, targeting to outperform the relevant MPF industry developed reference portfolio which is published by the Hong Kong Investment Funds Association and to provide a common reference point for the performance and asset allocation of the Sub-fund.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

INVESTMENT INCOME AND PERFORMANCE

	BEA Union Investment Asia Strategic Growth Fund			BEA Union Investment Global Bond Fund		
	2018 HK\$	2017 HK\$	2016 HK\$	2018 HK\$	2017 HK\$	2016 HK\$
Net gains/(losses) excluding capital appreciation/(depreciation)	21,992,914	21,375,330	4,609,710	(23,946,492)	(58,142,988)	6,794,157
Capital (depreciation)/appreciation – realised and unrealised	(386,275,405)	718,861,213	61,232,799	29,248,052	402,548,874	78,187,485
Value of fund assets derived from investments as at 31 December	<u>1,752,892,034</u>	<u>2,416,962,255</u>	<u>1,594,373,800</u>	<u>5,224,921,191</u>	<u>5,028,292,584</u>	<u>4,459,322,463</u>

	BEA Union Investment Hong Kong Growth Fund			BEA Union Investment Greater China Growth Fund		
	2018 HK\$	2017 HK\$	2016 HK\$	2018 HK\$	2017 HK\$	2016 HK\$
Net gains/(losses) excluding capital appreciation/(depreciation)	47,599,366	63,259,038	64,623,568	24,453,996	22,061,174	16,867,795
Capital (depreciation)/appreciation – realised and unrealised	(347,533,077)	918,235,070	(44,115,655)	(289,808,138)	580,116,394	15,573,543
Value of fund assets derived from investments as at 31 December	<u>1,771,024,923</u>	<u>3,109,496,406</u>	<u>2,358,869,012</u>	<u>1,552,784,795</u>	<u>1,914,866,383</u>	<u>1,367,380,432</u>

	BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund			BEA Union Investment Global Equity Fund		
	2018 HK\$	2017 HK\$	2016 HK\$	2018 HK\$	2017 HK\$	2016 HK\$
Net gains/(losses) excluding capital appreciation/(depreciation)	(12,146,485)	(9,230,115)	(6,855,225)	10,357,247	4,055,751	3,241,532
Capital (depreciation)/appreciation – realised and unrealised	29,186,579	38,775,386	(4,613,721)	(98,045,853)	128,464,599	9,340,152
Value of fund assets derived from investments as at 31 December	<u>1,488,350,833</u>	<u>1,233,335,976</u>	<u>1,056,189,331</u>	<u>1,025,793,319</u>	<u>909,123,127</u>	<u>388,115,879</u>

	BEA Union Investment Asia Pacific Investment Grade Bond Fund			BEA Union Investment Core Accumulation Fund		
	2018 HK\$	2017 HK\$	2016 HK\$	2018 HK\$ ⁽¹⁾	2017 HK\$ ⁽¹⁾	2016 HK\$
Net gains/(losses) excluding capital appreciation/(depreciation)	(7,288,710)	(4,386,238)	(845,452)	3,744,911	(2,275,220)	–
Capital (depreciation)/appreciation – realised and unrealised	12,562,003	37,823,394	21,442,859	(36,256,529)	29,369,984	–
Value of fund assets derived from investments as at 31 December	<u>942,294,192</u>	<u>776,987,784</u>	<u>441,488,981</u>	<u>730,957,700</u>	<u>494,312,416</u>	<u>–</u>

	BEA Union Investment Age 65 Plus Fund		
	2018 HK\$ ⁽¹⁾	2017 HK\$ ⁽¹⁾	2016 HK\$
Net gains/(losses) excluding capital appreciation/(depreciation)	4,361,138	(2,244,824)	–
Capital (depreciation)/appreciation – realised and unrealised	(6,050,268)	8,124,100	–
Value of fund assets derived from investments as at 31 December	<u>414,674,661</u>	<u>338,560,660</u>	<u>–</u>

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

BREAKDOWN OF INCOME DERIVED FROM INVESTMENTS OTHER THAN NET GAIN/(LOSS) ON INVESTMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	Interest on bonds HK\$	Interest on certificates of deposit HK\$	Dividend income HK\$	Interest on bank deposits HK\$	Other income HK\$	Total HK\$
BEA Union Investment Asia Strategic Growth Fund	–	–	54,113,496	3,493	177	54,117,166
BEA Union Investment Global Bond Fund	108,235,376	–	–	73,192	–	108,308,568
BEA Union Investment Hong Kong Growth Fund	–	–	69,259,900	1,077	–	69,260,977
BEA Union Investment Greater China Growth Fund	–	–	50,254,647	10,381	–	50,265,028
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund	33,181,658	5,312,719	–	296	–	38,494,673
BEA Union Investment Global Equity Fund	–	–	21,854,653	1,723	–	21,856,376
BEA Union Investment Asia Pacific Investment Grade Bond Fund	40,232,553	–	–	1,829	–	40,234,382
BEA Union Investment Core Accumulation Fund ⁽¹⁾	–	–	–	–	–	–
BEA Union Investment Age 65 Plus Fund ⁽¹⁾	–	–	–	–	–	–

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

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FOR THE YEAR ENDED 31 DECEMBER 2017

	Interest on bonds HK\$	Interest on certificates of deposit HK\$	Dividend income HK\$	Interest on bank deposits HK\$	Other income HK\$	Total HK\$
BEA Union Investment Asia Strategic Growth Fund	–	–	53,154,125	12,331	–	53,166,456
BEA Union Investment Global Bond Fund	110,290,412	128,318	–	135,890	–	110,554,620
BEA Union Investment Hong Kong Growth Fund	–	–	91,580,133	613	–	91,580,746
BEA Union Investment Greater China Growth Fund	–	–	45,726,354	168	–	45,726,522
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund	23,030,155	5,346,454	–	197	–	28,376,806
BEA Union Investment Global Equity Fund	–	–	11,735,367	1,509	–	11,736,876
BEA Union Investment Asia Pacific Investment Grade Bond Fund	24,416,528	–	–	1,593	–	24,418,121
BEA Union Investment Core Accumulation Fund ⁽¹⁾	–	–	–	–	–	–
BEA Union Investment Age 65 Plus Fund ⁽¹⁾	–	–	–	–	–	–

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

PERFORMANCE TABLE

(A) TOTAL NET ASSET VALUE (AT LAST TRADED MARKET PRICES) AND NET ASSET VALUE (AT LAST TRADED MARKET PRICES) PER UNIT

Sub-funds	As at 31 December 2018		As at 31 December 2017		As at 31 December 2016	
	Total net asset value	Net asset value per unit	Total net asset value	Net asset value per unit	Total net asset value	Net asset value per unit
BEA Union Investment Asia Strategic Growth Fund						
– Class A (HK\$)	HK\$ 1,747,992,000	HK\$ 335.61	HK\$ 2,344,750,564	HK\$ 408.91	HK\$ 1,554,294,682	HK\$ 281.88
– Class R (US\$)	HK\$ 67,369,380	HK\$ 261.65	HK\$ 85,451,175	HK\$ 324.02	HK\$ 69,637,644	HK\$ 227.02
BEA Union Investment Global Bond Fund						
– Class A (HK\$)	HK\$ 4,727,011,914	HK\$ 122.75	HK\$ 4,685,209,101	HK\$ 122.56	HK\$ 4,798,266,640	HK\$ 114.59
– Class I (HK\$) ⁽¹⁾	HK\$ 629,958,024	HK\$ 105.61	HK\$ 454,496,309	HK\$ 105.41	HK\$ –	HK\$ –
– Class R (US\$)	HK\$ 50,825,596	HK\$ 106.84	HK\$ 41,432,557	HK\$ 107.68	HK\$ 41,906,484	HK\$ 101.63
BEA Union Investment Hong Kong Growth Fund						
– Class A (HK\$)	HK\$ 1,625,713,727	HK\$ 295.44	HK\$ 3,050,620,122	HK\$ 344.48	HK\$ 2,159,773,539	HK\$ 243.07
– Class R (HK\$)	HK\$ 153,520,326	HK\$ 239.51	HK\$ 207,821,851	HK\$ 283.86	HK\$ 252,762,233	HK\$ 203.59
BEA Union Investment Greater China Growth Fund						
– Class A (HK\$)	HK\$ 1,462,324,365	HK\$ 242.04	HK\$ 1,782,899,935	HK\$ 281.45	HK\$ 1,243,508,739	HK\$ 195.69
– Class R (HK\$)	HK\$ 161,190,048	HK\$ 198.33	HK\$ 208,249,966	HK\$ 234.45	HK\$ 155,816,550	HK\$ 165.72
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund						
– Class A (HK\$)	HK\$ 154,764,836	HK\$ 135.87	HK\$ 154,347,355	HK\$ 133.77	HK\$ 121,997,687	HK\$ 128.98
– Class D (HK\$)	HK\$ 297,632,092	HK\$ 103.54	HK\$ 135,317,223	HK\$ 103.04	HK\$ 152,119,705	HK\$ 100.41
– Class R (HK\$)	HK\$ 1,046,868,767	HK\$ 123.83	HK\$ 948,880,797	HK\$ 122.92	HK\$ 799,461,151	HK\$ 119.50
BEA Union Investment Global Equity Fund						
– Class A (HK\$)	HK\$ 490,473,229	HK\$ 153.14	HK\$ 518,545,293	HK\$ 166.07	HK\$ 395,359,136	HK\$ 133.17
– Class I (HK\$) ⁽¹⁾	HK\$ 536,394,209	HK\$ 107.29	HK\$ 406,181,264	HK\$ 116.28	HK\$ –	HK\$ –
– Class R (HK\$) ⁽²⁾	HK\$ 17,263,283	HK\$ 95.98	HK\$ –	HK\$ –	HK\$ –	HK\$ –
BEA Union Investment Asia Pacific Investment Grade Bond Fund						
– Class A (HK\$)	HK\$ 670,169,235	HK\$ 120.00	HK\$ 665,811,240	HK\$ 119.31	HK\$ 458,813,020	HK\$ 112.31
– Class R (HK\$) ⁽³⁾	HK\$ 280,560,547	HK\$ 100.73	HK\$ 118,838,367	HK\$ 101.25	HK\$ –	HK\$ –
BEA Union Investment Core Accumulation Fund ⁽⁴⁾						
– Class I (HK\$) ⁽¹⁾	HK\$ 730,137,505	HK\$ 106.37	HK\$ 493,481,683	HK\$ 110.73	HK\$ –	HK\$ –
BEA Union Investment Age 65 Plus Fund ⁽⁴⁾						
– Class I (HK\$) ⁽¹⁾	HK\$ 413,731,683	HK\$ 104.81	HK\$ 337,355,807	HK\$ 105.16	HK\$ –	HK\$ –

⁽¹⁾ Class I of BEA Union Investment Global Bond Fund, BEA Union Investment Global Equity Fund, BEA Union Investment Core Accumulation Fund and BEA Union Investment Age 65 Plus Fund were launched on 1 April 2017.

⁽²⁾ Class R of BEA Union Investment Global Equity Fund was launched on 13 December 2018.

⁽³⁾ Class R of BEA Union Investment Asia Pacific Investment Grade Bond Fund was launched on 20 June 2017.

⁽⁴⁾ The launch date for BEA Union Investment Core Accumulation Fund and BEA Union Investment Age 65 Plus Fund was 1 April 2017.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

PERFORMANCE TABLE (CONTINUED)

(B) FUND EXPENSE RATIO ("FER")

Sub-funds	2018 Transaction costs for the year ended 31 December HK\$	FER for the year ended 31 December
BEA Union Investment Asia Strategic Growth Fund		
– Class A (HK\$)	16,410,837	0.08%
– Class R (US\$)	666,841	1.71%
BEA Union Investment Global Bond Fund		
– Class A (HK\$)	–	0.03%
– Class I (HK\$)	–	0.01%
– Class R (US\$)	–	0.97%
BEA Union Investment Hong Kong Growth Fund		
– Class A (HK\$)	12,719,802	0.10%
– Class R (HK\$)	1,031,350	1.74%
BEA Union Investment Greater China Growth Fund		
– Class A (HK\$)	13,344,263	0.08%
– Class R (HK\$)	1,479,158	1.73%
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund		
– Class A (HK\$)	–	0.05%
– Class D (HK\$)	–	1.13%
– Class R (HK\$)	–	0.88%
BEA Union Investment Global Equity Fund		
– Class A (HK\$)	696,869	0.07%
– Class I (HK\$)	624,639	0.02%
– Class R (HK\$) ⁽¹⁾	1,256	0.09%
BEA Union Investment Asia Pacific Investment Grade Bond Fund		
– Class A (HK\$)	–	0.06%
– Class R (HK\$)	–	1.16%
BEA Union Investment Core Accumulation Fund		
– Class I (HK\$)	–	0.03%
BEA Union Investment Age 65 Plus Fund		
– Class I (HK\$)	–	0.02%

⁽¹⁾ Class R of BEA Union Investment Global Equity Fund was launched on 13 December 2018.

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BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

PERFORMANCE TABLE (CONTINUED)

(C) HIGHEST AND LOWEST PRICES

Sub-funds	2018			2017			2016			2015		
	Highest issue price per unit	Lowest redemption price per unit	Net annualised investment return (Note) %	Highest issue price per unit	Lowest redemption price per unit	Net annualised investment return (Note) %	Highest issue price per unit	Lowest redemption price per unit	Net annualised investment return (Note) %	Highest issue price per unit	Lowest redemption price per unit	Net annualised investment return (Note) %
BEA Union Investment Asia Strategic Growth Fund												
– Class A (HK\$) ⁽¹⁾	HK\$ 447.27	HK\$ 331.37	(17.93)	HK\$ 416.20	HK\$ 283.55	45.07	HK\$ 310.98	HK\$ 240.77	4.03	HK\$ 348.06	HK\$ 245.19	(10.73)
– Class C (US\$) ⁽²⁾	US\$ –	US\$ –	–									
– Class R (US\$)	US\$ 45.28	US\$ 33.01	(19.37)	US\$ 42.29	US\$ 29.44	41.56	US\$ 32.41	US\$ 25.17	2.31	US\$ 37.17	US\$ 26.03	(12.13)
BEA Union Investment Global Bond Fund												
– Class A (HK\$) ⁽¹⁾	HK\$ 125.66	HK\$ 119.84	0.16	HK\$ 123.83	HK\$ 113.86	6.96	HK\$ 124.20	HK\$ 112.43	2.12	HK\$ 116.15	HK\$ 110.27	(3.22)
– Class I (HK\$) ⁽⁷⁾	HK\$ 108.09	HK\$ 103.10	0.19	HK\$ 106.50	HK\$ 99.93	5.41	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–
– Class R (US\$)	US\$ 14.04	US\$ 13.33	(0.87)	US\$ 13.97	US\$ 13.02	5.03	US\$ 14.25	US\$ 12.95	1.16	US\$ 13.53	US\$ 12.79	(4.07)
BEA Union Investment Hong Kong Growth Fund												
– Class A (HK\$)	HK\$ 380.25	HK\$ 283.69	(14.24)	HK\$ 350.95	HK\$ 244.59	41.72	HK\$ 267.54	HK\$ 201.20	0.38	HK\$ 315.36	HK\$ 224.38	(6.59)
– Class R (HK\$)	HK\$ 312.98	HK\$ 230.62	(15.62)	HK\$ 289.70	HK\$ 204.83	39.43	HK\$ 225.22	HK\$ 170.97	(1.25)	HK\$ 271.47	HK\$ 192.01	(8.10)
BEA Union Investment Greater China Growth Fund												
– Class A (HK\$)	HK\$ 314.50	HK\$ 235.78	(14.00)	HK\$ 291.44	HK\$ 196.44	43.83	HK\$ 216.60	HK\$ 164.33	1.76	HK\$ 249.80	HK\$ 176.53	(6.28)
– Class R (HK\$)	HK\$ 261.71	HK\$ 193.74	(15.41)	HK\$ 243.20	HK\$ 166.33	41.47	HK\$ 184.15	HK\$ 141.35	0.09	HK\$ 217.49	HK\$ 152.88	(7.81)
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund												
– Class A (HK\$)	HK\$ 135.87	HK\$ 131.95	1.57	HK\$ 135.63	HK\$ 128.94	3.71	HK\$ 133.89	HK\$ 126.55	0.51	HK\$ 128.90	HK\$ 124.31	3.13
– Class D (HK\$) ⁽³⁾	HK\$ 103.54	HK\$ 101.15	0.49	HK\$ 104.82	HK\$ 100.38	2.62	HK\$ 104.67	HK\$ 99.54	(0.58)	HK\$ 101.65	HK\$ 99.59	1.00
– Class R (HK\$)	HK\$ 123.83	HK\$ 120.87	0.74	HK\$ 124.95	HK\$ 119.45	2.86	HK\$ 124.44	HK\$ 118.18	(0.33)	HK\$ 120.59	HK\$ 117.10	2.28
BEA Union Investment Global Equity Fund ⁽⁴⁾												
– Class A (HK\$)	HK\$ 179.75	HK\$ 147.00	(7.79)	HK\$ 166.38	HK\$ 133.82	24.71	HK\$ 136.08	HK\$ 114.29	4.92	HK\$ 132.11	HK\$ 119.26	2.56
– Class I (HK\$) ⁽⁷⁾	HK\$ 125.86	HK\$ 102.98	(7.73)	HK\$ 116.49	HK\$ 99.57	16.28	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–
– Class R (HK\$) ⁽⁹⁾	HK\$ 98.35	HK\$ 92.16	(4.02)	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–
BEA Union Investment Asia Pacific Investment Grade Bond Fund ⁽⁵⁾												
– Class A (HK\$)	HK\$ 120.00	HK\$ 116.81	0.58	HK\$ 119.36	HK\$ 112.35	6.23	HK\$ 115.72	HK\$ 107.53	4.68	HK\$ 107.78	HK\$ 102.90	4.42
– Class R (HK\$) ⁽⁸⁾	HK\$ 101.18	HK\$ 98.64	(0.51)	HK\$ 101.62	HK\$ 99.43	1.25	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–
BEA Union Investment Core Accumulation Fund ⁽⁶⁾												
– Class I (HK\$) ⁽⁷⁾	HK\$ 116.36	HK\$ 103.75	(3.94)	HK\$ 110.84	HK\$ 99.86	10.73	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–
BEA Union Investment Age 65 Plus Fund ⁽⁶⁾												
– Class I (HK\$) ⁽⁷⁾	HK\$ 106.98	HK\$ 103.82	(0.33)	HK\$ 105.33	HK\$ 100.04	5.16	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–

(1) The denominations of Class A redeemable units of BEA Union Investment Asia Strategic Growth Fund and BEA Union Investment Global Bond Fund were changed from USD to HKD, effective from 5 July 2013.

(2) With effect from 25 April 2014, Class C units were merged into Class R units.

(3) Class D of BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund was launched on 14 May 2015.

(4) The date of commencement for BEA Union Investment Global Equity Fund was 4 October 2012.

(5) The date of commencement for BEA Union Investment Asia Pacific Investment Grade Bond Fund was 20 June 2014.

(6) The launch date for BEA Union Investment Core Accumulation Fund and BEA Union Investment Age 65 Plus Fund was 1 April 2017.

(7) Class I of BEA Union Investment Global Bond Fund, BEA Union Investment Global Equity Fund, BEA Union Investment Core Accumulation Fund and BEA Union Investment Age 65 Plus Fund were launched on 1 April 2017.

(8) Class R of BEA Union Investment Asia Pacific Investment Grade Bond Fund was launched on 20 June 2017.

(9) Class R of BEA Union Investment Global Equity Fund was launched on 13 December 2018.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

PERFORMANCE TABLE (CONTINUED)

(C) HIGHEST AND LOWEST PRICES (CONTINUED)

Sub-funds	2014			2013			2012			
	Highest issue price per unit	Lowest redemption price per unit	Net annualised investment return (Note) %	Highest issue price per unit	Lowest redemption price per unit	Net annualised investment return (Note) %	Highest issue price per unit	Lowest redemption price per unit	Net annualised investment return (Note) %	
BEA Union Investment Asia Strategic Growth Fund										
– Class A (HK\$) ⁽¹⁾	HK\$ 329.90	HK\$ 284.47	(1.26)	HK\$ 309.98	HK\$ 258.26	8.10	US\$ 36.71	US\$ 29.72	23.29	
– Class C (US\$) ⁽²⁾	US\$ 33.57	US\$ 30.94	N/A	US\$ 33.86	US\$ 28.39	6.31	US\$ 31.57	US\$ 25.78	21.32	
– Class R (US\$)	US\$ 35.60	US\$ 30.94	(2.83)	US\$ 33.86	US\$ 28.39	6.31	US\$ 31.57	US\$ 25.78	21.32	
BEA Union Investment Global Bond Fund										
– Class A (HK\$) ⁽¹⁾	HK\$ 117.20	HK\$ 112.64	2.52	HK\$ 113.33	HK\$ 110.46	0.25	US\$ 14.57	US\$ 14.05	1.82	
– Class I (HK\$) ⁽⁷⁾	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	
– Class R (US\$)	US\$ 13.71	US\$ 13.25	1.58	US\$ 13.41	US\$ 13.05	(0.75)	US\$ 13.46	US\$ 13.03	0.90	
BEA Union Investment Hong Kong Growth Fund										
– Class A (HK\$)	HK\$ 270.03	HK\$ 225.93	4.56	HK\$ 254.24	HK\$ 202.94	8.48	HK\$ 228.69	HK\$ 184.19	22.80	
– Class R (HK\$)	HK\$ 234.90	HK\$ 198.02	2.87	HK\$ 223.91	HK\$ 180.01	6.73	HK\$ 204.55	HK\$ 166.21	20.82	
BEA Union Investment Greater China Growth Fund										
– Class A (HK\$)	HK\$ 213.05	HK\$ 181.52	4.23	HK\$ 199.15	HK\$ 158.29	14.54	HK\$ 171.90	HK\$ 137.30	23.45	
– Class R (HK\$)	HK\$ 187.49	HK\$ 161.26	2.53	HK\$ 177.45	HK\$ 142.07	12.66	HK\$ 155.64	HK\$ 125.39	21.44	
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund										
– Class A (HK\$)	HK\$ 125.25	HK\$ 119.63	3.85	HK\$ 122.02	HK\$ 118.58	(0.81)	HK\$ 120.81	HK\$ 115.79	4.23	
– Class D (HK\$) ⁽³⁾	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	
– Class R (HK\$)	HK\$ 118.07	HK\$ 113.61	2.99	HK\$ 116.55	HK\$ 112.93	(1.63)	HK\$ 115.73	HK\$ 111.85	3.33	
BEA Union Investment Global Equity Fund ⁽⁴⁾										
– Class A (HK\$)	HK\$ 127.31	HK\$ 114.51	1.78	HK\$ 121.58	HK\$ 101.12	22.23	HK\$ 100.64	HK\$ 93.31	(0.53)	
– Class I (HK\$) ⁽⁷⁾	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	
– Class R (HK\$) ⁽⁸⁾	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	
BEA Union Investment Asia Pacific Investment Grade Bond Fund ⁽⁵⁾										
– Class A (HK\$)	HK\$ 103.00	HK\$ 99.75	2.75	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	
– Class R (HK\$) ⁽⁸⁾	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	
BEA Union Investment Core Accumulation Fund ⁽⁶⁾										
– Class I (HK\$) ⁽⁷⁾	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	
BEA Union Investment Age 65 Plus Fund ⁽⁶⁾										
– Class I (HK\$) ⁽⁷⁾	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	

(1) The denominations of Class A redeemable units of BEA Union Investment Asia Strategic Growth Fund and BEA Union Investment Global Bond Fund were changed from USD to HKD, effective from 5 July 2013.

(2) With effect from 25 April 2014, Class C units were merged into Class R units.

(3) Class D of BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund was launched on 14 May 2015.

(4) The date of commencement for BEA Union Investment Global Equity Fund was 4 October 2012.

(5) The date of commencement for BEA Union Investment Asia Pacific Investment Grade Bond Fund was 20 June 2014.

(6) The launch date for BEA Union Investment Core Accumulation Fund and BEA Union Investment Age 65 Plus Fund was 1 April 2017.

(7) Class I of BEA Union Investment Global Bond Fund, BEA Union Investment Global Equity Fund, BEA Union Investment Core Accumulation Fund and BEA Union Investment Age 65 Plus Fund were launched on 1 April 2017.

(8) Class R of BEA Union Investment Asia Pacific Investment Grade Bond Fund was launched on 20 June 2017.

(9) Class R of BEA Union Investment Global Equity Fund was launched on 13 December 2018.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

PERFORMANCE TABLE (CONTINUED)

(C) HIGHEST AND LOWEST PRICES (CONTINUED)

Sub-funds	2011			2010			2009			
	Highest issue price per unit	Lowest redemption price per unit	Net annualised investment return (Note) %	Highest issue price per unit	Lowest redemption price per unit	Net annualised investment return (Note) %	Highest issue price per unit	Lowest redemption price per unit	Net annualised investment return (Note) %	
BEA Union Investment Asia Strategic Growth Fund										
– Class A (HK\$) ⁽¹⁾	US\$ 38.83	US\$ 26.36	(17.86)	US\$ 36.52	US\$ 26.82	17.78	US\$ 30.76	US\$ 15.44	69.29	
– Class C (US\$) ⁽²⁾	US\$ 34.31	US\$ 23.12	(19.21)	US\$ 32.51	US\$ 24.05	15.89	US\$ 27.76	US\$ 14.13	66.63	
– Class R (US\$)	US\$ 34.31	US\$ 23.12	(19.21)	US\$ 32.51	US\$ 24.05	15.89	US\$ 27.76	US\$ 14.13	66.63	
BEA Union Investment Global Bond Fund										
– Class A (HK\$) ⁽¹⁾	US\$ 14.73	US\$ 13.24	6.09	US\$ 14.06	US\$ 12.34	5.32	US\$ 13.36	US\$ 11.42	4.49	
– Class I (HK\$) ⁽⁷⁾	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	
– Class R (US\$)	US\$ 13.74	US\$ 12.41	5.15	US\$ 13.20	US\$ 11.64	4.29	US\$ 12.66	US\$ 10.89	3.50	
BEA Union Investment Hong Kong Growth Fund										
– Class A (HK\$)	HK\$ 245.05	HK\$ 162.91	(20.61)	HK\$ 251.99	HK\$ 183.38	11.01	HK\$ 218.79	HK\$ 108.41	62.59	
– Class R (HK\$)	HK\$ 226.12	HK\$ 148.61	(21.89)	HK\$ 233.28	HK\$ 171.03	9.21	HK\$ 205.78	HK\$ 103.12	59.96	
BEA Union Investment Greater China Growth Fund										
– Class A (HK\$)	HK\$ 186.73	HK\$ 124.78	(21.96)	HK\$ 183.18	HK\$ 133.81	14.34	HK\$ 156.18	HK\$ 80.01	72.36	
– Class R (HK\$)	HK\$ 173.40	HK\$ 115.22	(23.24)	HK\$ 171.69	HK\$ 126.37	12.47	HK\$ 148.62	HK\$ 77.11	69.54	
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund										
– Class A (HK\$)	HK\$ 116.83	HK\$ 111.30	3.59	HK\$ 114.51	HK\$ 108.57	2.91	HK\$ 109.36	HK\$ 106.39	1.65	
– Class D (HK\$) ⁽³⁾	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	
– Class R (HK\$)	HK\$ 113.10	HK\$ 108.27	2.73	HK\$ 112.16	HK\$ 107.16	1.56	HK\$ 108.02	HK\$ 105.50	0.83	
BEA Union Investment Global Equity Fund ⁽⁴⁾										
– Class A (HK\$)	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	
– Class I (HK\$) ⁽⁷⁾	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	
– Class R (HK\$) ⁽⁸⁾	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	
BEA Union Investment Asia Pacific Investment Grade Bond Fund ⁽⁵⁾										
– Class A (HK\$)	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	
– Class R (HK\$) ⁽⁸⁾	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	
BEA Union Investment Core Accumulation Fund ⁽⁶⁾										
– Class I (HK\$) ⁽⁷⁾	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	
BEA Union Investment Age 65 Plus Fund ⁽⁶⁾										
– Class I (HK\$) ⁽⁷⁾	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	HK\$ –	HK\$ –	–	

(1) The denominations of Class A redeemable units of BEA Union Investment Asia Strategic Growth Fund and BEA Union Investment Global Bond Fund were changed from USD to HKD, effective from 5 July 2013.

(2) With effect from 25 April 2014, Class C units were merged into Class R units.

(3) Class D of BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund was launched on 14 May 2015.

(4) The date of commencement for BEA Union Investment Global Equity Fund was 4 October 2012.

(5) The date of commencement for BEA Union Investment Asia Pacific Investment Grade Bond Fund was 20 June 2014.

(6) The launch date for BEA Union Investment Core Accumulation Fund and BEA Union Investment Age 65 Plus Fund was 1 April 2017.

(7) Class I of BEA Union Investment Global Bond Fund, BEA Union Investment Global Equity Fund, BEA Union Investment Core Accumulation Fund and BEA Union Investment Age 65 Plus Fund were launched on 1 April 2017.

(8) Class R of BEA Union Investment Asia Pacific Investment Grade Bond Fund was launched on 20 June 2017.

(9) Class R of BEA Union Investment Global Equity Fund was launched on 13 December 2018.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

PERFORMANCE TABLE (CONTINUED)

(C) HIGHEST AND LOWEST PRICES (CONTINUED)

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

BEA Union Investment Asia Strategic Growth Fund commenced to issue Class A units on 15 April 2003, Class C and Class R (formerly Class B) units on 8 September 2003. With effect from 25 April 2014, Class C units were merged into Class R units.

BEA Union Investment Global Bond Fund commenced to issue Class A and Class R (formerly Class B) units on 1 March 2004 and Class I units on 1 April 2017.

BEA Union Investment Hong Kong Growth Fund commenced to issue Class A and Class R (formerly Class B) units on 10 December 2004.

BEA Union Investment Greater China Growth Fund commenced to issue Class A units on 6 December 2006 and Class R (formerly Class B) units on 1 September 2006.

BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund commenced to issue Class A units on 6 November 2007, Class R (formerly Class B) units on 2 June 2008 and Class D units on 14 May 2015.

BEA Union Investment Global Equity Fund commenced to issue Class A units on 4 October 2012, Class I units on 1 April 2017 and Class R units on 13 December 2018.

BEA Union Investment Asia Pacific Investment Grade Bond Fund commenced to issue Class A units on 20 June 2014 and Class R units on 20 June 2017.

BEA Union Investment Core Accumulation Fund commenced to issue Class I units on 1 April 2017.

BEA Union Investment Age 65 Plus Fund commenced to issue Class I units on 1 April 2017.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO

BEA UNION INVESTMENT ASIA STRATEGIC GROWTH FUND

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (96.56%)			
Equities (94.46%)			
<i>China and Hong Kong (45.86%)</i>			
Agricultural Bank of China Ltd – H	6,824,000	23,406,320	1.29
AIA Group Ltd	1,275,800	82,927,000	4.57
Anhui Conch Cement Co Ltd – H	506,000	19,228,000	1.06
China Citic Bank Corp Ltd – H	2,770,000	13,185,200	0.73
China Construction Bank Corp – H	9,193,000	59,386,780	3.27
China Mengniu Dairy Co Ltd	755,000	18,422,000	1.01
China Merchants Bank Co Ltd – H	885,000	25,399,500	1.40
China Mobile Ltd	720,000	54,252,000	2.99
China Railway Construction Corp Ltd – H	929,500	10,094,370	0.56
China Resources Land Ltd	620,000	18,662,000	1.03
CIFI Holdings Group Co Ltd	2,504,000	10,416,640	0.57
CNOOC Ltd	2,088,000	25,264,800	1.39
Galaxy Entertainment Group Ltd	560,000	27,888,000	1.54
Guangzhou Automobile Group Co Ltd – H	1,374,000	10,730,940	0.59
Hong Kong Exchanges & Clearing Ltd	261,700	59,301,220	3.27
Longfor Properties Co Ltd	1,008,500	23,598,900	1.30
New World Development Co Ltd	499,000	5,169,640	0.28
Nexteer Automotive Group Ltd	781,000	8,715,960	0.48
PetroChina Co Ltd – H	6,842,000	33,388,960	1.84
Ping An Insurance Group Co of China Ltd – H	615,000	42,527,250	2.34
Shenzhen Goodix Technology Co Ltd – A	138,453	12,417,161	0.68
Shenzhou International Group Holdings Ltd	186,000	16,507,500	0.91
Sino Biopharmaceutical Ltd	5,189,000	26,775,240	1.48
Sino Land Co Ltd	866,000	11,621,719	0.64
Sun Art Retail Group Ltd	2,137,500	17,057,250	0.94
Techtronic Industries Co Ltd	464,000	19,302,400	1.06
Tencent Holdings Ltd	425,500	133,607,000	7.36
Wharf Real Estate Investment Co Ltd	497,000	23,284,450	1.28

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT ASIA STRATEGIC GROWTH FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (96.56%) (continued)			
Equities (94.46%) (continued)			
<i>Indonesia (3.61%)</i>			
Astra International Tbk PT	1,046,000	4,684,102	0.26
Bank Central Asia Tbk PT	973,800	13,784,845	0.76
Bank Mandiri Persero Tbk PT	3,819,400	15,336,136	0.84
Erajaya Swasembada Tbk PT	2,976,800	3,565,588	0.20
Pabrik Kertas Tjiwi Kimia Tbk PT	888,900	5,371,983	0.29
Telekomunikasi Indonesia Persero Tbk PT	9,330,000	19,048,978	1.05
Waskita Karya Persero Tbk PT	4,092,100	3,742,952	0.21
<i>Korea (18.79%)</i>			
AfreecaTV Co Ltd	35,000	9,676,159	0.53
Com2uS Corp	10,000	9,051,664	0.50
Coway Co Ltd	25,000	12,998,611	0.72
Hotel Shilla Co Ltd	9,980	5,357,112	0.30
Hyundai Heavy Industries Co Ltd	5,000	4,508,290	0.25
Hyundai Mobis Co Ltd	7,000	9,332,336	0.51
Hyundai Motor Co	10,000	8,314,901	0.46
Jeju Air Co Ltd	25,000	5,885,336	0.32
Korea Electric Power Corp	8,000	1,858,047	0.10
KT&G Corp	4,000	2,848,818	0.16
LG Chem Ltd	9,000	21,913,447	1.21
LG Electronics Inc	36,273	15,856,606	0.87
LG Household & Healthcare Ltd	2,500	19,313,725	1.06
LOTTE Chemical Corp	10,000	19,436,519	1.07
Medy-Tox Inc	2,575	10,439,832	0.58
Naver Corp	4,500	3,852,220	0.21
NCSOFT Corp	3,000	9,820,003	0.54
POSCO	5,150	8,781,167	0.48
Samsung Biologics Co Ltd	2,000	5,423,982	0.30
Samsung Electronics Co Ltd	390,000	105,904,470	5.83
Samsung Fire & Marine Insurance Co Ltd	7,015	13,240,936	0.73

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT ASIA STRATEGIC GROWTH FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (96.56%) (continued)			
Equities (94.46%) (continued)			
<i>Korea (18.79%)(continued)</i>			
Shinhan Financial Group Co Ltd	72,000	20,006,283	1.10
SK Hynix Inc	40,851	17,341,904	0.96
<i>Malaysia (0.90%)</i>			
Dialog Group Bhd	1,940,500	11,433,645	0.63
Tenaga Nasional Bhd	188,578	4,858,929	0.27
<i>Singapore (5.38%)</i>			
CapitaLand Ltd	437,200	7,810,322	0.43
DBS Group Holdings Ltd	258,900	35,231,045	1.94
Genting Singapore Ltd	1,995,500	11,175,958	0.62
Keppel Corp Ltd	291,500	9,895,881	0.55
Oversea-Chinese Banking Corp Ltd	309,200	19,998,909	1.10
Singapore Technologies Engineering Ltd	673,700	13,505,802	0.74
<i>Taiwan (14.66%)</i>			
Airtac International Group	106,000	8,113,568	0.45
ASMedia Technology Inc	283,000	36,042,756	1.99
CTBC Financial Holding Co Ltd	2,550,000	13,120,582	0.72
Delta Electronics Inc	292,000	9,631,949	0.53
E.SUN Financial Holding Co Ltd	2,657,000	13,603,453	0.75
Eclat Textile Co Ltd	386,000	34,215,910	1.88
Ginko International Co Ltd	266,000	14,330,243	0.79
Gourmet Master Co Ltd	237,000	12,435,897	0.69
LandMark Optoelectronics Corp	89,000	5,089,415	0.28
Largan Precision Co Ltd	12,000	9,827,064	0.54
Taiwan Semiconductor Manufacturing Co Ltd	1,910,000	109,708,800	6.04

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT ASIA STRATEGIC GROWTH FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (96.56%) (continued)			
Equities (94.46%) (continued)			
<i>Thailand (2.52%)</i>			
Airports of Thailand PCL – NVDR	656,900	10,148,894	0.56
Bangkok Dusit Medical Services PCL – NVDR	1,911,800	11,400,935	0.63
CP ALL PCL – NVDR	373,000	6,166,346	0.34
Robinson PCL – NVDR	1,181,300	18,037,663	0.99
<i>The Philippines (0.94%)</i>			
BDO Unibank Inc	482,240	9,391,546	0.52
SM Prime Holdings Inc	1,454,200	7,751,277	0.42
<i>The United States of America (1.80%)</i>			
Baozun Inc – Sponsored ADR	26,975	6,169,033	0.34
Huazhu Group Ltd – Sponsored ADR	38,221	8,567,369	0.47
Pinduoduo Inc – Sponsored ADR	41,073	7,216,114	0.40
Yum China Holdings Inc	40,962	10,753,227	0.59
Real estate investment trust (2.10%)			
<i>China and Hong Kong (2.10%)</i>			
Link REIT	479,500	38,024,350	2.10
Total listed/quoted investments		<u>1,752,892,034</u>	<u>96.56</u>
Other net assets		<u>62,469,346</u>	<u>3.44</u>
Total investments, at cost		<u>1,773,759,717</u>	
Total net assets		<u>1,815,361,380</u>	<u>100.00</u>

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL BOND FUND

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (96.62%)			
Bonds (96.62%)			
<i>Denominated in Australian dollar (1.43%)</i>			
Australia Government Bond 4.25% 21/04/2026	7,000,000	44,213,936	0.82
Bank of Montreal FRN 06/10/2022	3,000,000	16,616,376	0.31
Mizuho Financial Group Inc FRN 19/07/2023	3,000,000	16,596,603	0.30
<i>Denominated In British pound (5.35%)</i>			
Nationwide Building Society 3.25% 20/01/2028	1,000,000	10,665,416	0.20
United Kingdom Gilt 1.50% 22/07/2026	5,000,000	51,740,419	0.96
United Kingdom Gilt 1.50% 22/07/2047	8,000,000	74,691,066	1.38
United Kingdom Gilt 1.75% 07/09/2037	4,500,000	45,155,339	0.83
United Kingdom Gilt 2.00% 07/09/2025	4,000,000	42,719,525	0.79
United Kingdom Gilt 2.75% 07/09/2024	4,000,000	44,195,028	0.82
United Kingdom Gilt 3.50% 22/01/2045	1,500,000	20,311,081	0.37
<i>Denominated in Canadian dollar (0.80%)</i>			
Canadian Government Bond 1.50% 01/06/2026	2,500,000	13,920,976	0.26
Canadian Government Bond 2.25% 01/06/2025	5,000,000	29,297,947	0.54
<i>Denominated in Euro (22.55%)</i>			
French Republic Government Bond OAT 0.50% 25/05/2025	3,000,000	27,423,179	0.51
French Republic Government Bond OAT 0.75% 25/05/2028	2,000,000	18,147,039	0.34
French Republic Government Bond OAT 1.00% 25/05/2027	3,000,000	28,084,431	0.52
French Republic Government Bond OAT 1.75% 25/11/2024	6,000,000	58,979,503	1.09
French Republic Government Bond OAT 2.00% 25/05/2048	7,500,000	73,748,921	1.36
French Republic Government Bond OAT 2.25% 25/05/2024	1,000,000	10,147,729	0.19

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL BOND FUND (CONTINUED)

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (96.62%) (continued)			
Bonds (96.62%) (continued)			
<i>Denominated in Euro (22.55%) (continued)</i>			
Bundesrepublik Deutschland Bundesanleihe 0.25% 15/08/2028	14,000,000	125,585,425	2.32
Bundesrepublik Deutschland Bundesanleihe 0.50% 15/02/2028	6,300,000	58,318,976	1.08
Bundesrepublik Deutschland Bundesanleihe 1.25% 15/08/2048	10,500,000	103,683,663	1.92
Industrial & Commercial Bank of China Ltd/Dubai DIFC FRN 23/05/2020	2,500,000	22,378,748	0.41
Italy Buoni Poliennali Del Tesoro 0.95% 01/03/2023	6,000,000	52,560,018	0.97
Italy Buoni Poliennali Del Tesoro 1.25% 01/12/2026	3,000,000	24,857,828	0.46
Italy Buoni Poliennali Del Tesoro 1.45% 15/11/2024	6,000,000	52,033,266	0.96
Italy Buoni Poliennali Del Tesoro 1.60% 01/06/2026	5,000,000	42,791,384	0.79
Italy Buoni Poliennali Del Tesoro 2.00% 01/12/2025	4,000,000	35,320,029	0.65
Italy Buoni Poliennali Del Tesoro 2.05% 01/08/2027	5,000,000	43,491,301	0.81
Italy Buoni Poliennali Del Tesoro 2.20% 01/06/2027	4,000,000	35,036,502	0.65
Italy Buoni Poliennali Del Tesoro 2.80% 01/12/2028	5,000,000	45,161,903	0.84
Italy Buoni Poliennali Del Tesoro 3.75% 01/05/2021	3,000,000	28,836,890	0.53
Korea Housing Finance Corp 0.75% 30/10/2023	2,000,000	18,085,760	0.34
National Australia Bank Ltd FRN 19/04/2021	3,500,000	31,525,101	0.58
Perusahaan Listrik Negara Pt 2.875% 25/10/2025	3,500,000	31,310,465	0.58
Spain Government Bond 1.45% 31/10/2027	5,000,000	45,511,332	0.84
Spain Government Bond 1.50% 30/04/2027	4,000,000	36,979,601	0.68
Spain Government Bond 1.60% 30/04/2025	5,000,000	47,619,103	0.88
Spain Government Bond 1.95% 30/04/2026	6,500,000	62,851,286	1.16
Spain Government Bond 3.80% 30/04/2024	5,500,000	58,852,559	1.09

Denominated in Hong Kong dollar (0.88%)

Bank of China Ltd/Hong Kong 2.85% 07/06/2020	20,000,000	20,045,025	0.37
Sinopec Century Bright Capital Investment Ltd 3.15% 31/10/2020	27,000,000	27,416,088	0.51

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL BOND FUND (CONTINUED)

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (96.62%) (continued)			
Bonds (96.62%) (continued)			
<i>Denominated in Japanese yen (14.10%)</i>			
Apple Inc 0.35% 10/06/2020	920,000,000	65,994,045	1.22
Bank of China Ltd/Tokyo 0.42% 29/11/2021	500,000,000	35,610,173	0.66
China Eastern Airlines Corp Ltd 0.64% 16/03/2021	100,000,000	7,175,848	0.13
China Eastern Airlines Corp Ltd 0.64% 16/03/2021	100,000,000	7,175,848	0.13
Citigroup Inc 2.04% 16/09/2020	100,000,000	7,405,500	0.14
Citigroup Inc 2.40% 31/10/2025	180,000,000	14,385,260	0.27
Corning Inc 0.698% 09/08/2024	250,000,000	17,929,100	0.33
Electricite De France SA 1.088% 26/01/2027	400,000,000	29,224,148	0.54
Foxconn (Far East) Ltd 0.52% 20/09/2022	200,000,000	14,351,295	0.27
Foxconn (Far East) Ltd 0.70% 20/09/2024	100,000,000	7,234,230	0.13
Japan Government Ten Year Bond 0.10% 20/12/2027	350,000,000	25,336,406	0.47
Japan Government Ten Year Bond 0.10% 20/09/2028	400,000,000	28,843,188	0.53
Japan Government Twenty Year Bond 0.40% 20/03/2036	950,000,000	68,044,537	1.26
Japan Government Twenty Year Bond 0.60% 20/12/2037	800,000,000	58,451,546	1.08
Japan Government Twenty Year Bond 0.70% 20/09/2038	400,000,000	29,683,163	0.55
Japan Government Twenty Year Bond 1.00% 20/12/2035	900,000,000	70,868,449	1.31
Japan Government Twenty Year Bond 1.80% 20/06/2031	900,000,000	77,411,876	1.43
Japan Government Thirty Year Bond 0.30% 20/06/2046	300,000,000	19,384,842	0.36
Japan Government Thirty Year Bond 0.90% 20/09/2048	600,000,000	44,987,120	0.83
Procter & Gamble Co/The 0.275% 08/05/2020	950,000,000	68,032,554	1.26
Wal-Mart Stores Inc 0.183% 15/07/2022	200,000,000	14,347,632	0.26
Wal-Mart Stores Inc 0.298% 18/07/2024	300,000,000	21,602,782	0.40
Wal-Mart Stores Inc 0.52% 16/07/2027	400,000,000	29,265,473	0.54

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL BOND FUND (CONTINUED)

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (96.62%) (continued)			
Bonds (96.62%) (continued)			
<i>Denominated in Singapore dollar (0.21%)</i>			
CapitaLand Treasury Ltd 3.08% 19/10/2027	2,000,000	11,277,793	0.21
<i>Denominated in United States dollar (51.30%)</i>			
ANZ New Zealand Int'l Ltd/London FRN 25/01/2022	5,000,000	39,479,428	0.73
Australia and New Zealand Banking Group Ltd FRN 17/05/2021	4,000,000	31,271,960	0.58
Bangkok Bank Public Co Ltd (Hong Kong) 4.05% 19/03/2024	2,350,000	18,755,199	0.35
Bangkok Bank Public Co Ltd (Hong Kong) 4.45% 19/09/2028	1,800,000	14,507,363	0.27
Bank of China Ltd/Hong Kong FRN 08/03/2021	1,600,000	12,543,190	0.23
Bank of China Ltd/London FRN 07/06/2021	1,800,000	14,105,568	0.26
Bank of China Ltd/London FRN 07/06/2023	2,700,000	21,114,794	0.39
Bank of Communications Co Ltd/Hong Kong FRN 16/08/2019	2,000,000	15,755,683	0.29
Bluestar Finance Holdings Ltd 3.50% 30/09/2021	5,000,000	38,747,200	0.72
Central Plaza Development Ltd 3.875% 30/01/2021	2,400,000	18,636,542	0.34
Chalco Hong Kong Investment Co Ltd 4.875% 07/09/2021	2,300,000	18,451,096	0.34
China Construction Bank Corp/Hong Kong FRN 04/12/2020	4,000,000	31,451,331	0.58
China Construction Bank Corp/Hong Kong FRN 08/06/2021	4,000,000	31,347,884	0.58
China Merchants Bank Co Ltd/Hong Kong FRN 01/06/2021	3,600,000	28,243,054	0.52
Clifford Capital Pte Ltd 3.423% 15/11/2021	5,700,000	45,193,618	0.84
CMHI Finance BVI Co Ltd 4.375% 06/08/2023	2,300,000	18,458,912	0.34
CNAC HK Finbridge Co Ltd 4.125% 14/03/2021	2,500,000	19,818,955	0.37
Commonwealth Bank of Australia FRN 16/03/2023	1,800,000	14,008,833	0.26
Cssc Capital One Ltd 4.125% 27/09/2021	3,650,000	29,037,706	0.54
Dah Sing Bank Ltd 5.25% 29/01/2024	6,000,000	48,055,745	0.89
Export-Import Bank of Korea 3.50% 27/11/2021	1,350,000	10,689,924	0.20
Export-Import Bank of Korea FRN 01/06/2021	2,500,000	19,633,175	0.36
Export-Import Bank of Korea FRN 01/11/2022	3,500,000	27,742,222	0.51
Export-Import Bank of Korea FRN 01/06/2023	1,000,000	7,855,706	0.15

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL BOND FUND (CONTINUED)

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (96.62%) (continued)			
Bonds (96.62%) (continued)			
<i>Denominated in United States dollar (51.30%) (continued)</i>			
Export-Import Bank of Thailand FRN 20/11/2023	1,600,000	12,609,907	0.23
HSBC Holdings Plc FRN 11/09/2021	4,500,000	35,030,181	0.65
ICBCIL Finance Co Ltd FRN 15/05/2021	3,000,000	23,484,810	0.43
Indonesia Asahan Aluminium (Persero) Pt 5.23% 15/11/2021	2,400,000	19,202,119	0.36
Indonesia Asahan Aluminium (Persero) Pt 5.71% 15/11/2023	1,600,000	12,856,448	0.24
Indonesia Asahan Aluminium (Persero) Pt 6.53% 15/11/2028	2,100,000	17,422,378	0.32
Indonesia Government International Bond 4.75% 11/02/2029	3,000,000	23,917,296	0.44
Industrial & Commercial Bank of China Ltd/London 3.24% 25/10/2021	1,000,000	7,864,238	0.15
Industrial Bank of Korea FRN 02/08/2021	4,500,000	35,470,611	0.66
Inventive Global Investments Ltd FRN 19/09/2021	4,000,000	31,360,481	0.58
KEB Hana Bank FRN 13/03/2023	7,000,000	54,902,192	1.02
Kookmin Bank 3.625% 23/10/2021	3,350,000	26,502,499	0.49
Korea Development Bank FRN 12/03/2021	1,800,000	14,116,985	0.26
Korea East West Power Co Ltd 3.875% 19/07/2023	3,100,000	25,010,611	0.46
Korea National Oil Corp FRN 16/07/2023	2,900,000	22,968,472	0.42
Korea International Bond 3.50% 20/09/2028	1,000,000	7,956,073	0.15
Korea International Bond 3.875% 20/09/2048	1,200,000	9,457,301	0.18
LG Display Co Ltd 3.875% 15/11/2021	2,150,000	17,106,600	0.32
LOTTE Property & Development Co Ltd FRN 07/08/2021	2,550,000	20,161,601	0.37
Mega Advance Investments Ltd 5.00% 12/05/2021	3,000,000	24,186,390	0.45
Mitsubishi UFJ Financial Group Inc FRN 26/07/2023	7,000,000	54,714,172	1.01
Mizuho Financial Group Inc FRN 11/09/2022	3,500,000	27,297,391	0.51
Mizuho Financial Group Inc FRN 05/03/2023	3,000,000	23,368,078	0.43
Mizuho Financial Group Inc FRN 11/09/2024	3,500,000	27,401,795	0.51

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL BOND FUND (CONTINUED)

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (96.62%) (continued)			
Bonds (96.62%) (continued)			
<i>Denominated in United States dollar (51.30%) (continued)</i>			
National Australia Bank Ltd FRN 20/09/2021	2,500,000	19,519,358	0.36
Oversea-Chinese Banking Corp Ltd 4.00% 15/10/2024	3,000,000	23,757,239	0.44
Perusahaan Listrik Negara (Persero) Pt 5.375% 25/01/2029	2,200,000	17,429,721	0.32
Poly Real Estate Finance Ltd 5.25% 25/04/2019	1,000,000	7,937,091	0.15
Powerchina Real Estate Group Ltd 4.50% 06/12/2021	2,200,000	17,297,107	0.32
Reliance Industries Ltd 4.125% 28/01/2025	3,750,000	29,208,492	0.54
Shougang Corp 3.375% 09/12/2019	3,000,000	23,408,162	0.43
Singtel Group Treasury Pte Ltd 3.875% 28/08/2028	3,000,000	23,848,023	0.44
Sumitomo Mitsui Financial Group Inc FRN 12/07/2022	3,000,000	23,541,085	0.44
Sumitomo Mitsui Financial Group Inc FRN 19/07/2023	3,500,000	27,455,870	0.51
Sun Hung Kai Properties Capital Market Ltd 3.375% 25/02/2024	7,000,000	55,458,661	1.03
Temasek Financial (I) Ltd 3.625% 01/08/2028	850,000	6,869,106	0.13
United States Treasury Note/Bond 0.00% 03/01/2019	5,000,000	39,144,256	0.72
United States Treasury Note/Bond 0.00% 15/01/2019	5,000,000	39,114,886	0.72
United States Treasury Note/Bond 0.00% 24/01/2019	5,000,000	39,091,910	0.72
United States Treasury Note/Bond 0.00% 31/01/2019	5,000,000	39,076,242	0.72
United States Treasury Note/Bond 0.00% 05/02/2019	5,000,000	39,058,611	0.72
United States Treasury Note/Bond 0.00% 19/02/2019	5,000,000	39,023,879	0.72
United States Treasury Note/Bond 0.00% 21/02/2019	5,000,000	39,018,766	0.72
United States Treasury Note/Bond 0.00% 28/02/2019	3,000,000	23,400,568	0.43
United States Treasury Note/Bond 0.00% 07/03/2019	6,000,000	46,780,296	0.87
United States Treasury Note/Bond 0.00% 14/03/2019	5,000,000	38,964,977	0.72

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL BOND FUND (CONTINUED)

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (96.62%) (continued)			
Bonds (96.62%) (continued)			
<i>Denominated in United States dollar (51.30%) (continued)</i>			
United States Treasury Note/Bond 0.00% 21/03/2019	5,000,000	38,950,887	0.72
United States Treasury Note/Bond 0.00% 28/03/2019	5,000,000	38,932,514	0.72
United States Treasury Note/Bond 0.00% 11/04/2019	5,000,000	38,893,216	0.72
United States Treasury Note/Bond 0.00% 18/04/2019	5,000,000	38,874,002	0.72
United States Treasury Note/Bond 0.00% 02/05/2019	5,000,000	38,834,573	0.72
United States Treasury Note/Bond 0.00% 10/10/2019	5,000,000	38,383,465	0.71
United States Treasury Note/Bond 2.25% 31/12/2024	2,000,000	15,388,647	0.28
United States Treasury Note/Bond 2.50% 31/01/2025	4,000,000	31,528,708	0.58
United States Treasury Note/Bond 2.75% 28/02/2025	7,000,000	55,880,381	1.03
United States Treasury Note/Bond 2.875% 15/05/2028	20,000,000	159,642,041	2.95
United States Treasury Note/Bond 2.875% 15/08/2028	30,100,000	241,977,576	4.47
United States Treasury Note/Bond 3.00% 15/08/2048	17,500,000	138,051,882	2.55
United States Treasury Note/Bond 3.125% 15/05/2048	4,000,000	32,068,247	0.59
United States Treasury Note/Bond 3.375% 15/11/2048	7,000,000	58,907,454	1.09
Total listed/quoted investments		<u>5,224,921,191</u>	<u>96.62</u>
Other net assets		<u>182,874,343</u>	<u>3.38</u>
Total investments, at cost		<u>5,184,910,713</u>	
Total net asset		<u>5,407,795,534</u>	<u>100.00</u>

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT HONG KONG GROWTH FUND

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (99.54%)			
Equities (95.98%)			
<i>China and Hong Kong (92.98%)</i>			
Agricultural Bank of China Ltd – H	2,580,000	8,849,400	0.50
AIA Group Ltd	2,746,396	178,515,740	10.03
Bank of China Ltd – H	13,733,000	46,417,540	2.61
China CITIC Bank Corp Ltd – H	2,268,000	10,795,680	0.61
China Construction Bank Corp – H	21,975,910	141,964,379	7.98
China Mengniu Dairy Co Ltd	896,000	21,862,400	1.23
China Merchants Bank Co Ltd – H	342,500	9,829,750	0.55
China Mobile Ltd	1,539,500	116,001,325	6.52
China Resources Land Ltd	958,000	28,835,800	1.62
CIFI Holdings Group Co Ltd	7,174,000	29,843,840	1.68
CK Hutchison Holdings Ltd	226,000	16,995,200	0.96
CNOOC Ltd	6,874,000	83,175,400	4.68
Galaxy Entertainment Group Ltd	1,087,000	54,132,600	3.04
Guangzhou Automobile Group – H	2,748,000	21,461,880	1.21
Henderson Land Development Co Ltd	310,800	12,121,200	0.68
Hong Kong Exchanges & Clearing Ltd	434,600	98,480,360	5.54
HSBC Holdings PLC	2,279,600	147,718,080	8.30
Industrial & Commercial Bank of China Ltd – H	15,950,915	89,165,615	5.01
Longfor Properties Co Ltd	1,250,000	29,250,000	1.64
New World Development Co Ltd	821,000	8,505,560	0.48
Nexteer Automotive Group Ltd	1,554,000	17,342,640	0.97
PetroChina Co Ltd – H	8,972,000	43,783,360	2.46
Ping An Insurance Group Co of China Ltd – H	1,374,000	95,012,100	5.34
Shenzhen International Group	308,000	27,335,000	1.54
Sino Biopharmaceutical Ltd	4,534,000	23,395,440	1.32
Sino Land Co	1,318,000	17,687,560	0.99
Sun Art Retail Group Ltd	1,480,500	11,814,390	0.66
Sun Hung Kai Properties Ltd	177,500	19,809,000	1.11
Techtronic Industries Co Ltd	625,000	26,000,000	1.46
Tencent Holdings Ltd	556,100	174,615,400	9.81
Wharf Real Estate Investment Co Ltd	932,000	43,664,200	2.45

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT HONG KONG GROWTH FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (99.54%) (continued)			
Equities (95.98%) (continued)			
<i>The United State of America (3.00%)</i>			
Baozun Inc – Sponsored ADR	66,801	15,277,019	0.86
Huazhu Group Ltd – ADR	38,009	8,519,849	0.48
Pinduoduo Inc – ADR	167,607	29,446,866	1.66
Real estate investment trust (3.56%)			
<i>China and Hong Kong (3.56%)</i>			
Link REIT	799,500	63,400,350	3.56
Total listed/quoted investments		<u>1,771,024,923</u>	<u>99.54</u>
Other net assets		<u>8,209,130</u>	<u>0.46</u>
Total investments, at cost		<u>1,639,383,846</u>	
Total net asset		<u>1,779,234,053</u>	<u>100.00</u>

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GREATER CHINA GROWTH FUND

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (95.64%)			
Equities (94.65%)			
<i>China and Hong Kong (69.51%)</i>			
Agricultural Bank of China Ltd – H	5,745,000	19,705,350	1.21
AIA Group Ltd	1,731,600	112,554,000	6.93
Anhui Conch Cement Co Ltd – H	764,500	29,051,000	1.79
China CITIC Bank Corp Ltd – H	4,128,000	19,649,279	1.21
China Construction Bank Corp – H	11,417,000	73,753,819	4.54
China International Travel Service Corp Ltd – A	124,700	8,554,766	0.53
China Mengniu Dairy Co Ltd	1,080,000	26,352,000	1.62
China Merchants Bank Co Ltd – H	652,500	18,726,750	1.15
China Mobile Ltd	232,500	17,518,875	1.08
China Railway Construction Corp Ltd – H	1,940,500	21,073,830	1.30
China Resources Land Ltd	930,000	27,993,000	1.73
CIFI Holdings Group Co Ltd	7,930,000	32,988,800	2.03
CNOOC Ltd	2,997,000	36,263,700	2.23
East Money Information Co Ltd – A	1,040,300	14,344,624	0.88
Galaxy Entertainment Group Ltd	1,180,000	58,764,000	3.62
Guangzhou Automobile Group Co Ltd – H	1,724,000	13,464,440	0.83
Hong Kong Exchanges & Clearing Ltd	322,900	73,169,140	4.51
Industrial & Commercial Bank of China Ltd – H	6,866,050	38,381,220	2.36
Longfor Properties Co Ltd	1,550,000	36,270,000	2.23
New World Development Co Ltd	892,000	9,241,120	0.57
Nexteer Automotive Group Ltd	418,000	4,664,880	0.29
PetroChina Co Ltd – H	5,346,000	26,088,480	1.61
Ping An Insurance (Group) Co of China Ltd – H	667,000	46,123,050	2.84
Shenzhen Goodix Technology Co., Ltd. – A	64,600	5,793,653	0.36
Shenzhou International Group Holdings Ltd	324,000	28,755,000	1.77
Sino Biopharmaceutical Ltd	5,883,000	30,356,280	1.87
Sino Land Co Ltd	1,498,000	20,103,160	1.24
Sun Art Retail Group Ltd	4,063,500	32,426,730	2.00
Sun Hung Kai Properties Ltd	128,000	14,284,800	0.88
Techtronic Industries Co Ltd	620,500	25,812,800	1.59
Tencent Holdings Ltd	526,900	165,446,600	10.19
Wharf Real Estate Investment Co Ltd	722,000	33,825,700	2.08
Zhejiang Huayou Cobalt Co Ltd – A	205,900	7,065,002	0.44

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GREATER CHINA GROWTH FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (95.64%) (continued)			
Equities (94.65%) (continued)			
<i>Taiwan (20.97%)</i>			
Airtac International Group	277,000	21,202,438	1.31
ASMedia Technology Inc	283,000	36,042,756	2.22
Delta Electronics Inc	908,000	29,951,403	1.84
E.SUN Financial Holding Co Ltd	3,796,000	19,434,967	1.20
Eclat Textile Co Ltd	388,000	34,393,195	2.12
Ginko International Co Ltd	302,000	16,269,675	1.00
Gourmet Master Co Ltd	272,000	14,272,422	0.88
LandMark Optoelectronics Corp	117,000	6,690,580	0.41
Largan Precision Co Ltd	13,000	10,645,986	0.66
PChome Online Inc	283,000	9,118,817	0.56
St Shine Optical Co Ltd	1,000	137,039	0.01
Taiwan Semiconductor Manufacturing Co Ltd	2,477,325	142,295,473	8.76
<i>The United State of America (4.17%)</i>			
Baozun Inc – Sponsored ADR	99,221	22,691,293	1.40
Huazhu Group Ltd – Sponsored ADR	35,085	7,864,424	0.49
Pinduoduo Inc – Sponsored ADR	113,000	19,852,966	1.22
Yum China Holdings Inc	65,739	17,257,613	1.06
Real estate investment trust (0.99%)			
<i>China and Hong Kong (0.99%)</i>			
Link REIT	203,000	16,097,900	0.99
Total listed/quoted investments		1,552,784,795	95.64
Other net assets		70,729,618	4.36
Total investments, at cost		1,478,339,879	
Total net assets		1,623,514,413	100.00

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT HONG KONG DOLLAR (HK\$) BOND FUND

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (99.27%)			
Bonds (81.38%)			
<i>Denominated in Hong Kong Dollar (73.04%)</i>			
Airport Authority Hong Kong 2.25% 05/09/2022	5,000,000	4,993,582	0.33
Bank of China Ltd – Hong Kong 3.30% 20/11/2020	27,000,000	27,222,660	1.82
BOC Aviation Ltd 3.25% 27/07/2027	30,000,000	29,324,648	1.96
CDBL Funding 2 3.60% 16/11/2021	20,000,000	20,298,976	1.35
CK Property Finance MTN Ltd 2.25% 25/08/2022	35,000,000	34,334,082	2.29
CK Property Finance MTN Ltd 2.69% 01/09/2027	9,000,000	8,509,334	0.57
CLP Power Hong Kong Financing Ltd 3.97% 23/03/2026	10,000,000	10,542,040	0.70
Commonwealth Bank of Australia 3.36% 30/03/2027	10,000,000	9,891,621	0.66
DBS Group Holdings Ltd 2.80% 13/01/2022	10,000,000	10,254,089	0.68
DBS Group Holdings Ltd 3.24% 19/04/2026	20,000,000	20,047,675	1.34
HKCG Finance Ltd 2.30% 17/06/2026	18,000,000	17,026,695	1.14
HKCG Finance Ltd 2.65% 03/07/2027	10,000,000	9,660,711	0.64
HKCG Finance Ltd 2.85% 10/11/2025	18,000,000	17,795,623	1.19
HKCG Finance Ltd 3.00% 13/09/2021	20,000,000	20,314,630	1.35
Hong Kong Government Bond 0.97% 20/06/2022	10,000,000	9,750,027	0.65
Hong Kong Government Bond 1.32% 23/12/2019	15,000,000	14,951,066	1.00
Hong Kong Government Bond 2.31% 21/06/2021	45,000,000	45,699,140	3.05
Hong Kong Government Bond 2.44% 07/12/2020	10,000,000	10,159,312	0.68
Hong Kong Government Bond 2.53% 22/06/2020	20,000,000	20,257,929	1.35
Hong Kong Mortgage Corp Ltd 1.92% 10/05/2022	19,000,000	18,980,216	1.27
Hong Kong Mortgage Corp Ltd 1.96% 16/03/2020	4,500,000	4,553,548	0.30

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

**BEA UNION INVESTMENT HONG KONG DOLLAR (HK\$) BOND FUND
(CONTINUED)**

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (99.27%) (continued)			
Bonds (81.38%) (continued)			
<i>Denominated in Hong Kong Dollar (73.04%) (continued)</i>			
Hong Kong Mortgage Corp Ltd 2.18% 19/10/2020	15,000,000	15,041,682	1.00
Hong Kong Mortgage Corp Ltd 2.40% 27/09/2021	36,000,000	36,294,384	2.42
Hong Kong Mortgage Corp Ltd 2.85% 04/10/2021	20,000,000	20,449,318	1.36
Hong Kong Mortgage Corp Ltd 3.84% 09/03/2020	10,000,000	10,494,720	0.70
Hong Kong Mortgage Corp Ltd 4.525% 02/09/2020	26,000,000	27,050,704	1.80
Hong Kong Mortgage Corp Ltd 5.40% 31/05/2021	15,000,000	16,566,443	1.10
Hong Kong Science & Technology Parks Corp 3.20% 11/07/2024	18,000,000	18,971,690	1.27
Hong Kong Treasury Bill 0.00% 23/01/2019	500,000	499,444	0.03
Hong Kong Treasury Bill 0.00% 30/01/2019	5,000,000	4,993,535	0.33
Hong Kong Treasury Bill 0.00% 13/02/2019	10,000,000	9,980,380	0.67
Hong Kong Treasury Bill 0.00% 20/02/2019	10,000,000	9,977,040	0.67
Hong Kong Treasury Bill 0.00% 20/03/2019	20,000,000	19,927,380	1.33
Hongkong Land Notes Co Ltd 2.90% 07/12/2022	1,000,000	1,006,504	0.07
Hongkong Land Notes Co Ltd 3.86% 07/03/2022	2,000,000	2,074,342	0.14
Hongkong Land Notes Co Ltd 4.10% 28/07/2025	10,000,000	10,745,254	0.72
Hysan MTN Ltd 3.66% 28/11/2025	20,000,000	20,425,416	1.36
Hysan MTN Ltd 3.78% 31/08/2020	31,000,000	31,601,207	2.11
Hysan MTN Ltd 3.90% 08/03/2019	25,000,000	25,120,915	1.68
Kookmin Bank 3.30% 13/11/2021	18,000,000	18,313,022	1.22
Korea National Oil Corp 4.50% 04/03/2021	6,000,000	6,437,016	0.43
Malayan Banking Bhd 2.295% 25/05/2022	15,000,000	14,780,835	0.99

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

**BEA UNION INVESTMENT HONG KONG DOLLAR (HK\$) BOND FUND
(CONTINUED)**

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (99.27%) (continued)			
Bonds (81.38%) (continued)			
<i>Denominated in Hong Kong Dollar (73.04%) (continued)</i>			
Mizuho Bank Ltd 3.174% 25/06/2021	10,000,000	10,280,121	0.69
MTR Corporation CI Ltd 1.92% 26/10/2022	53,000,000	52,397,017	3.49
MTR Corporation CI Ltd 2.56% 02/05/2021	20,000,000	20,193,360	1.35
Nan Fung Treasury Ltd 3.85% 30/01/2023	2,000,000	2,018,203	0.13
Nan Fung Treasury Ltd 3.95% 08/11/2022	1,000,000	1,012,472	0.07
National Australia Bank Ltd 3.73% 17/05/2026	24,000,000	24,157,662	1.61
Shinhan Bank Ltd 3.14% 26/07/2021	10,000,000	10,223,076	0.68
Sinopec Century Bright Capital Investment Ltd 3.15% 31/10/2020	20,000,000	20,308,214	1.35
Sun Hung Kai Properties Capital Market Ltd 2.28% 25/08/2026	3,000,000	2,807,325	0.19
Sun Hung Kai Properties Capital Market Ltd 2.55% 16/08/2024	10,000,000	9,779,034	0.65
Sun Hung Kai Properties Capital Market Ltd 2.75% 30/04/2021	10,000,000	10,080,259	0.67
Sun Hung Kai Properties Capital Market Ltd 2.95% 08/05/2023	2,000,000	2,011,198	0.13
Sun Hung Kai Properties Capital Market Ltd 2.95% 08/05/2023	10,000,000	10,055,988	0.67
Sun Hung Kai Properties Capital Market Ltd 3.25% 05/12/2022	6,000,000	6,103,933	0.41
Sun Hung Kai Properties Capital Market Ltd 3.25% 05/12/2022	6,000,000	6,104,865	0.41
Sun Hung Kai Properties Capital Market Ltd 3.25% 05/12/2022	9,000,000	9,155,899	0.61
Sun Hung Kai Properties Capital Market Ltd 3.25% 30/07/2023	10,000,000	10,272,573	0.68
Sun Hung Kai Properties Capital Market Ltd 3.35% 11/09/2023	10,000,000	10,201,662	0.68
Sun Hung Kai Properties Capital Market Ltd 4.00% 16/04/2024	4,000,000	4,228,218	0.28
Sun Hung Kai Properties Capital Market Ltd 4.03% 03/06/2019	2,000,000	2,020,534	0.13

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

**BEA UNION INVESTMENT HONG KONG DOLLAR (HK\$) BOND FUND
(CONTINUED)**

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (99.27%) (continued)			
Bonds (81.38%) (continued)			
<i>Denominated in Hong Kong Dollar (73.04%) (continued)</i>			
Sun Hung Kai Properties Capital Market Ltd 4.05% 24/02/2021	8,000,000	8,288,499	0.55
Swire Pacific MTN Financing Ltd 2.50% 27/04/2022	21,000,000	20,930,618	1.40
Swire Pacific MTN Financing Ltd 2.85% 18/07/2022	9,000,000	9,081,794	0.61
Swire Pacific MTN Financing Ltd 2.90% 24/01/2023	13,000,000	13,097,452	0.87
Swire Pacific MTN Financing Ltd 3.00% 22/03/2023	7,000,000	7,044,491	0.47
Swire Pacific MTN Financing Ltd 3.68% 27/05/2024	5,000,000	5,199,501	0.35
Swire Pacific MTN Financing Ltd 3.78% 28/02/2022	4,000,000	4,140,023	0.28
Swire Properties MTN Financing Ltd 1.80% 17/08/2021	2,000,000	1,954,649	0.13
Swire Properties MTN Financing Ltd 2.55% 18/08/2024	10,500,000	10,297,829	0.69
Swire Properties MTN Financing Ltd 2.60% 05/07/2025	9,000,000	8,803,998	0.59
Swire Properties MTN Financing Ltd 2.65% 03/06/2026	12,000,000	11,667,992	0.78
Swire Properties MTN Financing Ltd 2.80% 26/03/2025	7,000,000	6,896,633	0.46
Swire Properties MTN Financing Ltd 3.00% 06/11/2025	10,000,000	9,991,597	0.67
Swire Properties MTN Financing Ltd 3.00% 07/04/2027	10,000,000	9,954,517	0.66
Swire Properties MTN Financing Ltd 3.55% 17/07/2024	6,000,000	6,217,921	0.41
United Overseas Bank Ltd 3.19% 26/08/2028	20,000,000	19,628,441	1.31
Victoria Power Networks Finance Pty Ltd 3.29% 24/02/2027	3,000,000	3,097,060	0.21

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT HONG KONG DOLLAR (HK\$) BOND FUND (CONTINUED)

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (99.27%) (continued)			
Bonds (81.38%) (continued)			
<i>Denominated in Hong Kong Dollar (73.04%) (continued)</i>			
Westpac Banking Corp 1.98% 28/05/2020	5,000,000	4,974,946	0.33
Westpac Banking Corp 2.31% 13/10/2022	5,000,000	4,957,800	0.33
Westpac Banking Corp 3.15% 14/07/2027	10,000,000	9,888,265	0.66
Wharf REIC Finance BVI Ltd 3.10% 17/04/2025	10,000,000	10,155,132	0.68
<i>Denominated in United States Dollar (8.34%)</i>			
CDBI Funding 1 FRN 15/11/2021	600,000	4,719,988	0.31
Central Plaza Development Ltd 3.875% 30/01/2021	800,000	6,212,181	0.41
CNAC HK Finbridge Co Ltd 4.125% 14/03/2021	200,000	1,585,516	0.11
CNAC HK Finbridge Co Ltd 4.625% 14/03/2023	650,000	5,206,853	0.35
Dah Sing Bank Ltd 4.25% 30/11/2026	1,500,000	11,705,223	0.78
Korea Resources Corp 3.00% 24/04/2022	500,000	3,858,537	0.26
Korea Resources Corp 4.00% 18/04/2023	400,000	3,191,266	0.21
Korea International Bond 3.50% 20/09/2028	600,000	4,773,644	0.32
Mitsubishi UFJ Financial Group Inc 4.286% 26/07/2038	700,000	5,585,551	0.37
Mizuho Financial Group Inc 4.254% 11/09/2029	750,000	6,026,238	0.40
Poly Real Estate Finance Ltd 4.75% 17/09/2023	500,000	3,924,612	0.26
Shinhan Bank 3.875% 05/11/2023	1,000,000	7,965,064	0.53
Sinopec Group Overseas Development (2018) Ltd 4.125% 12/09/2025	800,000	6,372,188	0.43
Sinopec Group Overseas Development (2018) Ltd 4.25% 12/09/2028	1,000,000	8,014,469	0.53
SK Innovation Co Ltd 4.125% 13/07/2023	500,000	4,040,360	0.27
United States Treasury Note/Bond 2.875% 15/08/2028	1,800,000	14,470,420	0.97
United States Treasury Note/Bond 3.125% 15/11/2028	1,300,000	10,605,068	0.71
United States Treasury Note/Bond 3.375% 15/11/2048	2,000,000	16,830,701	1.12

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT HONG KONG DOLLAR (HK\$) BOND FUND (CONTINUED)

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (99.27%) (continued)			
Certificates of deposit (17.89%)			
<i>Denominated in Hong Kong Dollar (17.89%)</i>			
Bank of China Ltd/Hong Kong 2.59% 25/07/2022	20,000,000	19,916,397	1.33
Bank of China Ltd/Hong Kong 2.59% 17/10/2022	10,000,000	9,883,762	0.66
Bank of China Ltd/Macau 2.34% 15/10/2020	24,000,000	23,710,337	1.58
Bank of China Ltd/Hong Kong 3.00% 21/05/2021	10,000,000	10,170,586	0.68
Bank of Communications Co Ltd/Hong Kong 2.60% 01/03/2021	10,000,000	10,122,371	0.67
China Development Bank Corp FRN 23/10/2020	20,000,000	20,064,001	1.34
China Development Bank Corp 2.535% 17/09/2020	11,000,000	11,018,312	0.73
China Development Bank Corp 2.625% 03/04/2020	5,000,000	5,014,750	0.33
China Development Bank Corp 3.20% 05/12/2022	11,000,000	11,096,720	0.74
China Development Bank Corp 3.91% 18/05/2020	2,000,000	2,075,434	0.14
Fubon Bank Hong Kong Ltd 2.50% 27/03/2020	10,000,000	10,130,527	0.68
Fubon Bank Hong Kong Ltd 3.25% 24/12/2021	20,000,000	20,173,247	1.35
Hang Seng Bank Ltd 2.25% 11/05/2020	18,000,000	17,907,447	1.19
Hang Seng Bank Ltd 3.00% 28/05/2021	15,000,000	15,078,798	1.01
Mizuho Bank Ltd/Hong Kong 3.20% 22/10/2021	20,000,000	20,410,302	1.36
MUFG Bank Ltd/Hong Kong 2.05% 17/03/2021	3,000,000	2,967,078	0.20
MUFG Bank Ltd/Hong Kong 2.42% 09/05/2022	10,000,000	10,043,872	0.67
Sumitomo Mitsui Banking Corp/Hong Kong 2.40% 10/03/2021	37,000,000	36,597,351	2.44
Sumitomo Mitsui Banking Corp/Hong Kong 2.70% 21/02/2022	12,000,000	11,882,056	0.79
Total listed/quoted investments		<u>1,488,350,833</u>	<u>99.27</u>
Other net assets		<u>10,914,862</u>	<u>0.73</u>
Total investments, at cost		<u>1,494,123,923</u>	
Total net asset		<u>1,499,265,695</u>	<u>100.00</u>

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL EQUITY FUND

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (98.24%)			
Equities (98.24%)			
<i>Australia (1.55%)</i>			
Australia and New Zealand Banking Group Ltd	12,823	1,728,792	0.17
BHP Group Ltd	10,586	1,997,264	0.19
Commonwealth Bank of Australia	4,479	1,787,131	0.17
CSL Ltd	1,354	1,381,855	0.13
Macquarie Group Ltd	2,181	1,306,117	0.12
National Australia Bank Ltd	10,321	1,369,287	0.13
Rio Tinto Ltd	3,041	1,315,276	0.13
Wesfarmers Ltd	5,517	979,773	0.09
Westpac Banking Corp	11,248	1,552,410	0.15
Woodside Petroleum Ltd	7,659	1,322,180	0.13
Woolworths Group Ltd	8,732	1,415,967	0.14
<i>Belgium (0.12%)</i>			
Anheuser-Busch Inbev SA/NV	2,409	1,244,056	0.12
<i>Brazil (0.46%)</i>			
Ambev SA	47,200	1,466,449	0.14
B3 SA Brasil Bolsa Balcao	28,800	1,559,762	0.15
Vale SA	17,700	1,823,528	0.17
<i>Canada (2.74%)</i>			
Bank of Montreal	2,600	1,329,311	0.13
Bank of Nova Scotia	4,200	1,638,380	0.16
Canadian National Railway Co	4,200	2,434,336	0.23
Enbridge Inc	7,900	1,920,581	0.18
Nutrien Ltd	22,200	8,159,878	0.78
Royal Bank of Canada	3,300	1,767,600	0.17
Suncor Energy Inc	37,400	8,174,771	0.78
Toronto-Dominion Bank	4,600	1,789,406	0.17
TransCanada Corp	5,100	1,425,220	0.14

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL EQUITY FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (98.24%) (continued)			
Equities (98.24%) (continued)			
<i>China and Hong Kong (2.98%)</i>			
Agricultural Bank of China Ltd – H	453,000	1,553,790	0.15
AIA Group Ltd	28,600	1,859,000	0.18
Bank of China Ltd – H	352,000	1,189,760	0.11
BOC Hong Kong Holdings Ltd	42,500	1,236,750	0.12
China Construction Bank Corp – H	243,000	1,569,780	0.15
China Life Insurance Co Ltd – H	72,000	1,198,080	0.11
China Mobile Ltd	20,500	1,544,675	0.15
China Overseas Land & Investment Ltd	58,000	1,560,200	0.15
China Petroleum & Chemical Corp – H	204,000	1,140,360	0.11
CK Asset Holdings Ltd	13,000	744,900	0.07
CK Hutchison Holdings Ltd	21,000	1,579,200	0.15
CLP Holdings Ltd	18,000	1,593,000	0.15
CNOOC Ltd	108,000	1,306,800	0.13
Galaxy Entertainment Group Ltd	25,000	1,245,000	0.12
Hang Seng Bank Ltd	7,700	1,353,660	0.13
Hong Kong and China Gas Co Ltd	101,000	1,636,200	0.16
Hong Kong Exchanges & Clearing Ltd	5,800	1,314,280	0.13
PetroChina Co Ltd – H	294,000	1,434,720	0.14
Ping An Insurance Group Co of China Ltd – H	20,000	1,383,000	0.13
Sun Hung Kai Properties Ltd	7,000	781,200	0.07
Tencent Holdings Ltd	12,400	3,893,600	0.37
<i>Denmark (1.05%)</i>			
Ambu A/S – B	48,129	9,039,502	0.87
Novo Nordisk A/S – B	5,321	1,901,121	0.18
<i>Finland (0.88%)</i>			
Nokia OYJ	34,189	1,539,153	0.15
Wartsila OYJ Abp	61,312	7,624,851	0.73

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL EQUITY FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (98.24%) (continued)			
Equities (98.24%) (continued)			
<i>France (5.01%)</i>			
Air Liquide SA	8,928	8,665,848	0.83
Airbus SE	2,139	1,607,350	0.15
AXA SA	13,344	2,252,210	0.22
BNP Paribas SA	2,542	898,101	0.09
Capgemini SE	9,331	7,248,952	0.69
Danone SA	1,415	778,986	0.07
Dassault Systemes SE	7,903	7,334,965	0.70
EssilorLuxottica SA	1,589	1,570,786	0.15
Kering SA	423	1,558,271	0.15
L'Oreal SA	553	995,819	0.09
LVMH Moet Hennessy Louis Vuitton SE	662	1,529,824	0.15
Pernod Ricard SA	1,196	1,533,927	0.15
Safran SA	1,519	1,432,932	0.13
Sanofi	13,677	9,261,567	0.89
Schneider Electric SE	2,089	1,116,569	0.11
Total SA	5,235	2,163,704	0.21
Vinci SA	3,684	2,374,652	0.23
<i>Germany (1.97%)</i>			
Adidas AG	813	1,327,219	0.13
Allianz SE – REG	1,044	1,636,489	0.16
BASF SE	2,343	1,266,591	0.12
Bayer AG – REG	2,068	1,120,892	0.11
Daimler AG – REG	3,123	1,283,236	0.12
Deutsche Telekom AG	9,425	1,250,135	0.12
LANESS AG	3,048	1,096,651	0.10
Muenchener Rueckversicherungs AG – REG	4,746	8,094,015	0.78
SAP SE	2,345	1,824,483	0.17
Siemens AG – REG	1,881	1,639,404	0.16

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL EQUITY FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (98.24%) (continued)			
Equities (98.24%) (continued)			
<i>India (0.90%)</i>			
Axis Bank Ltd	23,303	1,620,026	0.15
Hindustan Unilever Ltd	7,754	1,582,348	0.15
Housing Development Finance Corporation Ltd	6,708	1,480,757	0.14
Infosys Ltd	19,662	1,453,010	0.14
Reliance Industries Ltd	13,127	1,650,655	0.16
Tata Consultancy Services Ltd	7,742	1,643,628	0.16
<i>Indonesia (0.46%)</i>			
Bank Central Asia Tbk PT	112,900	1,598,181	0.15
Bank Rakyat Indonesia Persero Tbk PT	802,700	1,599,533	0.16
Telekomunikasi Indonesia Persero Tbk PT	768,200	1,568,427	0.15
<i>Israel (0.10%)</i>			
Teva Pharmaceutical Industries Ltd	8,428	1,035,672	0.10
<i>Italy(0.42%)</i>			
Enel SpA	34,821	1,571,968	0.15
Eni SpA	10,765	1,324,588	0.13
Intesa Sanpaolo SpA	85,305	1,481,013	0.14

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL EQUITY FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (98.24%) (continued)			
Equities (98.24%) (continued)			
<i>Japan (8.85%)</i>			
Asahi Kasei Corp	13,800	1,112,796	0.11
Astellas Pharma Inc	12,600	1,260,148	0.12
Bridgestone Corp	4,700	1,420,730	0.14
Canon Inc	6,100	1,306,332	0.13
Central Japan Railway Co	1,000	1,653,066	0.16
Dai-ichi Life Holdings Inc	10,500	1,287,272	0.12
Daiichi Sankyo Co Ltd	5,700	1,428,116	0.14
Daikin Industries Ltd	1,600	1,335,298	0.13
Daiwa House Industry Co Ltd	5,600	1,397,867	0.13
Denso Corp	3,900	1,361,751	0.13
East Japan Railway Co	2,000	1,385,964	0.13
Eisai Co Ltd	2,100	1,274,085	0.12
FANUC Corp	1,500	1,784,369	0.17
Fast Retailing Co Ltd	500	2,011,296	0.19
Hitachi Ltd	5,800	1,214,977	0.12
Honda Motor Co Ltd	10,500	2,168,806	0.21
Hoya Corp	3,300	1,557,764	0.15
Itochu Corp	10,100	1,345,624	0.13
Japan Post Holdings Co Ltd	17,800	1,606,824	0.15
Japan Tobacco Inc	11,100	2,072,534	0.20
JXTG Holdings Inc	29,000	1,193,454	0.11
Kao Corp	5,000	2,909,368	0.28
KDDI Corp	7,000	1,310,750	0.13
Keyence Corp	400	1,589,341	0.15
Kirin Holdings Co Ltd	7,200	1,180,959	0.11
Komatsu Ltd	7,200	1,215,384	0.12
Mitsubishi Corp	6,700	1,443,908	0.14
Mitsubishi Electric Corp	23,400	2,031,355	0.19
Mitsubishi Estate Co Ltd	12,500	1,542,725	0.15
Mitsubishi UFJ Financial Group Inc	36,500	1,401,046	0.13
Mitsui & Co Ltd	10,700	1,290,794	0.12
Mitsui Fudosan Co Ltd	9,400	1,640,078	0.16

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL EQUITY FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (98.24%) (continued)			
Equities (98.24%) (continued)			
<i>Japan (8.85%) (continued)</i>			
Mizuho Financial Group Inc	202,900	2,465,781	0.24
Murata Manufacturing Co Ltd	1,400	1,494,075	0.14
Nidec Corp	2,400	2,136,533	0.20
Nintendo Co Ltd	500	1,044,896	0.10
Nippon Telegraph and Telephone Corp	5,200	1,663,156	0.16
Nissan Motor Co Ltd	19,700	1,237,527	0.12
NTT Docomo Inc	14,200	2,505,432	0.24
Oriental Land Co Ltd	1,900	1,498,892	0.14
Orix Corp	11,600	1,329,004	0.13
Panasonic Corp	16,700	1,180,518	0.11
Recruit Holdings Co Ltd	7,000	1,329,981	0.13
Secom Co Ltd	2,500	1,625,949	0.16
Seven & i Holdings Co Ltd	4,400	1,501,796	0.14
Shin-Etsu Chemical Co Ltd	3,800	2,314,706	0.22
Shiseido Co Ltd	2,500	1,229,541	0.12
SMC Corp	600	1,423,214	0.14
SoftBank Group Corp	2,500	1,303,221	0.13
Sony Corp	3,800	1,444,251	0.14
Subaru Corp	7,100	1,195,717	0.11
Sumitomo Corp	11,600	1,292,581	0.12
Sumitomo Mitsui Financial Group Inc	8,800	2,288,959	0.22
Suzuki Motor Corp	3,400	1,350,697	0.13
Takeda Pharmaceutical Co Ltd	6,900	1,824,296	0.17
Tokio Marine Holdings Inc	4,000	1,494,574	0.14
Tokyo Electron Ltd	1,600	1,428,923	0.14
Toshiba Corp	6,400	1,415,792	0.14
Toyota Motor Corp	5,800	2,651,385	0.25

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL EQUITY FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (98.24%) (continued)			
Equities (98.24%) (continued)			
<i>Korea (1.49%)</i>			
Hyundai Motor Co	1,983	1,648,845	0.16
KB Financial Group Inc	4,712	1,537,436	0.15
LG Chem Ltd	643	1,565,594	0.15
Naver Corp	1,854	1,587,115	0.15
POSCO	569	970,191	0.09
Samsung Electronics Co Ltd	21,340	5,794,875	0.56
Shinhan Financial Group Co Ltd	5,389	1,497,415	0.14
SK Hynix Inc	2,158	916,106	0.09
<i>Malaysia (0.15%)</i>			
Public Bank Bhd	33,900	1,590,234	0.15
<i>Netherlands (1.25%)</i>			
ASML Holding NV	1,275	1,565,182	0.15
ING Groep NV	9,479	798,324	0.08
Koninklijke Philips NV	4,952	1,370,843	0.13
Unilever NV	22,093	9,376,560	0.89
<i>Singapore (0.71%)</i>			
DBS Group Holdings Ltd	11,000	1,496,877	0.14
Jardine Matheson Holdings Ltd	3,100	1,688,769	0.16
Oversea-Chinese Banking Corporation Ltd	23,900	1,545,841	0.15
Singapore Telecommunications Ltd	83,000	1,396,928	0.14
United Overseas Bank Ltd	8,800	1,241,985	0.12

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL EQUITY FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (98.24%) (continued)			
Equities (98.24%) (continued)			
<i>South Africa (0.60%)</i>			
FirstRand Ltd	41,710	1,488,313	0.14
Naspers Ltd – SHS	1,263	1,988,187	0.19
Sasol Ltd	5,255	1,215,561	0.12
Standard Bank Group Ltd	15,705	1,528,428	0.15
<i>Spain (0.51%)</i>			
Banco Bilbao Vizcaya Argentaria SA	26,857	1,114,247	0.11
Banco Santander SA	36,849	1,310,303	0.12
Iberdrola SA	26,729	1,678,894	0.16
Telefonica SA	19,443	1,277,108	0.12
<i>Sweden (1.47%)</i>			
Atlas Copco AB	4,034	749,878	0.07
Investor AB – A SHS	3,760	1,247,142	0.12
Nordea Bank Abp	12,970	854,210	0.08
Svenska Handelsbanken AB – A SHS	11,976	1,039,603	0.10
Swedbank AB – A SHS	6,120	1,068,736	0.10
Telefonaktiebolaget LM Ericsson – B SHS	137,858	9,486,004	0.91
Volvo AB – B SHS	8,816	902,703	0.09
<i>Switzerland (3.08%)</i>			
ABB Ltd – REG	4,841	718,780	0.07
Compagnie Financiere Richemont SA – REG	2,317	1,159,317	0.11
Geberit AG – REG	225	683,160	0.07
Nestle SA – REG	20,710	13,125,578	1.26
Novartis AG – REG	4,620	3,083,639	0.29
Roche Holding AG – Genusschein	1,540	2,976,986	0.28
Swiss Re AG	11,532	8,253,939	0.79
UBS Group AG – REG	6,262	608,489	0.06
Zurich Insurance Group AG	664	1,545,679	0.15

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL EQUITY FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (98.24%) (continued)			
Equities (98.24%) (continued)			
<i>Taiwan (0.70%)</i>			
Chunghwa Telecom Co Ltd	58,000	1,669,429	0.16
Formosa Plastics Corp	63,000	1,620,778	0.15
Hon Hai Precision Industry Co Ltd	52,800	952,201	0.09
Taiwan Semiconductor Manufacturing Co Ltd	54,000	3,101,715	0.30
<i>Thailand (0.14%)</i>			
PTT PCL	128,800	1,424,689	0.14
<i>The United Kingdom (4.78%)</i>			
AstraZeneca PLC	3,558	2,083,642	0.20
BHP Group PLC	18,961	3,122,650	0.30
BP PLC	43,089	2,130,892	0.20
British American Tobacco PLC	4,996	1,245,431	0.12
Diageo PLC	34,714	9,674,836	0.93
GlaxoSmithKline PLC	12,346	1,835,774	0.18
Glencore PLC	46,909	1,362,788	0.13
HSBC Holdings PLC	42,794	2,760,433	0.26
Imperial Brands PLC	5,612	1,330,160	0.13
Lloyds Banking Group PLC	121,318	627,236	0.06
National Grid PLC	19,499	1,485,855	0.14
Prudential PLC	4,458	623,226	0.06
Reckitt Benckiser Group PLC	4,205	2,521,241	0.24
RELX PLC	8,188	1,319,808	0.13
Rio Tinto PLC	4,519	1,680,770	0.16
Royal Dutch Shell PLC – A SHS	11,600	2,669,051	0.26
Royal Dutch Shell PLC – B SHS	8,158	1,903,517	0.18
Shire PLC	3,526	1,606,777	0.15
Unilever PLC	4,615	1,890,654	0.18
Vodafone Group PLC	530,313	8,085,314	0.77

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL EQUITY FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (98.24%) (continued)			
Equities (98.24%) (continued)			
<i>The United States of America (55.87%)</i>			
3M Co	1,300	1,939,338	0.19
Abbott Laboratories	4,300	2,435,068	0.23
AbbVie Inc	3,500	2,526,248	0.24
Accenture PLC – CL A	1,500	1,656,019	0.16
Activision Blizzard Inc	2,700	984,451	0.09
Adobe Inc	5,200	9,210,789	0.88
Alibaba Group Holding Ltd – SP ADR	2,700	2,897,546	0.28
Allergan PLC	800	837,174	0.08
Alphabet Inc – CL A	800	6,545,062	0.63
Alphabet Inc – CL C	1,800	14,594,620	1.40
Altria Group Inc	4,400	1,701,436	0.16
Amazon.com Inc	1,000	11,759,404	1.13
American Electric Power Company Inc	2,600	1,521,424	0.15
American Express Co	1,100	820,919	0.08
Amgen Inc	1,500	2,286,201	0.22
Anthem Inc	800	1,644,972	0.16
Aon PLC	7,600	8,649,333	0.83
Apple Inc	12,300	15,190,464	1.45
AT&T Inc	17,336	3,873,709	0.37
Automatic Data Processing Inc	1,500	1,539,871	0.15
Baidu Inc – SPON ADR	1,100	1,365,903	0.13
Bank of America Corp	21,300	4,109,078	0.39
Bank of New York Mellon Corp	4,500	1,658,368	0.16
Becton Dickinson and Co	1,100	1,940,513	0.19
Berkshire Hathaway Inc – CL B	2,900	4,635,913	0.44
Biogen Inc	700	1,649,199	0.16
BlackRock Inc	700	2,152,860	0.21
Boeing Co	1,300	3,282,443	0.31
Booking Holdings Inc	200	2,697,076	0.26
Boston Scientific Corp	5,500	1,521,785	0.14
Bristol-Myers Squibb Co	5,700	2,319,718	0.22
Broadcom Inc	900	1,791,756	0.17

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL EQUITY FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (98.24%) (continued)			
Equities (98.24%) (continued)			
<i>The United States of America (55.87%) (continued)</i>			
Capital One Financial Corp	2,400	1,420,364	0.14
Caterpillar Inc	1,700	1,691,282	0.16
Celgene Corp	1,200	602,137	0.06
Charles Schwab Corp	4,500	1,463,183	0.14
Charter Communications Inc – A	500	1,115,561	0.11
Check Point Software Technologies Ltd	1,900	1,526,992	0.15
Chevron Corp	5,100	4,343,934	0.42
Chubb Ltd	1,900	1,921,644	0.18
Cigna Corp	1,732	2,575,388	0.25
Cisco Systems Inc	38,200	12,959,139	1.24
Citigroup Inc	5,700	2,323,288	0.22
CME Group Inc	6,400	9,426,252	0.90
Coca-Cola Co	34,400	12,752,711	1.22
Cognizant Technology Solutions Corp – A	2,900	1,441,315	0.14
Colgate-Palmolive Co	2,100	978,602	0.09
Comcast Corp – CL A	10,100	2,692,543	0.26
ConocoPhillips	3,800	1,855,001	0.18
Costco Wholesale Corp	1,300	2,073,384	0.20
Credicorp Ltd	1,000	1,735,526	0.17
CSX Corp	16,000	7,782,971	0.74
CVS Health Corp	2,672	1,370,675	0.13
Danaher Corp	11,600	9,365,371	0.90
Deere & Co	1,400	1,635,060	0.16
Dominion Energy Inc	2,900	1,622,501	0.15
DowDuPont Inc	5,700	2,386,659	0.23
Duke Energy Corp	3,200	2,162,145	0.21
Ecolab Inc	1,300	1,499,746	0.14
Eli Lilly and Co	3,100	2,808,628	0.27
Emerson Electric Co	2,800	1,309,845	0.12
EOG Resources Inc	2,200	1,502,149	0.14
Exelon Corp	4,400	1,553,650	0.15
Exxon Mobil Corp	11,200	5,979,472	0.57

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL EQUITY FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (98.24%) (continued)			
Equities (98.24%) (continued)			
<i>The United States of America (55.87%) (continued)</i>			
Facebook Inc – A	6,200	6,363,343	0.61
FedEx Corp	1,100	1,389,415	0.13
Fiserv Inc	15,200	8,745,727	0.84
Flowserve Corp	23,900	7,114,332	0.68
Fluor Corp	29,000	7,311,020	0.70
General Dynamics Corp	1,000	1,230,848	0.12
General Electric Co	18,900	1,120,164	0.11
General Motors Co	4,300	1,126,130	0.11
Gilead Sciences Inc	3,100	1,518,144	0.14
Goldman Sachs Group Inc	1,000	1,307,888	0.12
HCA Healthcare Inc	1,500	1,461,538	0.14
Home Depot Inc	2,800	3,766,655	0.36
Honeywell International Inc	8,700	8,999,366	0.86
Humana Inc	700	1,570,061	0.15
Illinois Tool Works Inc	1,600	1,587,035	0.15
Illumina Inc	700	1,643,774	0.16
Intel Corp	11,000	4,041,730	0.39
Intercontinental Exchange Inc	2,700	1,592,413	0.15
International Business Machines Corp	2,000	1,779,918	0.17
Intuit Inc	1,000	1,541,202	0.15
Intuitive Surgical Inc	500	1,874,809	0.18
Itau Unibanco Holding SA – SPON PRF ADR	22,200	1,588,632	0.15
JD.com Inc – ADR	9,100	1,491,196	0.14
Johnson & Johnson	6,900	6,971,580	0.67
JPMorgan Chase & Co	20,300	15,515,255	1.49
Kimberly-Clark Corp	1,800	1,605,731	0.15
Linde PLC	1,200	1,466,025	0.14
Lockheed Martin Corp	700	1,435,021	0.14
Lowe's Cos Inc	1,900	1,373,921	0.13
Marathon Petroleum Corp	3,200	1,478,426	0.14
Marsh & McLennan Companies Inc	2,400	1,498,532	0.14
Mastercard Inc – A	2,100	3,101,703	0.30

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL EQUITY FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (98.24%) (continued)			
Equities (98.24%) (continued)			
<i>The United States of America (55.87%) (continued)</i>			
McCormick & Company Inc/MD – Non VTG SHS	7,500	8,176,160	0.78
McDonald's Corp	1,800	2,502,454	0.24
Medtronic PLC	3,200	2,278,896	0.22
Merck & Co Inc	6,800	4,068,021	0.39
MetLife Inc	23,400	7,522,443	0.72
Micron Technology Inc	3,200	794,958	0.08
Microsoft Corp	33,100	26,321,918	2.52
Middleby Corp	9,600	7,721,339	0.74
Mondelez International Inc – A	3,500	1,096,927	0.10
Morgan Stanley	4,700	1,459,033	0.14
National Oilwell Varco Inc	36,200	7,283,930	0.70
NetEase Inc – ADR	900	1,658,509	0.16
Netflix Inc	1,000	2,095,596	0.20
NextEra Energy Inc	6,800	9,254,069	0.89
NIKE Inc – CL B	18,200	10,564,478	1.01
Norfolk Southern Corp	1,300	1,522,036	0.15
Northrop Grumman Corp	600	1,150,440	0.11
NVIDIA Corp	1,400	1,463,300	0.14
Occidental Petroleum Corp	3,200	1,537,804	0.15
Oracle Corp	7,121	2,517,230	0.24
PayPal Holdings Inc	2,700	1,777,592	0.17
PepsiCo Inc	3,400	2,940,943	0.28
Pfizer Inc	12,900	4,408,573	0.42
Philip Morris International Inc	3,500	1,829,399	0.17
Phillips 66	1,700	1,146,643	0.11

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL EQUITY FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (98.24%) (continued)			
Equities (98.24%) (continued)			
<i>The United States of America (55.87%) (continued)</i>			
PNC Financial Services Group Inc	1,800	1,647,587	0.16
PRA Health Sciences Inc	9,500	6,839,851	0.65
Procter & Gamble Co	18,100	13,026,048	1.25
Qualcomm Inc	6,000	2,673,400	0.26
Raytheon Co	1,100	1,320,689	0.13
S&P Global Inc	1,000	1,330,515	0.13
Salesforce.com Inc	2,100	2,252,002	0.21
Schlumberger Ltd	4,700	1,327,665	0.13
Southern Co	4,100	1,409,841	0.13
Starbucks Corp	4,300	2,168,096	0.21
Stryker Corp	1,500	1,840,869	0.18
Target Corp	2,300	1,190,112	0.11
Tesla Inc	600	1,563,359	0.15
Texas Instruments Inc	2,600	1,923,664	0.18
Thermo Fisher Scientific Inc	5,700	9,987,105	0.96
TJX Companies Inc	24,200	8,476,868	0.81
Twenty-First Century Fox Inc	4,000	1,506,988	0.14
Union Pacific Corp	1,900	2,056,269	0.20
United Parcel Service Inc – CL B	2,300	1,756,265	0.17
United Technologies Corp	2,100	1,750,699	0.17
UnitedHealth Group Inc	6,900	13,458,039	1.29
US Bancorp	4,000	1,431,200	0.14
Valero Energy Corp	1,700	997,839	0.09
Verizon Communications Inc	30,500	13,425,015	1.29
Vertex Pharmaceuticals Inc	1,200	1,556,876	0.15
Visa Inc – CL A	13,000	13,429,008	1.29

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT GLOBAL EQUITY FUND (CONTINUED)

	Holding shares/ units	Market value HK\$	% of net assets
Listed/quoted investments (98.24%) (continued)			
Equities (98.24%) (continued)			
<i>The United States of America (55.87%) (continued)</i>			
Walgreens Boots Alliance Inc	1,600	855,964	0.08
Walmart Inc	3,300	2,406,694	0.23
Walt Disney Co	3,600	3,090,546	0.30
Waste Management Inc	11,800	8,221,429	0.79
Wells Fargo & Co	10,200	3,679,906	0.35
Yum China Holdings Inc	2,100	551,286	0.05
Zoetis Inc	13,300	8,907,277	0.85
Total Listed/quoted investments		<u>1,025,793,319</u>	<u>98.24</u>
Other net assets		<u>18,337,402</u>	<u>1.76</u>
Total investments, at cost		<u>1,068,731,302</u>	
Total net asset		<u>1,044,130,721</u>	<u>100.00</u>

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT ASIA PACIFIC INVESTMENT GRADE BOND FUND

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (99.11%)			
Bonds (99.11%)			
<i>Denominated in United States Dollar (99.11%)</i>			
Alibaba Group Holding Ltd 4.50% 28/11/2034	1,300,000	9,936,641	1.05
Baidu Inc 4.375% 14/05/2024	700,000	5,563,126	0.58
Baidu Inc 4.875% 14/11/2028	400,000	3,223,346	0.34
Bangkok Bank Public Co Ltd (Hong Kong Branch) 4.05% 19/03/2024	500,000	3,990,468	0.42
Bangkok Bank Public Co Ltd (Hong Kong Branch) 4.45% 19/09/2028	400,000	3,223,859	0.34
Bank of China Ltd 5.00% 13/11/2024	1,000,000	8,142,937	0.86
Baosteel Financing 2015 Pty Ltd 3.875% 28/01/2020	1,000,000	7,962,488	0.84
Bharat Petroleum Corporation Ltd 4.00% 08/05/2025	650,000	4,863,302	0.51
Bluestar Finance Holdings Ltd 3.50% 30/09/2021	500,000	3,874,720	0.41
BOC Aviation Ltd 3.50% 31/01/2023	2,000,000	15,686,679	1.65
BOC Aviation Ltd 3.50% 18/09/2027	500,000	3,706,533	0.39
Bosc International (Bvi) Ltd 3.125% 18/01/2021	1,000,000	7,845,992	0.83
CDBL Funding 1 FRN 15/11/2021	1,500,000	11,799,970	1.24
Central Plaza Development Ltd 3.875% 30/01/2021	1,000,000	7,765,226	0.82
CGNPC International Ltd 3.125% 11/12/2022	750,000	5,754,939	0.61
CGNPC International Ltd 3.75% 11/12/2027	350,000	2,629,126	0.28
CGNPC International Ltd 3.875% 11/09/2023	700,000	5,550,841	0.58
CGNPC International Ltd 4.00% 19/05/2025	1,300,000	10,094,521	1.06
Chalco Hong Kong Investment Co Ltd 4.875% 07/09/2021	1,250,000	10,027,770	1.05
China Cinda Finance (2017) I Ltd 4.375% 08/02/2025	1,000,000	7,839,722	0.82
China Construction Bank Asia Corporation Ltd 4.25% 20/08/2024	1,000,000	7,962,930	0.84
China Construction Bank Corp 3.875% 13/05/2025	2,500,000	19,585,959	2.06

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT ASIA PACIFIC INVESTMENT GRADE BOND FUND (CONTINUED)

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (99.11%) (continued)			
Bonds (99.11%) (continued)			
<i>Denominated in United States Dollar (99.11%) (continued)</i>			
China Great Wall International Holdings III Ltd 4.375% 25/05/2023	650,000	5,174,020	0.54
China Huadian Overseas Development 2018 Ltd 3.875% 17/05/2023	1,000,000	7,941,328	0.84
China Overseas Finance Cayman III Ltd 5.375% 29/10/2023	2,200,000	18,262,574	1.92
China Overseas Finance Cayman VI Ltd 5.95% 08/05/2024	500,000	4,260,911	0.45
China Resources Gas Group Ltd 4.50% 05/04/2022	500,000	4,051,321	0.43
Chong Hing Bank Ltd 6.00% 04/11/2020	350,000	2,853,682	0.30
CICC Hong Kong Finance 2016 MTN Ltd FRN 11/09/2021	500,000	3,917,935	0.41
CITIC Ltd 4.00% 11/01/2028	800,000	6,090,766	0.64
CITIC Ltd 6.625% 15/04/2021	1,400,000	11,750,969	1.23
CITIC Ltd 6.80% 17/01/2023	1,000,000	8,876,084	0.93
CK Hutchison International 17 II Ltd 3.25% 29/09/2027	650,000	4,871,631	0.51
CMB Wing Lung Bank Ltd FRN 22/11/2027	1,000,000	7,568,233	0.80
CMHI Finance BVI Co Ltd 4.375% 06/08/2023	900,000	7,223,052	0.76
CMHI Finance BVI Co Ltd 5.00% 06/08/2028	1,000,000	8,196,977	0.86
CNAC HK Finbridge Co Ltd 3.50% 19/07/2022	2,000,000	15,536,191	1.63
CNAC HK Finbridge Co Ltd 4.125% 14/03/2021	400,000	3,171,033	0.33
CNAC HK Finbridge Co Ltd 4.625% 14/03/2023	1,250,000	10,013,178	1.05
CNAC HK Finbridge Co Ltd 5.125% 14/03/2028	2,000,000	16,141,282	1.70
CNOOC Finance (2003) Ltd 5.50% 21/05/2033	1,250,000	11,166,580	1.17
CNOOC Finance 2013 Ltd 3.00% 09/05/2023	1,500,000	11,444,431	1.20
CNOOC Petroleum North America Ulc 6.40% 15/05/2037	750,000	7,253,951	0.76
COSL Singapore Capital Ltd 4.50% 30/07/2025	1,000,000	7,975,455	0.84
Cssc Capital One Ltd 4.125% 27/09/2021	700,000	5,568,875	0.59
Dah Sing Bank Ltd 5.25% 29/01/2024	2,500,000	20,023,227	2.11

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT ASIA PACIFIC INVESTMENT GRADE BOND FUND (CONTINUED)

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (99.11%) (continued)			
Bonds (99.11%) (continued)			
<i>Denominated in United States Dollar (99.11%) (continued)</i>			
Dah Sing Bank Ltd 4.25% 30/11/2026	1,800,000	14,046,267	1.48
Dah Sing Bank Ltd 6.625% 11/02/2020	500,000	4,126,420	0.43
DBS Group Holdings Ltd 4.52% 11/12/2028	1,200,000	9,641,913	1.01
Eastern Creation II Investment Holdings Ltd 2.75% 26/09/2020	300,000	2,324,831	0.24
Export-Import Bank of Malaysia Bhd 2.48% 20/10/2021	500,000	3,809,478	0.40
Export-Import Bank of Thailand FRN 20/11/2023	300,000	2,364,358	0.25
FWD Ltd 5.00% 24/09/2024	3,000,000	24,475,683	2.57
ICBCIL Finance Co Ltd FRN 15/05/2021	600,000	4,696,962	0.49
ICBCIL Finance Co Ltd FRN 15/05/2023	700,000	5,483,054	0.58
Indonesia Asahan Aluminium (Persero) PT 5.23% 15/11/2021	600,000	4,800,530	0.50
Indonesia Asahan Aluminium (Persero) PT 5.71% 15/11/2023	400,000	3,214,112	0.34
Indonesia Asahan Aluminium (Persero) PT 6.53% 15/11/2028	600,000	4,977,822	0.52
Indonesia Asahan Aluminium (Persero) PT 6.757% 15/11/2048	800,000	6,514,270	0.69
Indonesia, Republic of (Government) 4.10% 24/04/2028	1,300,000	9,992,474	1.05
Indonesia, Republic of (Government) 4.75% 11/02/2029	600,000	4,783,459	0.50
Indonesia, Republic of (Government) 5.35% 11/02/2049	600,000	4,858,589	0.51
Industrial & Commercial Bank of China Ltd (London Branch) FRN 25/10/2021	1,300,000	10,223,509	1.08
Industrial & Commercial Bank of China Ltd 4.875% 21/09/2025	2,000,000	16,322,438	1.72
Inventive Global Investments Ltd FRN 19/09/2021	800,000	6,272,096	0.66

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

**BEA UNION INVESTMENT ASIA PACIFIC INVESTMENT GRADE BOND FUND
(CONTINUED)**

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (99.11%) (continued)			
Bonds (99.11%) (continued)			
<i>Denominated in United States Dollar (99.11%) (continued)</i>			
KEB Hana Bank FRN 13/03/2023	1,000,000	7,843,170	0.82
KEB Hana Bank 4.25% 14/10/2024	300,000	2,363,289	0.25
KEB Hana Bank 4.375% 30/09/2024	950,000	7,553,506	0.79
Kookmin Bank 3.625% 23/10/2021	650,000	5,142,276	0.54
Korea Resources Corp 3.00% 24/04/2022	1,300,000	10,032,197	1.06
Korea Resources Corp 4.00% 18/04/2023	3,900,000	31,114,843	3.27
Korea Southern Power Co Ltd 3.00% 29/01/2021	500,000	3,934,808	0.41
Korea, Republic of (Government) 3.50% 20/09/2028	200,000	1,591,215	0.17
LOTTE Property & Development Co Ltd FRN 07/08/2021	500,000	3,953,255	0.42
Mega Advance Investments Ltd 5.00% 12/05/2021	1,000,000	8,062,130	0.85
Mirae Asset Daewoo Co Ltd 4.125% 07/11/2021	1,250,000	9,939,494	1.05
Mitsubishi UFJ Financial Group Inc FRN 26/07/2023	1,650,000	12,896,912	1.36
Mizuho Financial Group Inc FRN 11/09/2024	600,000	4,697,451	0.49
National Australia Bank Ltd (New York Branch) FRN 04/11/2021	250,000	1,960,658	0.21
New World China Land Ltd 4.75% 23/01/2027	1,400,000	11,023,058	1.16
Nexen Energy ULC 7.875% 15/03/2032	500,000	5,441,290	0.57
Nonghyup Bank 3.875% 30/07/2023	1,400,000	11,240,923	1.18
NTPC Ltd 4.25% 26/02/2026	587,000	4,472,262	0.47
NTPC Ltd 4.50% 19/03/2028	600,000	4,558,873	0.48
NWD MTN Ltd 5.25% 26/02/2021	2,000,000	16,375,168	1.72
ONGC Videsh Ltd 4.625% 15/07/2024	1,000,000	8,008,506	0.84
Oversea-Chinese Banking Corp Ltd 4.00% 15/10/2024	1,500,000	11,878,619	1.25

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

**BEA UNION INVESTMENT ASIA PACIFIC INVESTMENT GRADE BOND FUND
(CONTINUED)**

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (99.11%) (continued)			
Bonds (99.11%) (continued)			
<i>Denominated in United States Dollar (99.11%) (continued)</i>			
PCCW-Hkt Capital No 5 Ltd 3.75% 08/03/2023	1,300,000	10,236,039	1.08
Pelabuhan Indonesia II Persero PT 4.25% 05/05/2025	3,900,000	29,143,851	3.07
Pertamina Persero PT 4.30% 20/05/2023	1,300,000	10,081,600	1.06
Pertamina Persero PT 5.625% 20/05/2043	1,300,000	9,702,659	1.02
Pertamina Persero PT 6.00% 03/05/2042	1,250,000	9,848,568	1.04
Pertamina Persero PT 6.50% 07/11/2048	1,300,000	10,751,349	1.13
Perusahaan Listrik Negara PT 4.125% 15/05/2027	650,000	4,737,409	0.50
Perusahaan Listrik Negara PT 5.375% 25/01/2029	1,200,000	9,507,120	1.00
Perusahaan Listrik Negara PT 6.25% 25/01/2049	1,000,000	8,036,158	0.85
Poly Real Estate Finance Ltd 4.75% 17/09/2023	700,000	5,494,457	0.58
Poly Real Estate Finance Ltd 5.25% 25/04/2019	750,000	5,952,819	0.63
Powerchina Real Estate Group Ltd 4.50% 06/12/2021	1,400,000	11,007,250	1.16
REC Ltd 3.068% 18/12/2020	1,100,000	8,492,869	0.89
REC Ltd 3.875% 07/07/2027	650,000	4,748,036	0.50
REC Ltd 5.25% 13/11/2023	550,000	4,347,681	0.46
Reliance Industries Ltd 4.125% 28/01/2025	600,000	4,673,359	0.49
Shanghai Commercial Bank Ltd 3.75% 29/11/2027	600,000	4,557,385	0.48
Shinhan Bank 3.875% 05/11/2023	650,000	5,177,292	0.54
Shinhan Bank FRN 07/12/2026	500,000	3,891,029	0.41
Sinochem Offshore Capital Co Ltd 3.124% 24/05/2022	600,000	4,620,603	0.49
Sinopec Group Overseas Development (2018) Ltd 4.125% 12/09/2025	2,600,000	20,709,610	2.18

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT ASIA PACIFIC INVESTMENT GRADE BOND FUND (CONTINUED)

	Nominal value	Market value HK\$	% of net assets
Listed/quoted investments (99.11%) (continued)			
Bonds (99.11%) (continued)			
<i>Denominated in United States Dollar (99.11%) (continued)</i>			
Sinopec Group Overseas Development (2018) Ltd 4.25% 12/09/2028	1,700,000	13,624,597	1.43
SK Innovation Co Ltd 4.125% 13/07/2023	500,000	4,040,360	0.42
SPIC Luxembourg Latin America Renewable Energy Investment Company Sarl 4.25% 30/10/2021	900,000	7,116,862	0.75
Tencent Holdings Ltd 3.595% 19/01/2028	800,000	5,997,620	0.63
Thaioil Treasury Center Co Ltd 4.625% 20/11/2028	650,000	5,156,526	0.54
Thaioil Treasury Center Co Ltd 5.375% 20/11/2048	1,150,000	9,127,354	0.96
Woori Bank 4.75% 30/04/2024	1,022,000	8,136,781	0.86
Total listed/quoted investments		<u>942,294,192</u>	<u>99.11</u>
Other net assets		<u>8,435,590</u>	<u>0.89</u>
Total investments, at cost		<u>936,468,333</u>	
Total net asset		<u>950,729,782</u>	<u>100.00</u>

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

AS AT 31 DECEMBER 2018 (CONTINUED)

INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT CORE ACCUMULATION FUND

	Holding shares/ units	Market value HK\$	% of net assets
Approved pooled investment funds (100.11%)			
<i>Established in Hong Kong (100.11%)</i>			
BEA Union Investment Global Bond Fund – Class I	2,808,236	296,577,849	40.62
BEA Union Investment Global Equity Fund – Class I	4,048,645	434,379,151	59.49
Total listed/quoted investments		<u>730,957,000</u>	<u>100.11</u>
Other net assets		<u>(819,495)</u>	<u>(0.11)</u>
Total investments, at cost		<u>740,504,794</u>	
Total net asset		<u>730,137,505</u>	<u>100.00</u>

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

BEA UNION INVESTMENT AGE 65 PLUS FUND

	Holding shares/ units	Market value HK\$	% of net assets
Approved pooled investment funds (100.23%)			
<i>Established in Hong Kong (100.23%)</i>			
BEA Union Investment Global Bond Fund – Class I	3,156,825	333,392,236	80.58
BEA Union Investment Global Equity Fund – Class I	757,596	81,282,425	19.65
Total listed/quoted investments		<u>414,674,661</u>	<u>100.23</u>
Other net assets		<u>(942,978)</u>	<u>(0.23)</u>
Total investments, at cost		<u>413,481,178</u>	
Total net asset		<u>413,731,683</u>	<u>100.00</u>

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO

BEA UNION INVESTMENT ASIA STRATEGIC GROWTH FUND

	% of net assets 2018	2017
Equities:		
China and Hong Kong	45.86	44.74
Indonesia	3.61	1.52
Korea	18.79	22.09
Malaysia	0.90	1.14
Singapore	5.38	5.69
Taiwan	14.66	14.68
Thailand	2.52	4.99
The Philippines	0.94	2.33
The United States of America	1.80	1.08
Real estate investment trust:		
China and Hong Kong	2.10	1.29
	<u>96.56</u>	<u>99.55</u>

BEA UNION INVESTMENT GLOBAL BOND FUND

	% of net assets 2018	2017
Bonds:		
Australian dollar	1.43	3.57
British pound	5.35	6.77
Canadian dollar	0.80	0.90
Euro	22.55	28.76
Hong Kong dollar	0.88	–
Indonesian rupiah	–	0.50
Japanese yen	14.10	14.42
Malaysian ringgit	–	0.57
Renminbi	–	2.31
Singapore dollar	0.21	0.46
United States dollar	51.30	38.89
	<u>96.62</u>	<u>97.15</u>

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT HONG KONG GROWTH FUND

	% of net assets 2018	2017
Equities:		
China and Hong Kong	92.98	91.55
The United States of America	3.00	–
Investment fund:		
China and Hong Kong	–	0.24
Real estate investment trust:		
China and Hong Kong	3.56	3.67
	<u>99.54</u>	<u>95.46</u>

BEA UNION INVESTMENT GREATER CHINA GROWTH FUND

	% of net assets 2018	2017
Equities:		
China and Hong Kong	69.51	71.27
Taiwan	20.97	21.67
The United States of America	4.17	1.77
Real estate investment trust:		
China and Hong Kong	0.99	1.52
	<u>95.64</u>	<u>96.23</u>

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT HONG KONG DOLLAR (HK\$) BOND FUND

	% of net assets 2018	2017
Bonds:		
Hong Kong dollar	73.04	73.16
United States dollar	8.34	10.79
Certificates of deposit:		
Hong Kong dollar	17.89	15.95
	<u>99.27</u>	<u>99.90</u>

BEA UNION INVESTMENT GLOBAL EQUITY FUND

	% of net assets 2018	2017
Equities:		
Australia	1.55	1.26
Belgium	0.12	0.13
Brazil	0.46	–
Canada	2.74	2.60
China and Hong Kong	2.98	2.66
Denmark	1.05	0.48
Finland	0.88	–
France	5.01	3.40
Germany	1.97	3.26
India	0.90	–
Indonesia	0.46	–
Israel	0.10	–
Italy	0.42	0.17
Japan	8.85	6.67
Korea	1.49	0.68
Malaysia	0.15	–
Netherlands	1.25	0.57
Singapore	0.71	–
South Africa	0.60	0.18
Spain	0.51	0.59
Sweden	1.47	0.83
Switzerland	3.08	3.26
Taiwan	0.70	0.72
Thailand	0.14	–
The United Kingdom	4.78	5.67
The United States of America	55.87	65.17
	<u>98.24</u>	<u>98.30</u>

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INVESTMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (CONTINUED)

BEA UNION INVESTMENT ASIA PACIFIC INVESTMENT GRADE BOND FUND

	% of net assets 2018	2017
Bonds:		
United States dollar	<u>99.11</u>	<u>99.22</u>

BEA UNION INVESTMENT CORE ACCUMULATION FUND

	% of net assets 2018	2017
Approved pooled investment funds:		
Hong Kong	<u>100.11</u>	<u>100.17</u>

BEA UNION INVESTMENT AGE 65 PLUS FUND

	% of net assets 2018	2017
Approved pooled investment funds:		
Hong Kong	<u>100.23</u>	<u>100.36</u>

BEA UNION INVESTMENT CAPITAL GROWTH FUND
REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF
BEA UNION INVESTMENT CAPITAL GROWTH FUND (“THE FUND”)

We hereby confirm that:

- (1) In our opinion, the Manager of the Fund and its sub-funds (“the Sub-funds”) has in all material respects managed the Fund and the Sub-funds in accordance with the provisions of the Trust Deed dated 22 September 2000, as amended, for the year ended 31 December 2018.
- (2) We have not become aware of any failures by the Custodian, the Manager or their delegates to comply with the obligations imposed on them with respect to the Fund for the year ended 31 December 2018, except to the extent that such failures have been previously reported to the Hong Kong Mandatory Provident Fund Schemes Authority (“the Authority”);
- (3) We are not aware of any events of a significant nature relating to the Fund and the Sub-funds that occurred during the year ended 31 December 2018 which have not been reported to the Authority;
- (4) The provisions of the constitutive documents, the Hong Kong Mandatory Provident Fund Schemes Ordinance, the Hong Kong Mandatory Provident Fund Schemes (General) Regulation, the Hong Kong Code on MPF Investment Funds, the Hong Kong Code on Unit Trusts and Mutual Funds and other relevant guidelines issued by the Authority have been complied with in all material respects in respect of the Fund for the year ended 31 December 2018, except to the extent that any non-compliance has been previously reported to the Authority;
- (5) There are no material changes which have not been reported to the Authority during the year ended 31 December 2018; and
- (6) We have supervised, and exercised proper control over all persons appointed or engaged for the purposes of the Fund and the Sub-funds during the year ended 31 December 2018.

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

11 April 2019

BEA UNION INVESTMENT CAPITAL GROWTH FUND
INDEPENDENT AUDITOR’S REPORT TO THE TRUSTEE OF BEA UNION
INVESTMENT CAPITAL GROWTH FUND (“THE FUND”)
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of the sub-funds within the Fund (“the Sub-funds”) set out on pages 77 to 136, which comprise the statement of assets and liabilities as at 31 December 2018, the statement of comprehensive income, the statement of changes in net assets attributable to unitholders and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-funds as at 31 December 2018 and of their financial transactions and their cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Basis for opinion

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

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

The Manager and the Trustee of the Fund 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.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF BEA UNION INVESTMENT CAPITAL GROWTH FUND ("THE FUND") (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of Manager and Trustee for the financial statements

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

In preparing the financial statements, the Manager and the Trustee of the Fund are responsible for assessing the Sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and the Trustee either intend to liquidate the Sub-funds or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager and the Trustee of the Fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed of the Fund dated 22 September 2000, as amended ("the Trust Deed"), the Mandatory Provident Fund Schemes Ordinance ("the MPFSO"), the Mandatory Provident Fund Schemes (General) Regulation ("the General Regulation"), the Code on MPF Investment Funds ("the MPF Code"), and Guidelines II.5 issued by the Mandatory Provident Fund Schemes Authority ("the MPFA") and the Code on Unit Trusts and Mutual Funds ("the SFC Code") issued by the Hong Kong Securities and Futures Commission ("the SFC").

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 C2.2 of the MPF Code issued by the MPFA and 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 Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed of the Fund, the MPFSO, the General Regulation, the MPF Code and Guidelines II.5 issued by the MPFA and the SFC Code issued by the SFC.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF BEA UNION INVESTMENT CAPITAL GROWTH FUND ("THE FUND") (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 HKSAAs, 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee of the Fund.
- Conclude on the appropriateness of the Manager's and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-funds' 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 Sub-funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager and the Trustee of the Fund 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.

Report on matters under the relevant disclosure provisions of the Trust Deed, the MPFSO, the General Regulation, the MPF Code, and Guidelines II.5 issued by the MPFA and the SFC Code issued by the SFC

- (a) In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant provisions of the Trust Deed, the MPFSO, the General Regulation, the MPF Code and Guidelines II.5 issued by the MPFA and the SFC Code issued by the SFC; and
- (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.

KPMG
Certified Public Accountants

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

11 April 2019

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE TRUSTEE OF BEA UNION INVESTMENT CAPITAL GROWTH FUND ("THE FUND")

We have audited the financial statements of the sub-funds within the Fund ("the Sub-funds") for the year ended 31 December 2018 in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 860.1 (Revised), *The Audit of Retirement Schemes* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and have issued an unqualified auditor's report thereon dated 11 April 2019.

Pursuant to Guidelines II.5 and Code on MPF Investment Funds ("MPF Code") issued by the Mandatory Provident Fund Schemes Authority ("the MPFA"), we are required to report whether the Sub-funds complied with certain requirements of the Mandatory Provident Fund Schemes Ordinance ("the MPFSO") and the Mandatory Provident Fund Schemes (General) Regulation ("General Regulation"), which are made applicable to the Sub-funds through the MPF Code.

Trustee's responsibility

The General Regulation requires the Trustee to ensure that:

- (a) proper accounting and other records are kept in respect of the assets of the Sub-funds and all financial transactions entered into in relation to the Sub-funds;
- (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 of, and Schedule 1 to, the General Regulation, which are made applicable to the Sub-funds through the Code on MPF Investment Funds, are complied with; and
- (c) the assets of the Sub-funds are not subject to any encumbrance, otherwise than as permitted by Section 65 of the General Regulation.

Our independence and quality control

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

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

Auditor's responsibility

Our responsibility is to report solely to you, on the Sub-funds' compliance with the above requirements based on the results of the procedures performed by us, in accordance with section C2.2 of the MPF Code issued by the MPFA and 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 Engagement Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 860.1 (Revised) *The Audit of Retirement Schemes* ("PN 860.1 (Revised)") issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance about whether the Sub-funds have complied with the above requirements.

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

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE TRUSTEE OF BEA UNION INVESTMENT CAPITAL GROWTH FUND ("THE FUND") (CONTINUED)

Basis for qualified opinion

In respect of opinion below, we identified that:

- on 21 December 2018, the aggregated exposure of Tencent Holdings Limited by BEA Union Investment Greater China Growth Fund was HK\$166,078,880, which exceeded 10% of the net asset value of the Sub-fund. It was a breach of section 2 (1) of Schedule 1 to General Regulation which requires the total amount invested in securities and other permissive investments issued by any one person must not exceed 10% of the net asset value of the Sub-fund. The breach was due to market movement and the Trustee considers it to be a passive breach which was beyond the control of the Trustee or Investment Manager.

On 14 January 2019, the aggregated exposure of Tencent Holdings Limited by BEA Union Investment Greater China Growth Fund was reduced to 9.78% which is below 10% of the net asset value of the Sub-fund.

- on 31 December 2018, the aggregated exposure of AIA Group Ltd by BEA Union Investment Hong Kong Growth Fund was HK\$178,515,740, which exceeded 10% of the net asset value of the Sub-fund. It was a breach of section 2 (1) of Schedule 1 to General Regulation which requires the total amount invested in securities and other permissive investments issued by any one person must not exceed 10% of the net asset value of the Sub-fund. The breach was due to redemption on 31 December 2018 and the Trustee considers it to be a passive breach which was beyond the control of the Trustee or Investment Manager.

On 3 January 2019, the aggregated exposure of AIA Group Ltd by BEA Union Investment Hong Kong Growth Fund was reduced to 9.85% which is below 10% of the net asset value of the Sub-fund.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE TRUSTEE OF BEA UNION INVESTMENT CAPITAL GROWTH FUND ("THE FUND") (CONTINUED)

Qualified opinion

Based on the foregoing:

- 1 in our opinion:
 - (a) proper accounting and other records have been kept during the year ended 31 December 2018 in respect of the assets of the Sub-funds and all financial transactions entered into in relation to the Sub-funds; and
 - (b) except for the effect of the matter described in the Basis of qualified opinion section of our report, 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 of, and Schedule 1 to, the General Regulation, which are made applicable to the Sub-Funds through the Code on MPF Investment Funds, have been complied with, in all material respects, as at 30 June 2018, 30 September 2018 and 31 December 2018.
- 2 as at 31 December 2018, the assets of the Sub-funds were not subject to any encumbrance, otherwise than as permitted by section 65 of the General Regulation, which are made applicable to the Sub-funds through the MPF Code.

Intended users and purpose

This report is intended solely for submission by the Trustee to the MPFA and is not intended to be, and should not be, used by anyone for any other purpose.

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KPMG
Certified Public Accountants

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

11 April 2019

BEA UNION INVESTMENT CAPITAL GROWTH FUND

STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 DECEMBER 2018 (EXPRESSED IN HONG KONG DOLLARS)

	Note	BEA Union Investment Asia Strategic Growth Fund 2018	2017	BEA Union Investment Global Bond Fund 2018	2017	BEA Union Investment Hong Kong Growth Fund 2018	2017	BEA Union Investment Greater China Growth Fund 2018	2017	BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund 2018	2017	BEA Union Investment Global Equity Fund 2018	2017	BEA Union Investment Asia Pacific Investment Grade Bond Fund 2018	2017	BEA Union Investment Core Accumulation Fund ⁽¹⁾ 2018	2017	BEA Union Investment Age 65 Plus Fund ⁽¹⁾ 2018	2017
Assets																			
Investments	6 (a), 7	1,752,892,034	2,416,962,255	5,224,921,191	5,028,292,584	1,771,024,923	3,109,496,406	1,552,784,795	1,914,866,383	1,488,350,833	1,233,335,976	1,025,793,319	909,123,127	942,294,192	776,987,784	730,957,000	494,312,416	414,674,661	338,560,660
Amounts due from brokers		46,363,664	19,217,515	-	-	57,374,075	-	22,366,047	-	-	5,628,474	1,722,451	-	43,937,568	-	-	152,968	654,859	71,098
Amounts receivable on subscription		-	945,532	288,697	177,040	958,022	358,889	-	-	-	-	419,585	253,894	-	-	677,875	409,041	30,407	21,893
Dividends and other receivables		228,511	1,544,414	15,793	12,962	115,792	1,043,823	117,031	1,100,141	10	1	1,034,796	485,184	1	101	95,973	-	95,974	-
Cash at banks	10 (d)	40,884,171	22,271,045	187,294,888	180,456,144	20,751,261	173,699,503	86,109,334	109,798,022	13,009,297	10,534,467	23,490,947	15,565,492	41,373,201	10,262,773	-	-	-	-
Total assets		1,840,368,380	2,460,940,761	5,412,520,569	5,208,938,730	1,850,224,073	3,284,598,621	1,661,377,207	2,025,764,546	1,501,360,140	1,249,498,918	1,052,461,098	925,427,697	1,027,604,962	787,250,658	731,730,848	494,874,425	415,455,901	338,653,651
Liabilities																			
Derivative financial instruments	8	-	-	3,607,938	7,372,691	-	-	-	-	-	-	79,782	56,064	977,038	8,114	904,009	819,702	1,027,493	1,193,822
Amounts due to brokers		24,645,393	31,441,587	-	25,267,587	53,612,813	25,364,951	37,406,038	28,733,506	-	11,458,862	7,643,493	-	37,994,258	3,887,321	677,875	409,041	30,407	21,893
Amounts payable on redemption		956	1,044,322	867,238	232,164	16,982,661	1,265,036	-	6,485,918	958,022	2,510,399	278,122	293,520	37,516,350	-	-	152,968	654,859	71,098
Accruals and other payables	10 (a), 10 (b), 10 (c)	360,651	593,012	249,859	376,456	394,546	649,286	456,756	647,579	1,136,423	947,623	328,980	192,882	387,534	224,046	11,459	11,031	11,459	11,031
Total liabilities (excluding net assets attributable to unitholders)		25,007,000	33,078,921	4,725,035	33,248,898	70,990,020	27,279,273	37,862,794	35,867,003	2,094,445	14,916,884	8,330,377	542,466	76,875,180	4,119,481	1,593,343	1,392,742	1,724,218	1,297,844
Net assets attributable to unitholders																			
Financial liabilities		1,815,361,380	2,427,861,840	5,407,795,534	5,175,689,832	1,779,234,053	3,257,319,348	1,623,514,413	1,989,897,543	1,499,265,695	1,234,582,034	1,044,130,721	924,885,231	950,729,782	783,131,177	-	-	-	-
Equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	730,137,505	493,481,683	413,731,683	337,355,807
Represented by:																			
Adjustment from bid market prices to last traded market prices ⁽⁵⁾	4	-	2,339,899	-	5,448,135	-	1,122,625	-	1,252,358	-	3,963,341	-	(158,674)	-	1,518,430	-	-	-	-
Net assets attributable to unitholders (at last traded market prices)	4	1,815,361,380	2,430,201,739	5,407,795,534	5,181,137,967	1,779,234,053	3,258,441,973	1,623,514,413	1,991,149,901	1,499,265,695	1,238,545,375	1,044,130,721	924,726,557	950,729,782	784,649,607	730,137,505	493,481,683	413,731,683	337,355,807
Number of units outstanding	4																		
- Class A		5,208,405.325	5,734,087.375	38,509,951.658	38,228,964.981	5,502,656.468	8,855,765.696	6,041,706.506	6,334,794.638	1,139,025.791	1,153,802.867	3,202,745.119	3,122,436.599	5,584,521.887	5,580,675.591	-	-	-	-
- Class D		-	-	-	-	-	-	-	-	-	2,874,672.976	1,313,302.030	-	-	-	-	-	-	-
- Class I ⁽³⁾		-	-	5,965,060.937	4,311,522.276	-	-	-	-	-	-	-	-	-	-	6,864,144.777	4,456,515.737	3,947,580.618	3,207,896.595
- Class R ⁽²⁾		257,479.230	263,719.170	475,711.625	384,789.650	640,965.473	732,120.300	812,755.425	888,239.576	8,454,392.425	7,719,422.420	179,864.407	-	2,785,360.983	1,173,762.057	-	-	-	-
Net asset value per unit (at last traded market prices)	4																		
- Class A		335.61	408.91	122.75	122.56	295.44	344.48	242.04	281.45	135.87	133.77	153.14	166.07	120.00	119.31	-	-	-	-
- Class D		-	-	-	-	-	-	-	-	-	103.54	103.04	-	-	-	-	-	-	-
- Class I ⁽³⁾		-	-	105.61	105.41	-	-	-	-	-	-	107.29	116.28	-	-	106.37	110.73	104.81	105.16
- Class R ⁽²⁾		261.65	324.02	106.84	107.68	239.51	283.86	198.33	234.45	123.83	122.92	95.98	-	100.73	101.25	-	-	-	-

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

(2) Class R of BEA Union Investment Asia Pacific Investment Grade Bond Fund was launched on 20 June 2017.

(3) Class I of BEA Union Investment Global Bond Fund, BEA Union Investment Global Equity Fund, BEA Union Investment Core Accumulation Fund and BEA Union Investment Age 65 Plus Fund were launched on 1 April 2017.

(4) Class R of BEA Union Investment Global Equity Fund was launched on 13 December 2018.

(5) The trustee decided to change of valuing the investments at the relevant last traded market prices at the year end date starting from 31 December 2018, note 4 shows the difference between the valuation methodology prescribed in the Sub's funds' net asset value as at year end.

Approved and authorised for issue by the Trustee and the Manager on 11 April 2019

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

} For and on behalf of
BEA Union Investment Management Limited
東亞聯豐投資管理有限公司

The notes on pages 81 to 136 form part of these financial statements.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018 (EXPRESSED IN HONG KONG DOLLARS)

	Note	BEA Union Investment Asia Strategic Growth Fund		BEA Union Investment Global Bond Fund		BEA Union Investment Hong Kong Growth Fund		BEA Union Investment Greater China Growth Fund		BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund		BEA Union Investment Global Equity Fund		BEA Union Investment Asia Pacific Investment Grade Bond Fund		BEA Union Investment Core Accumulation Fund ⁽¹⁾		BEA Union Investment Age 65 Plus Fund ⁽¹⁾	
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Income																			
Dividend income		54,113,496	53,154,125	-	-	69,259,900	91,580,133	50,254,647	45,726,354	-	-	21,854,653	11,735,367	-	-	-	-	-	-
Interest on bank deposits		3,493	12,331	73,192	135,890	1,077	613	10,381	168	296	197	1,723	1,509	1,829	1,593	-	-	-	-
Other income		177	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net (losses)/gains on investments	9	(386,275,405)	718,861,213	29,248,052	402,548,874	(347,533,077)	918,235,070	(289,808,138)	580,116,394	29,186,579	38,775,386	(98,045,853)	128,464,599	12,562,003	37,823,394	(36,256,529)	29,369,984	(6,050,268)	8,124,100
Exchange (losses)/gains		(5,890,579)	(2,840,790)	(21,791,023)	(54,818,160)	(52,470)	(118,343)	(1,743,604)	(834,278)	(63,036)	2,735	(4,854,650)	(3,897,993)	(3,157,264)	(3,281,068)	3,782,202	(2,258,949)	4,397,792	(2,228,942)
Total investment (loss)/income		(338,048,818)	769,186,879	7,530,221	347,866,604	(278,324,570)	1,009,697,473	(241,286,714)	625,008,638	29,123,839	38,778,318	(81,044,127)	136,303,482	9,406,568	34,543,919	(32,474,327)	27,111,035	(1,652,476)	5,895,158
Expenses																			
Investment management fees	10 (a)	1,188,047	1,191,044	399,829	354,269	2,718,626	3,473,864	2,823,740	2,789,987	10,363,348	7,835,274	12,683	-	3,245,791	602,511	-	-	-	-
Trustee's fees	10 (b)	99,004	99,254	39,983	35,427	226,552	289,489	282,374	278,999	967,551	752,620	1,268	-	324,579	60,251	-	-	-	-
Safe custody and bank charges		794,351	848,982	659,248	1,075,998	628,965	779,190	651,095	650,024	235,757	174,672	123,358	153,178	129,050	91,314	300	-	300	-
Audit fee		53,422	51,530	53,422	51,529	66,149	63,994	53,422	51,529	66,149	63,995	53,422	51,529	53,422	51,529	12,098	11,031	12,098	11,031
Registrar's fees	10 (c)	520,290	522,250	921,000	969,556	585,395	648,166	497,698	471,704	431,396	384,679	256,123	227,267	362,010	282,280	-	-	-	-
Pre-operating expenses		-	-	-	1,350	-	-	-	-	-	-	-	1,350	-	-	18,450	-	18,450	-
Printing and publication expenses		7,653	9,458	19,281	25,810	10,285	13,447	6,941	7,998	5,374	5,281	3,602	2,468	3,632	2,578	1,368	316	862	65
Legal and other professional fees		51,373	91,340	600	-	4,933	9,840	54,263	63,176	-	-	53,270	22,518	600	-	-	-	-	-
Transaction costs		17,077,678	20,454,079	-	-	13,751,152	19,115,104	14,823,421	14,256,438	-	-	1,322,764	1,026,864	-	-	-	-	-	-
Other operating expenses		14,380	40,799	7,310	18,502	14,407	17,516	14,345	16,782	14,170	16,526	5,018	39,690	13,953	16,300	5,075	4,924	4,944	4,786
Total operating expenses		19,806,198	23,308,736	2,100,673	2,532,441	18,006,464	24,410,610	19,207,299	18,586,637	12,083,745	9,233,047	1,831,508	1,524,864	4,133,037	1,106,763	37,291	16,271	36,654	15,882
(Loss)/profit before taxation		(357,855,016)	745,878,143	5,429,548	345,334,163	(296,331,034)	985,286,863	(260,494,013)	606,422,001	17,040,094	29,545,271	(82,875,635)	134,778,618	5,273,531	33,437,156	(32,511,618)	27,094,764	(1,689,130)	5,879,276
Overseas tax	13	(6,427,475)	(5,641,600)	(127,988)	(928,277)	(3,602,677)	(3,792,755)	(4,860,129)	(4,244,433)	-	-	(4,812,971)	(2,258,268)	(238)	-	-	-	-	-
Change in net assets attributable to unitholders from operations		(364,282,491)	740,236,543	5,301,560	344,405,886	(299,933,711)	981,494,108	(265,354,142)	602,177,568	17,040,094	29,545,271	(87,688,606)	132,520,350	5,273,293	33,437,156	(32,511,618)	27,094,764	(1,689,130)	5,879,276

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

The notes on pages 81 to 136 form part of these financial statements.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS/STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018 (EXPRESSED IN HONG KONG DOLLARS)

	BEA Union Investment Asia Strategic Growth Fund		BEA Union Investment Global Bond Fund		BEA Union Investment Hong Kong Growth Fund		BEA Union Investment Greater China Growth Fund	
	2018	2017	2018	2017	2018	2017	2018	2017
Net assets attributable to unitholders at beginning of the year	2,427,861,840	1,622,066,672	5,175,689,832	4,835,202,656	3,257,319,348	2,410,517,756	1,989,897,543	1,397,704,902
Proceeds on subscription of units	167,524,924	151,760,260	804,801,154	1,089,186,557	116,272,581	322,930,360	26,044,467	132,915,564
Payments on redemption of units	(415,742,893)	(86,201,635)	(577,997,012)	(1,093,105,267)	(1,294,424,165)	(457,622,876)	(127,073,455)	(142,900,491)
Change in net assets attributable to unitholders from operations	2,179,643,871 (364,282,491)	1,687,625,297 740,236,543	5,402,493,974 5,301,560	4,831,283,946 344,405,886	2,079,167,764 (299,933,711)	2,275,825,240 981,494,108	1,888,868,555 (265,354,142)	1,387,719,975 602,177,568
Net assets attributable to unitholders at end of the year	<u>1,815,361,380</u>	<u>2,427,861,840</u>	<u>5,407,795,534</u>	<u>5,175,689,832</u>	<u>1,779,234,053</u>	<u>3,257,319,348</u>	<u>1,623,514,413</u>	<u>1,989,897,543</u>

	BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund		BEA Union Investment Global Equity Fund		BEA Union Investment Asia Pacific Investment Grade Bond Fund		BEA Union Investment Core Accumulation Fund ⁽¹⁾		BEA Union Investment Age 65 Plus Fund ⁽¹⁾	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net assets attributable to unitholders at beginning of the year	1,234,582,034	1,070,557,899	924,885,231	395,340,792	783,131,177	457,989,411	493,481,683	–	337,355,807	–
Proceeds on subscription of units	453,433,461	372,828,140	245,228,515	409,722,405	235,841,662	306,055,402	277,762,544	470,300,208	103,770,352	338,447,412
Payments on redemption of units	(205,789,894)	(238,349,276)	(38,294,419)	(12,698,316)	(73,516,350)	(14,350,792)	(8,595,104)	(3,913,289)	(25,705,346)	(6,970,881)
Change in net assets attributable to unitholders from operations	1,482,225,601 17,040,094	1,205,036,763 29,545,271	1,131,819,327 (87,688,606)	792,364,881 132,520,350	945,456,489 5,273,293	749,694,021 33,437,156	762,649,123 (32,511,618)	466,386,919 27,094,764	415,420,813 (1,689,130)	331,476,531 5,879,276
Net assets attributable to unitholders at end of the year	<u>1,499,265,695</u>	<u>1,234,582,034</u>	<u>1,044,130,721</u>	<u>924,885,231</u>	<u>950,729,782</u>	<u>783,131,177</u>	<u>730,137,505</u>	<u>493,481,683</u>	<u>413,731,683</u>	<u>337,355,807</u>

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

The notes on pages 81 to 136 form part of these financial statements.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018 (EXPRESSED IN HONG KONG DOLLARS)

	BEA Union Investment Asia Strategic Growth Fund		BEA Union Investment Global Bond Fund		BEA Union Investment Hong Kong Growth Fund		BEA Union Investment Greater China Growth Fund		BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund		BEA Union Investment Global Equity Fund		BEA Union Investment Asia Pacific Investment Grade Bond Fund		BEA Union Investment Core Accumulation Fund ⁽¹⁾		BEA Union Investment Age 65 Plus Fund ⁽¹⁾		
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
Operating activities																			
(Loss)/profit before taxation	(357,855,016)	745,878,143	5,429,548	345,334,163	(296,331,034)	985,286,863	(260,494,013)	606,422,001	17,040,094	29,545,271	(82,875,635)	134,778,618	5,273,531	33,437,156	(32,511,618)	27,094,764	(1,689,130)	5,879,276	
Adjustments for:																			
Interest on bank deposits	(3,493)	(12,331)	(73,192)	(135,890)	(1,077)	(613)	(10,381)	(168)	(296)	(197)	(1,723)	(1,509)	(1,829)	(1,593)	-	-	-	-	
Dividend income	(54,113,496)	(53,154,125)	-	-	(69,259,900)	(91,580,133)	(50,254,647)	(45,726,354)	-	-	(21,854,653)	(11,735,367)	-	-	-	-	-	-	
Other income	(177)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operating (loss)/profit before working capital changes	(411,972,182)	692,711,687	5,356,356	345,198,273	(365,592,011)	893,706,117	(310,759,041)	560,695,479	17,039,798	29,545,074	(104,732,011)	123,041,742	5,271,702	33,435,563	(32,511,618)	27,094,764	(1,689,130)	5,879,276	
Net decrease/(increase) in investments	664,070,221	(822,588,455)	(196,628,607)	(568,970,121)	1,338,471,483	(750,627,394)	362,081,588	(547,485,951)	(255,014,857)	(177,146,645)	(116,670,192)	(521,007,248)	(165,306,408)	(335,498,803)	(236,644,584)	(494,312,416)	(76,114,001)	(338,560,660)	
Net (increase)/decrease in amounts due from brokers	(27,146,149)	54,210,901	-	-	(57,374,075)	46,238,327	(22,366,047)	11,842,106	5,628,474	(5,628,474)	(1,722,451)	-	(43,937,568)	-	152,968	(152,968)	(583,761)	(71,098)	
Net decrease/(increase) in other receivables	-	-	496	(12,631)	-	-	-	-	-	-	(12,383)	(10,617)	100	-	(95,973)	-	(95,974)	-	
Net change in derivative financial instruments	-	-	(3,764,753)	10,995,155	-	-	-	-	-	-	23,718	134,570	968,924	(27,774)	84,307	819,702	(166,329)	1,193,822	
Net (decrease)/increase in amounts due to brokers	(6,796,194)	(86,900,556)	(25,267,587)	25,267,587	28,247,862	(101,131,241)	8,672,532	800,659	(11,458,862)	11,458,862	7,643,493	-	34,106,937	3,887,321	268,834	409,041	8,514	21,893	
Net (decrease)/increase in accruals and other payables	(203,631)	180,561	(126,597)	124,778	(254,740)	62,978	(190,823)	188,022	188,800	122,028	16,936	33,470	163,488	134,839	428	11,031	428	11,031	
Cash generated from/(used in) operations	217,952,065	(162,385,862)	(220,430,692)	(187,396,959)	943,498,519	88,248,787	37,438,209	26,040,315	(243,616,647)	(141,649,155)	(215,452,890)	(397,808,083)	(168,732,825)	(298,068,854)	(268,745,638)	(466,130,846)	(78,640,253)	(331,525,736)	
Dividend received, net of withholding tax	48,975,061	46,478,373	-	-	66,585,485	87,377,574	46,387,669	40,658,261	-	-	16,659,280	9,434,377	-	-	-	-	-	-	
Interest received, net of withholding tax	1,626	12,331	15,650	(468,324)	846	612	340	168	287	197	1,719	1,508	1,591	1,492	-	-	-	-	
Overseas tax refund/(paid)	-	216,262	(73,773)	(323,603)	-	-	-	-	-	-	(35,661)	-	-	-	-	-	-	-	
Other income received	177	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net cash generated from/(used in) operating activities	266,928,929	(115,678,896)	(220,488,815)	(188,188,886)	1,010,084,850	175,626,973	83,826,218	66,698,744	(243,616,360)	(141,648,958)	(198,827,552)	(388,372,198)	(168,731,234)	(298,067,362)	(268,745,638)	(466,130,846)	(78,640,253)	(331,525,736)	
Financing activities																			
Proceeds on subscription of units	168,470,456	150,814,728	804,689,497	1,089,009,517	115,673,448	326,230,959	26,044,467	132,915,564	453,433,461	380,828,140	245,062,824	409,468,511	235,841,662	306,055,402	277,493,710	469,891,167	103,761,838	338,425,519	
Payments on redemption of units	(416,786,259)	(85,157,313)	(577,361,938)	(1,092,873,103)	(1,278,706,540)	(456,850,789)	(133,559,373)	(136,545,925)	(207,342,271)	(243,439,391)	(38,309,817)	(12,404,796)	(36,000,000)	(14,350,792)	(8,748,072)	(3,760,321)	(25,121,585)	(6,899,783)	
Net cash (used in)/generated from financing activities	(248,315,803)	65,657,415	227,327,559	(3,863,586)	(1,163,033,092)	(130,619,830)	(107,514,906)	(3,630,361)	246,091,190	137,388,749	206,753,007	397,063,715	199,841,662	291,704,610	268,745,638	466,130,846	78,640,253	331,525,736	
Net increase/(decrease) in cash and cash equivalents	18,613,126	(50,021,481)	6,838,744	(192,052,472)	(152,948,242)	45,007,143	(23,688,688)	63,068,383	2,474,830	(4,260,209)	7,925,455	8,691,517	31,110,428	(6,362,752)	-	-	-	-	
Cash and cash equivalents at beginning of the year	22,271,045	72,292,526	180,456,144	372,508,616	173,699,503	128,692,360	109,798,022	46,729,639	10,534,467	14,794,676	15,565,492	6,873,975	10,262,773	16,625,525	-	-	-	-	
Cash and cash equivalents at end of the year	40,884,171	22,271,045	187,294,888	180,456,144	20,751,261	173,699,503	86,109,334	109,798,022	13,009,297	10,534,467	23,490,947	15,565,492	41,373,201	10,262,773	-	-	-	-	
Supplemental cash flow information:																			
Proceeds from sale of investments	3,505,003,905	3,595,038,030	12,899,595,795	11,944,385,143	3,831,083,247	4,168,083,501	3,118,545,593	2,648,081,196	2,142,908,385	1,432,663,926	878,172,872	617,896,286	2,384,719,566	1,708,533,865	37,896,897	6,777,708	37,458,047	8,994,861	
Payments for purchase of investments	(3,261,151,432)	(3,731,454,828)	(13,201,220,963)	(12,194,777,680)	(2,869,271,054)	(4,055,368,739)	(3,059,965,658)	(2,602,807,988)	(2,410,994,195)	(1,591,001,251)	(1,086,967,875)	(1,010,438,936)	(2,585,599,715)	(2,023,178,836)	(310,376,208)	(471,464,067)	(120,197,563)	(339,480,626)	

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

The notes on pages 81 to 136 form part of these financial statements.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED)

1 The Fund

BEA Union Investment Capital Growth Fund (“the Fund”) was established by the Trust Deed dated 22 September 2000 and supplemental trust deeds dated 11 September 2003, 11 August 2006, 3 June 2010, 6 April 2011, 24 May 2013, 24 May 2013, 11 November 2013, 17 April 2015 (“the Trust Deed, as amended”).

The Fund is an umbrella fund which offers nine investment funds (collectively “the Sub-funds”) with different investment objectives and policies. As at 31 December 2018, the investment funds offered four classes of units, Class A, Class D, Class I and Class R. There is a minimum amount for initial investment and subsequent holding for Class D, Class I and Class R units. The Sub-funds of the Fund are:

– BEA Union Investment Asia Strategic Growth Fund	– launched on 15 April 2003
– BEA Union Investment Global Bond Fund	– launched on 1 March 2004
– BEA Union Investment Hong Kong Growth Fund	– launched on 10 December 2004
– BEA Union Investment Greater China Growth Fund	– launched on 1 September 2006
– BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund	– launched on 6 November 2007
– BEA Union Investment Global Equity Fund	– launched on 4 October 2012
– BEA Union Investment Asia Pacific Investment Grade Bond Fund	– launched on 20 June 2014
– BEA Union Investment Core Accumulation Fund	– launched on 1 April 2017
– BEA Union Investment Age 65 Plus Fund	– launched on 1 April 2017

The Fund and the Sub-funds are authorised by the Hong Kong Securities and Futures Commission (“the SFC”) under Section 104 of the Hong Kong Securities and Futures Ordinance (“the SFO”) and approved by the Mandatory Provident Fund Schemes Authority (“the MPFA”) under Section 6 of the Mandatory Provident Fund Schemes (General) Regulation (“the General Regulation”) as approved pooled investment funds (“APIFs”).

The Trust Deed, as amended, does not contain any requirement that a combined set of financial statements for the Fund itself be prepared. These financial statements are prepared for the Sub-funds only.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

2 Summary of significant accounting policies

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

This is the first set of the Sub-funds’ annual financial statements in which HKFRS 9 Financial Instruments has been applied. Changes to significant accounting policies are described in note 3.

(a) Statement of compliance

These financial statements 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, as amended, the Hong Kong Mandatory Provident Fund Schemes Ordinance (“the Ordinance”), the General Regulation, the Code on Unit Trusts and Mutual Funds and other relevant guidelines issued by the MPFA. A summary of the significant accounting policies adopted by the Sub-funds is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting year of the Sub-funds. 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 Sub-funds for the current and prior accounting years reflected in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except that financial instruments classified as designated at fair value through profit or loss are stated at their 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.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

2 Summary of significant accounting policies (continued)

(c) Investments

(i) Classification of financial assets

(A) Policy applicable from 1 January 2018

On initial recognition, the Sub-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 Sub-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 Sub-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 Sub-fund's 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 Sub-funds' continuing recognition of the assets.

The Sub-funds have determined that they have two business models.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

2 Summary of significant accounting policies (continued)

(c) Investments (continued)

(i) Classification of financial assets (continued)

(A) Policy applicable from 1 January 2018 (continued)

- Held-to-collect business model: this includes amounts due from brokers, amounts receivable on subscription, dividends and other receivables and cash at bank. These financial assets are held to collect contractual cash flow.
- Other business model: this includes debt security and equity instruments. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment whether contractual cash flows are SPPI

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

In assessing whether the contractual cash flows are SPPI, the Sub-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 Sub-funds consider:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Sub-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 Sub-funds classify their investments based on the business model and contractual cash flows assessment. Accordingly, the Sub-funds classify all their equity instruments, debt securities and derivative financial instruments into financial assets at FVTPL category. Financial assets measured at amortised cost include amounts due from brokers, amounts receivable on subscription, dividends and other receivables and cash and cash equivalents.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

2 Summary of significant accounting policies (continued)

(c) Investments (continued)

(i) Classification of financial assets (continued)

(A) Policy applicable from 1 January 2018 (continued)

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Sub-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.

(B) Policy applicable prior to 1 January 2018

All investments had been classified by the Sub-funds as "financial assets at fair value through profit or loss" at inception.

Purchases and sales of investments were accounted for on the trade date basis. Investments were initially recognised at fair value, excluding transaction costs which were expensed as incurred, and were subsequently re-measured at fair value. "Fair value" is the price that would be received to sell an asset 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 Sub-funds have access at that date.

When available, the Sub-funds measured the fair value of an investment using the quoted price in an active market for that investment. A market is regarded as "active" if transactions for the asset take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair values of the Sub-funds' investments were measured on the following bases:

- Investments that were listed or traded on an exchange are fair valued based on quoted bid prices.
- Investments which were not listed on an exchange are valued by using quoted bid prices from brokers.
- Debt securities were fair valued based on quoted bid prices.

Realised and unrealised gains and losses on investments are included in profit or loss in the year in which they arise. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Sub-funds have transferred substantially all risks and rewards of ownership.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

2 Summary of significant accounting policies (continued)

(c) Investments (continued)

(ii) Classification of financial liabilities

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

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

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

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

Accordingly, the Sub-funds classify all their derivative financial instrument into financial liabilities at FVTPL category. Financial liabilities measured at amortised cost include amounts due to brokers, amounts payable on redemption and accruals and other payables.

(iii) Recognition

The Sub-funds recognise financial assets and financial liabilities on the date they becomes a party to the contractual provisions of the instruments.

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

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

(iv) Measurement

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

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

Financial assets classified as loans and receivables 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.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

2 Summary of significant accounting policies (continued)

(c) Investments (continued)

(v) Fair value measurement principles

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

When available, the Sub-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.

If there is no quoted price in an active market, then the Sub-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.

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

The Sub-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 are provided in note 9. 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.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

2 Summary of significant accounting policies (continued)

(c) Investments (continued)

(vii) Impairment

(A) Policy applicable from 1 January 2018

The Sub-funds recognise loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

The Sub-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 Sub-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 Sub-funds' historical experience and informed credit assessment and including forward-looking information.

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

The Sub-funds consider a financial asset to be in default when:

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

The Sub-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 Sub-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 Fund is exposed to credit risk.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

2 Summary of significant accounting policies (continued)

(c) Investments (continued)

(vii) Impairment (continued)

(A) Policy applicable from 1 January 2018 (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 entity in accordance with the contract and the cash flows that the Fund expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Sub-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 Sub-funds have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(B) Policy applicable prior to 1 January 2018

Financial assets that were stated at cost or amortised cost were reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication existed, an impairment loss was recognised in profit or loss as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreased and the decrease could be linked objectively to an event occurring after the write-down, the write-down was reversed through profit or loss.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

2 Summary of significant accounting policies (continued)

(c) Investments (continued)

(viii) Derecognition

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

Assets held for trading that are sold are derecognised and corresponding receivables from brokers are recognised as of the date the Sub-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.

(ix) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when the Sub-funds have a legally enforceable right to offset the recognised amounts and the transactions are intended to be settled on a net basis or simultaneously, e.g. through a market clearing mechanism.

(d) Forward foreign exchange contracts

Outstanding forward foreign exchange contracts are valued at the year end date by reference to the forward rate of exchange applicable to the outstanding term of the contracts. Unrealised gains and losses on outstanding contracts and realised gains and losses on closed contracts are included in profit or loss under the heading "exchange (losses)/gains".

(e) Income and expenses

Interest income and expenses are recognised as they accrue under the effective interest method using the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability. Dividend income is recognised when the underlying securities are quoted ex-dividend. Dividend is presented gross of any non-recoverable withholding taxes, which are separately disclosed in profit or loss. Interest income on debt securities is included in gains on investments. All other income and expenses are accounted for on an accruals basis.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

2 Summary of significant accounting policies (continued)

(f) Units in issue

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

In addition to the instrument having all the above features, the sub-fund 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 sub-fund; and
- The effect of substantially restricting or fixing the residual return to the puttable instrument holders.

BEA Union Investment Asia Strategic Growth Fund, BEA Union Investment Hong Kong Growth Fund, BEA Union Investment Greater China Growth Fund and BEA Union Investment Asia Pacific Investment Grade Bond Fund have four classes of redeemable units: Class A, Class D, Class I and Class R. Class A and Class R units were in issue.

BEA Union Investment Global Bond Fund and BEA Union Investment Global Equity Fund have four classes of redeemable units: Class A, Class D, Class I and Class R. Class A, Class I and Class R units were in issue.

BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund has four classes of redeemable units: Class A, Class D, Class I and Class R. Class A, Class D and Class R units were in issue.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

2 Summary of significant accounting policies (continued)

(f) Units in issue (continued)

BEA Union Investment Core Accumulation Fund and BEA Union Investment Age 65 Plus Fund have one class of redeemable unit in issue, which was Class I.

All redeemable units issued by the Sub-funds provide the investors with the right to require redemption for cash at a value proportionate to the investor's share in the corresponding sub-fund's net assets at each daily redemption date and also in the event of the corresponding sub-fund's liquidation.

Consequently, except for BEA Union Investment Core Accumulation Fund and BEA Union Investment Age 65 Plus Fund, all the Sub-funds have issued multiple classes of units, which rank pari passu in all material respects but have different terms and conditions as set out in the Explanatory Memorandum, which include minimum investment amounts, management fees, preliminary charges, realisation charges, switching fees, holders' servicing fees and distribution policy. Those redeemable units are the most subordinate classes of financial instruments in the Sub-funds. However, as the different classes of redeemable units do not have identical features, they do not meet the criteria for equity classification and therefore are classified as financial liabilities. They are measured at the redemption amounts.

Redeemable units of BEA Union Investment Core Accumulation Fund and BEA Union Investment Age 65 Plus Fund meet the definition of puttable instruments and being classified as equity instruments as at 31 December 2018 and 31 December 2017.

Prior to 1 April 2017, BEA Union Investment Global Equity Fund and BEA Union Investment Asia Pacific Investment Grade Bond Fund meet the definition of puttable instruments and classified as equity instruments. Along with the launching of Class I for BEA Union Investment Global Equity Fund on 1 April 2017 and Class A for BEA Union Investment Asia Pacific Investment Grade Bond Fund on 20 June 2017, the multi-classes of redeemable units do not meet the criteria for equity classification and are reclassified as financial liabilities.

The Trustee continuously assesses the classification of the redeemable units. If the redeemable units cease to have all the features or meet all the conditions set out in paragraphs 16A and 16B of HKAS 32, the Trustee will reclassify them as financial liabilities and measure them at fair value at the date of the reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable units subsequently have all the features and meet the conditions set out in paragraphs 16A and 16B of HKAS 32, the Trustee will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

2 Summary of significant accounting policies (continued)

(g) Foreign currencies translation

(i) *Functional and presentation currency*

Items included in the Sub-funds' financial statements are measured using the currency of the primary economic environment in which they operate ("the functional currency").

The financial statements of the Sub-funds are presented in Hong Kong dollars ("HKD"), which is these sub-funds' functional and presentation currency.

(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 profit or loss.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and demand deposits with banks and other financial institutions that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(i) Financial assets and liabilities not at fair value

Financial assets that are measured at amortised cost include amounts due from brokers, amounts receivable on subscription and dividends and other receivables, which are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method, less impairment losses, if any.

Financial liabilities that are not at fair value through profit or loss include amounts due to brokers, amounts payable on redemption and accruals and other payables, which are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

(j) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of assets and liabilities when, and only when, the Sub-funds have a legal right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

2 Summary of significant accounting policies (continued)

(k) Related parties

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

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

(l) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as BEA Union Investment Management Limited ("the Manager").

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

3 Changes in accounting policies

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Sub-funds. Of these, the following developments are relevant to the Sub-funds' financial statements:

(i) HKFRS 9, Financial instruments

The Sub-funds have not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 21), except for the amendments to HKFRS 9, Prepayment features with negative compensation which have been adopted at the same time as HKFRS 9.

As permitted by the transition provisions of HKFRS 9, comparative information throughout these financial statements has not generally been restated to reflect the requirements of the standard.

Except for the changes below, the Sub-funds have consistently applied the accounting policies as set out in note 2 (c) to all periods presented in these financial statements.

HKFRS 9, Financial Instruments

HKFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces HKAS 39 Financial Instruments: Recognition and Measurement.

As a result of the adoption of HKFRS 9, the Sub-funds have adopted consequential amendments to HKAS 1 *Presentation of Financial Statements*, which require:

- impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. Under HKAS 39, impairment was recognised when losses were incurred. The Sub-funds did not previously report any incurred losses; and
- separate presentation in the statement of comprehensive income of interest revenue from financial assets measured at amortised cost or fair value through other comprehensive income ("FVOCI") calculated using the effective interest method.

Additionally, the Sub-funds have adopted consequential amendments to HKFRS 7 Financial Instruments: Disclosures, which are applied to disclosures about 2018 but have not generally been applied to comparative information.

The adoption of HKFRS 9 had no material impact on the net assets attributable to unitholders of the Sub-funds.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

3 Changes in accounting policies (continued)

(i) HKFRS 9, Financial instruments (continued)

i. Classification and measurement of financial assets and financial liabilities

HKFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under HKFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. HKFRS 9 eliminates the previous HKAS 39 categories of held to maturity, loans and receivables and available for sale. Under HKFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

HKFRS 9 largely retains the existing requirements in HKAS 39 for the classification and measurement of financial liabilities.

The adoption of HKFRS 9 has not had a significant effect on the Sub-funds' accounting policies related to financial liabilities and derivative financial instruments.

For an explanation of how the Sub-funds classify and measure financial instruments and account for related gains and losses under HKFRS 9, see note 2 (c).

The following table and the accompanying notes explain the original measurement categories under HKAS 39 and the new measurement categories under HKFRS 9 for each class of the Sub-funds financial assets as at 1 January 2018.

	Original classification under HKAS 39	New classification under HKFRS 9
Financial assets		
Cash at banks	Loans and receivable	Amortised cost
Dividends and other receivables	Loans and receivable	Amortised cost
Amounts receivable on subscription	Loans and receivable	Amortised cost
Amounts due from brokers	Loans and receivable	Amortised cost
Investments	Designated as at FVTPL	Mandatorily at FVTPL
Derivative financial instruments	Held-for-trading	Mandatorily at FVTPL
Financial liabilities		
Accruals and other payables	Amortised cost	Amortised cost
Amounts payable on redemption	Amortised cost	Amortised cost
Amounts due to brokers	Amortised cost	Amortised cost
Derivative financial instruments	Designated as at FVTPL	Designated as at FVTPL
Net assets attributable to unitholders	Amortised cost	Amortised cost

Note: Under HKAS 39, unit trust was classified as available-for-sale financial assets. They are classified as at FVTPL under HKFRS 9.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

3 Changes in accounting policies (continued)

(i) HKFRS 9, Financial instruments (continued)

ii. Impairment of financial assets

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with an ECL model. The new impairment model applies to financial assets measured at amortised cost and debt instruments at FVOCI, but not to investments in equity instruments. Under HKFRS 9, credit losses are recognised earlier than under HKAS 39.

The effect of adopting HKFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements. The 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 recognised on amounts due from brokers, amounts receivable on subscription, dividends and other receivables and cash at bank on the initial application of HKFRS 9’s impairment requirements as at 1 January 2018. Therefore, the carrying amounts of the financial assets remain the same.

iii. Transition

Changes in accounting policies resulting from the adoption of HKFRS 9 have been applied retrospectively, except as described below.

- Comparative periods have not generally been restated. Differences in the carrying amounts of financial assets resulting from the adoption of HKFRS 9 are recognised in the net assets attributable to unitholders as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of HKFRS 9, but rather those of HKAS 39.
- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.
- The determination of the business model within which a financial asset is held.
- The revocation of previous designations of certain financial assets as measured at FVTPL.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

4 Capital management and units in issue

The Sub-funds’ capital is represented by the net assets attributable to unitholders. The Sub-funds have no restrictions on the subscription and redemption of units. Subscriptions and redemptions of units during the year are shown on the statement of changes in net assets attributable to unitholders. In order to achieve the investment objectives, the Sub-funds endeavor to invest subscriptions received in accordance with the investment policies as outlined in the investment report. Redemptions are met by disposals of investments where necessary.

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

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

	2018	2017
BEA Union Investment Asia Strategic Growth Fund	<u>HK\$ 2,045,647</u>	<u>HK\$ 2,339,899</u>
BEA Union Investment Global Bond Fund	<u>HK\$ 3,900,105</u>	<u>HK\$ 5,448,135</u>
BEA Union Investment Hong Kong Growth Fund	<u>HK\$ 1,770,217</u>	<u>HK\$ 1,122,625</u>
BEA Union Investment Greater China Growth Fund	<u>HK\$ 1,782,110</u>	<u>HK\$ 1,252,358</u>
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund	<u>HK\$ 3,490,958</u>	<u>HK\$ 3,963,341</u>
BEA Union Investment Global Equity Fund	<u>HK\$ 474,940</u>	<u>HK\$ (158,674)</u>
BEA Union Investment Asia Pacific Investment Grade Bond Fund	<u>HK\$ 1,807,869</u>	<u>HK\$ 1,518,430</u>
BEA Union Investment Core Accumulation Fund ⁽¹⁾	<u>HK\$ –</u>	<u>HK\$ –</u>
BEA Union Investment Age 65 Plus Fund ⁽¹⁾	<u>HK\$ –</u>	<u>HK\$ –</u>

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

4 Capital management and units in issue (continued)

Movement of units in issue

	BEA Union Investment Asia Strategic Growth Fund		BEA Union Investment Global Bond Fund		BEA Union Investment Hong Kong Growth Fund		BEA Union Investment Greater China Growth Fund		BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund		BEA Union Investment Global Equity Fund		BEA Union Investment Asia Pacific Investment Grade Bond Fund		BEA Union Investment Core Accumulation Fund ⁽¹⁾		BEA Union Investment Age 65 Plus Fund ⁽¹⁾	
	2018 Units	2017 Units	2018 Units	2017 Units	2018 Units	2017 Units	2018 Units	2017 Units	2018 Units	2017 Units	2018 Units	2017 Units	2018 Units	2017 Units	2018 Units	2017 Units	2018 Units	2017 Units
Class A																		
Balance at the beginning of the year	5,734,087.375	5,514,040.282	38,228,964.981	41,872,496.785	8,855,765.696	8,885,432.303	6,334,794.638	6,354,610.198	1,153,802.867	945,898.880	3,122,436.599	2,968,725.595	5,580,675.591	4,085,245.431	-	-	-	-
Units issued	453,920.115	404,070.257	4,548,295.272	5,352,331.565	261,148.375	874,748.593	61,822.154	308,748.029	49,349.030	221,665.680	94,655.923	180,057.035	3,982.728	1,616,533.889	-	-	-	-
Units redeemed	(979,602.165)	(184,023.164)	(4,267,308.595)	(8,995,863.369)	(3,614,257.603)	(904,415.200)	(354,910.286)	(328,563.589)	(64,126.106)	(13,761.693)	(14,347.403)	(26,346.031)	(136.432)	(121,103.729)	-	-	-	-
Balance at the end of the year	<u>5,208,405.325</u>	<u>5,734,087.375</u>	<u>38,509,951.658</u>	<u>38,228,964.981</u>	<u>5,502,656.468</u>	<u>8,855,765.696</u>	<u>6,041,706.506</u>	<u>6,334,794.638</u>	<u>1,139,025.791</u>	<u>1,153,802.867</u>	<u>3,202,745.119</u>	<u>3,122,436.599</u>	<u>5,584,521.887</u>	<u>5,580,675.591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Class D																		
Balance at the beginning of the year	-	-	-	-	-	-	-	-	1,313,302.030	1,514,911.910	-	-	-	-	-	-	-	-
Units issued	-	-	-	-	-	-	-	-	2,037,678.326	397,688.222	-	-	-	-	-	-	-	-
Units redeemed	-	-	-	-	-	-	-	-	(476,307.380)	(599,298.102)	-	-	-	-	-	-	-	-
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,874,672.976</u>	<u>1,313,302.030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Class I																		
Balance at the beginning of the year	-	-	4,311,522.276	-	-	-	-	-	-	-	3,493,168.116	-	-	-	4,456,515.737	-	3,207,896.595	-
Units issued	-	-	2,084,517.444	4,407,101.817	-	-	-	-	-	-	1,806,592.597	3,570,668.942	-	-	2,484,469.867	4,492,781.282	983,069.793	3,274,793.753
Units redeemed	-	-	(430,978.783)	(95,579.541)	-	-	-	-	-	-	(300,117.099)	(77,500.826)	-	-	(76,840.827)	(36,265.545)	(243,385.770)	(66,897.158)
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>5,965,060.937</u>	<u>4,311,522.276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,999,643.614</u>	<u>3,493,168.116</u>	<u>-</u>	<u>-</u>	<u>6,864,144.777</u>	<u>4,456,515.737</u>	<u>3,947,580.618</u>	<u>3,207,896.595</u>
Class R																		
Balance at the beginning of the year	263,719.170	306,745.028	384,789.650	412,361.998	732,120.300	1,241,522.278	888,239.576	940,216.204	7,719,422.420	6,690,226.321	-	-	1,173,762.057	-	-	-	-	-
Units issued	22,719.846	30,577.823	150,994.469	17,219.233	109,296.637	166,466.053	40,727.482	236,426.119	1,954,501.957	2,466,824.622	179,864.407	-	2,347,232.127	1,173,762.057	-	-	-	-
Units redeemed	(28,959.786)	(73,603.681)	(60,072.494)	(44,791.581)	(200,451.464)	(675,868.031)	(116,211.633)	(288,402.747)	(1,219,531.952)	(1,437,628.523)	-	-	(735,633.201)	-	-	-	-	-
Balance at the end of the year	<u>257,479.230</u>	<u>263,719.170</u>	<u>475,711.625</u>	<u>384,789.650</u>	<u>640,965.473</u>	<u>732,120.300</u>	<u>812,755.425</u>	<u>888,239.576</u>	<u>8,454,392.425</u>	<u>7,719,422.420</u>	<u>179,864.407</u>	<u>-</u>	<u>2,785,360.983</u>	<u>1,173,762.057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

4 Capital management and units in issue (continued)

Net assets attributable to unitholders as at 31 December

(Expressed in Hong Kong dollars)

	BEA Union Investment Asia Strategic Growth Fund		BEA Union Investment Global Bond Fund		BEA Union Investment Hong Kong Growth Fund		BEA Union Investment Greater China Growth Fund		BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund		BEA Union Investment Global Equity Fund		BEA Union Investment Asia Pacific Investment Grade Bond Fund		BEA Union Investment Core Accumulation Fund ⁽¹⁾		BEA Union Investment Age 65 Plus Fund ⁽¹⁾		
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	
Net assets attributable to unitholders (at last traded price)																			
Class A units	1,747,992,000	2,344,750,564	4,727,011,914	4,685,209,101	1,625,713,727	3,050,620,122	1,462,324,365	1,782,899,935	154,764,836	154,347,355	490,473,229	518,545,293	670,169,235	665,811,240	-	-	-	-	
Class D units	-	-	-	-	-	-	-	-	297,632,092	135,317,223	-	-	-	-	-	-	-	-	
Class I units	-	-	629,958,024	454,496,309	-	-	-	-	-	-	536,394,209	406,181,264	-	-	730,137,505	493,481,683	413,731,683	337,355,807	
Class R units	67,369,380	85,451,175	50,825,596	41,432,557	153,520,326	207,821,851	161,190,048	208,249,966	1,046,868,767	948,880,797	17,263,283	-	280,560,547	118,838,367	-	-	-	-	
Net assets attributable to unitholders (at last traded price) per unit																			
Class A units	335.61	408.91	122.75	122.56	295.44	344.48	242.04	281.45	135.87	133.77	153.14	166.07	120.00	119.31	-	-	-	-	
Class D units	-	-	-	-	-	-	-	-	103.54	103.04	-	-	-	-	-	-	-	-	
Class I units	-	-	105.61	105.41	-	-	-	-	-	-	107.29	116.28	-	-	106.37	110.73	104.81	105.16	
Class R units	261.65	324.02	106.84	107.68	239.51	283.86	198.33	234.45	123.83	122.92	95.98	-	100.73	101.25	-	-	-	-	

As a result of the ability to issue and redeem units, the capital of the Sub-funds can vary depending on the demand for subscriptions and redemptions to the Sub-funds. The Sub-funds are not subject to externally imposed capital requirements and restrictions on the issuance and redemption of units.

The Sub-funds' objectives for managing capital are:

- To safeguard capital while achieve returns by investing in accordance with the Sub-funds' investment objectives, descriptions, risk exposures and expected returns indicated in the Explanatory Memorandum.
- To maintain sufficient liquidity to meet the expenses of the Sub-funds and to meet redemption requests as they arise.
- To maintain sufficient size to make the operation of the Sub-funds cost-efficient.

The Manager manages the capital of the Sub-funds in accordance with the Sub-funds' investment objectives and policies. With a view to protecting the interests of unitholders, the Manager is entitled at its discretion and with the approval of the Trustee to limit the number of units in any sub-fund redeemed on any dealing day to 10% of the total number of units of that sub-fund in issue.

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

5 Critical accounting estimates and assumptions

Bank of East Asia (Trustees) Limited (“the Trustee”) makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value of investments

Certain sub-funds hold a number of unlisted debt securities that are valued by reference to broker quotes. In determining the fair value of such investments, the Trustee exercises judgments and estimates on the sources of brokers and the quantity and quality of quotes used. Such quotes adopted to fairly value the investments may be indicative only and not executable or legally binding. As such, broker quotes do not necessarily indicate the price at which the security could actually be traded as of 31 December 2018. Actual transacted prices may differ from the quotes provided by the brokers. The Trustee considers that in the absence of any other reliable market sources, the broker quotes available to them reflect the best estimate of fair value.

6 Financial risk management

Strategy in using financial instruments

The investment objective of BEA Union Investment Asia Strategic Growth Fund is to provide investors with long-term capital growth in HK dollar terms through investing in a diversified portfolio primarily consisting of listed securities of companies that conduct a significant portion of their business activities in, or derive or are expected to derive a significant portion of their revenues from the Asia Pacific region but excluding Japan.

The investment objective of BEA Union Investment Global Bond Fund is to provide investors with total investment return over the medium to long-term through investing in a diversified range of global bonds denominated in various major currencies.

The investment objective of BEA Union Investment Hong Kong Growth Fund is to provide investors with long-term capital growth in HK dollar terms through investing in a diversified portfolio consisting primarily of securities of companies, either listed or with operations or interests principally in Hong Kong.

The investment objective of BEA Union Investment Greater China Growth Fund is to provide investors with long-term capital growth through investing in a diversified portfolio primarily consisting of listed securities of companies that conduct a significant portion of their business activities in, or derive or are expected to derive a significant portion of their revenues from Greater China, which includes the People’s Republic of China (“PRC”), Hong Kong, Macau and Taiwan.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

Strategy in using financial instruments (continued)

The investment objective of BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund is to provide investors with long-term capital growth in HK dollar terms through investing in a portfolio consisting primarily of HK dollar denominated interest bearing securities.

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

The investment objective of BEA Union Investment Asia Pacific Investment Grade Bond Fund is to provide total investment return over the medium to long-term through investing in Asia Pacific investment grade bonds.

The investment objective of BEA Union Investment Core Accumulation Fund is to achieve capital growth by investing in a globally diversified manner in two approved pool investment funds, namely the BEA Union Investment Global Equity Fund (which invests in a diversified global equity portfolio) and the BEA Union Investment Global Bond Fund (which invests in a diversified global bond portfolio) (the “Underlying Funds”), both existing Investment Funds under the Fund.

The investment objective of BEA Union Investment Age 65 Plus Fund is to achieve stable growth by investing in a globally diversified manner in two approved pool investment funds, namely the BEA Union Investment Global Equity Fund (which invests in a diversified global equity portfolio) and the BEA Union Investment Global Bond Fund (which invests in a diversified global bond portfolio) (the “Underlying Funds”), both existing Investment Funds under the Fund.

The Sub-funds’ activities expose them to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk. The risks and the financial risk management policies and practices used by the Manager to manage these risks are discussed below.

(a) Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk. The Sub-funds’ strategies on the management of market risk are driven by the Sub-funds’ investment objectives.

The Sub-funds’ market risk is managed on a regular basis by the Manager in accordance with policies and procedures in place. The Sub-funds’ overall market position is monitored on a yearly basis by the Trustee. Details of the nature of the Sub-funds’ investment portfolios at the reporting date are disclosed in the investment report.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk

The Sub-funds hold assets and liabilities denominated in currencies other than their functional currencies and are therefore exposed to currency risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value of the Sub-funds' assets and liabilities denominated in currencies other than HKD.

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 Manager monitors all the Sub-funds' foreign currency positions on a daily basis. BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund did not hold any assets denominated in currencies other than HKD and/or United States dollars ("USD"). In view of the pegging of HKD to USD, the sub-fund do not expect any significant movement in USD/HKD exchange rate.

Sensitivity analysis

Each Sub-fund's net direct exposure to each currency other than HKD at the reporting date and their estimated impact to the net assets attributable to unitholders and the change in net assets attributable to unitholders from operations for the year had the HKD weakened by 5% (2017: 5%) are illustrated below. The analysis is performed on the same basis as 2017.

	As at 31 December 2018		As at 31 December 2017	
	Net direct exposure HK\$	Estimated increase had the HKD weakened by 5% HK\$	Net direct exposure HK\$	Estimated increase had the HKD weakened by 5% HK\$
BEA Union Investment Asia Strategic Growth Fund				
Australian dollar	78	4	86	4
Indian rupee	5,883	294	6,425	321
Indonesian rupiah	65,534,584	3,276,729	36,977,916	1,848,896
Korean won	341,163,627	17,058,181	536,206,575	26,810,329
Malaysian ringgit	16,292,574	814,629	27,845,663	1,392,283
New Taiwan dollar	266,134,222	13,306,711	356,532,598	17,826,630
Philippine peso	17,142,824	857,141	56,519,974	2,825,999
Renminbi	12,417,321	620,866	47,820,162	2,391,008
Singapore dollar	97,617,917	4,880,896	141,793,960	7,089,698
Thai baht	45,856,367	2,292,818	117,792,000	5,889,600

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

	As at 31 December 2018		As at 31 December 2017	
	Net direct exposure HK\$	Estimated increase had the HKD weakened by 5% HK\$	Net direct exposure HK\$	Estimated increase had the HKD weakened by 5% HK\$
BEA Union Investment Global Bond Fund				
Australian dollar	82,364,880	4,118,244	136,729,553	6,836,478
British pound	223,686,858	11,184,343	280,107,462	14,005,373
Canadian dollar	48,984,871	2,449,244	35,709,770	1,785,489
Danish krone	952	48	1,021	51
Euro	1,222,213,694	61,110,685	1,499,911,047	74,995,552
Indonesian rupiah	1,259,639	62,982	27,422,766	1,371,138
Japanese yen	719,170,478	35,958,524	754,697,619	37,734,881
Korean won	1,357,754	67,888	1,411,871	70,594
Malaysian ringgit	1,434,765	71,738	30,111,167	1,505,558
New Zealand dollar	267,782	13,389	281,859	14,093
Norwegian krone	5,791,203	289,560	6,121,504	306,075
Renminbi	1,060,066	53,003	124,511,741	6,225,587
Singapore dollar	13,523,485	676,174	25,637,361	1,281,868
BEA Union Investment Hong Kong Growth Fund				
Renminbi	101	5	106	5
BEA Union Investment Greater China Growth Fund				
New Taiwan dollar	340,798,978	17,039,949	426,211,554	21,310,578
Renminbi	35,758,247	1,787,912	63,727,002	3,186,350

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

	As at 31 December 2018		As at 31 December 2017	
	Net direct exposure HK\$	Estimated increase had the HKD weakened by 5% HK\$	Net direct exposure HK\$	Estimated increase had the HKD weakened by 5% HK\$
BEA Union Investment Global Equity Fund				
Australian dollar	16,156,052	807,803	11,844,922	592,246
Brazilian real	4,885,907	244,295	–	–
British pound	50,075,652	2,503,783	52,555,302	2,627,765
Canadian dollar	28,737,187	1,436,859	24,129,810	1,206,491
Danish krone	10,957,598	547,880	4,445,720	222,286
Euro	106,187,093	5,309,355	75,170,337	3,758,517
Indian rupee	9,449,332	472,467	–	–
Indonesian rupiah	3,182,116	159,106	–	–
Japanese yen	92,544,473	4,627,224	61,680,282	3,084,014
Korean won	15,517,577	775,879	6,288,658	314,433
Malaysia ringgit	1,590,234	79,512	–	–
New Taiwan dollar	5,760,175	288,009	6,617,237	330,862
Israeli new shekel	1,035,672	51,784	–	–
Singapore dollar	5,714,051	285,703	–	–
South African rand	6,220,489	311,024	1,705,128	85,256
Swedish krona	15,348,364	767,418	7,636,547	381,827
Swiss franc	32,156,361	1,607,818	30,189,032	1,509,452
Thai baht	1,424,689	71,234	–	–

BEA Union Investment Asia Pacific Investment Grade Bond Fund

Australian dollar	16,034	802	17,638	882
Malaysia ringgit	162,980	8,149	–	–
Renminbi	222,105	11,105	3,152	158
Singapore dollar	73,785	3,689	11,799	590

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

	As at 31 December 2018		As at 31 December 2017	
	Net direct exposure HK\$	Estimated increase had the HKD weakened by 5% HK\$	Net direct exposure HK\$	Estimated increase had the HKD weakened by 5% HK\$
BEA Union Investment Core Accumulation Fund ⁽¹⁾				
Australian dollar	7,279,038	363,952	4,498,800	224,940
Brazilian real	2,032,635	101,632	–	–
British pound	22,247,007	1,112,350	18,594,035	929,702
Canadian dollar	14,641,702	732,085	9,334,031	466,702
Danish krone	4,558,631	227,932	1,483,780	74,189
Euro	52,204,205	2,610,210	30,501,337	1,525,067
Indonesian rupiah	1,392,906	69,645	983,566	49,178
Japanese yen	43,412,351	2,170,618	23,900,991	1,195,050
Korean won	6,530,084	326,504	2,149,456	107,473
Malaysia ringgit	740,255	37,013	1,079,991	54,000
New Taiwan dollar	2,396,347	119,817	2,208,479	110,424
New Zealand dollar	14,686	734	10,109	505
Indian rupee	3,931,110	196,556	–	–
Israeli new shekel	430,860	21,543	–	–
Norwegian korne	317,605	15,880	219,559	10,978
Renminbi	58,137	2,907	4,465,835	223,292
Singapore dollar	3,118,823	155,941	919,530	45,977
South African rand	2,587,847	129,392	569,080	28,454
Swedish krona	6,385,225	319,261	2,548,670	127,434
Swiss franc	13,377,686	668,884	10,075,480	503,774
Thai baht	592,699	29,635	–	–

A 5% appreciation of HKD against the above currencies would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

	As at 31 December 2018		As at 31 December 2017	
	Net direct exposure HK\$	Estimated increase had the HKD weakened by 5% HK\$	Net direct exposure HK\$	Estimated increase had the HKD weakened by 5% HK\$
BEA Union Investment Age 65 Plus Fund ⁽¹⁾				
Australian dollar	1,835,388	91,769	1,644,707	82,235
Brazilian real	380,353	19,018	–	–
British pound	5,353,086	267,654	5,491,857	274,593
Canadian dollar	5,257,035	262,852	3,673,802	183,690
Danish krone	853,075	42,654	335,174	16,759
Euro	16,555,709	827,785	13,080,940	654,047
Indonesian rupiah	325,375	16,269	1,424,428	71,221
Japanese yen	12,295,639	614,782	9,242,124	462,106
Korean won	1,291,702	64,585	547,380	27,369
Malaysia ringgit	212,249	10,612	1,564,072	78,204
New Taiwan dollar	448,412	22,421	498,811	24,941
New Zealand dollar	16,509	825	14,641	732
Indian rupee	735,602	36,780	–	–
Israeli new shekel	80,624	4,031	–	–
Norwegian korne	357,029	17,851	317,971	15,899
Renminbi	65,353	3,268	6,467,546	323,377
Singapore dollar	1,278,549	63,927	1,331,688	66,584
South African rand	484,246	24,212	128,534	6,427
Swedish krona	1,194,824	59,741	575,648	28,782
Swiss franc	2,503,276	125,164	2,275,668	113,783
Thai baht	110,908	5,545	–	–

A 5% appreciation of HKD against the above currencies would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk arises from change in interest rates which may inversely affect the value of debt instruments and therefore result in potential gain or loss to the Sub-funds.

All Sub-funds did not have any interest-bearing liabilities as at year end and except for the BEA Union Investment Global Bond Fund, BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund and BEA Union Investment Asia Pacific Investment Grade Bond Fund, interest-bearing assets were limited to bank deposits, accordingly it is considered that they did not have significant direct interest rate risk exposure.

The Manager monitors all the Sub-funds' direct exposure to interest rate risk at least on a monthly basis.

The following table illustrates the interest rate risk exposure of BEA Union Investment Global Bond Fund, BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund and BEA Union Investment Asia Pacific Investment Grade Bond Fund. It includes their interest rate sensitivity gaps and the year in which the interest rates of interest bearing assets and interest bearing liabilities reprice (the earlier of contractual re-pricing or maturity date) as at year end.

BEA Union Investment Global Bond Fund

As at 31 December 2018

	Up to 1 year HK\$	1 – 5 years HK\$	Over 5 years HK\$	Non-interest bearing HK\$	Total HK\$
Assets					
Investments	662,643,984	1,508,011,808	3,054,265,399	–	5,224,921,191
Cash at banks	187,294,888	–	–	–	187,294,888
Other assets	–	–	–	304,490	304,490
Total assets	849,938,872	1,508,011,808	3,054,265,399	304,490	5,412,520,569
Liabilities (excluding net assets attributable to unitholders)					
Other liabilities	–	–	–	4,725,035	4,725,035
Total interest sensitivity gap	<u>849,938,872</u>	<u>1,508,011,808</u>	<u>3,054,265,399</u>		

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

BEA Union Investment Global Bond Fund (continued)

As at 31 December 2017

	Up to 1 year HK\$	1 – 5 years HK\$	Over 5 years HK\$	Non-interest bearing HK\$	Total HK\$
Assets					
Investments	486,155,017	1,377,325,927	3,164,811,640	–	5,028,292,584
Cash at banks	180,456,144	–	–	–	180,456,144
Other assets	–	–	–	190,002	190,002
Total assets	666,611,161	1,377,325,927	3,164,811,640	190,002	5,208,938,730
Liabilities (excluding net assets attributable to unitholders)					
Other liabilities	–	–	–	33,248,898	33,248,898
Total interest sensitivity gap	666,611,161	1,377,325,927	3,164,811,640		

At year end, should the relevant market interest rates have been increased by a certain percentage with all other variables held constant, the estimated impact on the net assets attributable to unitholders and the change in net assets attributable to unitholders from operations for the year are shown in the table below.

	% possible reasonable shift	Estimated increase/ (decrease) 2018 HK\$	Estimated increase/ (decrease) 2017 HK\$
BEA Union Investment Global Bond Fund	+0.25%	(87,468,388)	(77,230,808)

Due to current market conditions, the Manager does not anticipate that the interest rates will decrease any further and considers the downward impact will be minimal.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund

As at 31 December 2018

	Up to 1 year HK\$	1 – 5 years HK\$	Over 5 years HK\$	Non-interest bearing HK\$	Total HK\$
Assets					
Investments	87,470,294	990,785,205	410,095,334	–	1,488,350,833
Cash at banks	13,009,297	–	–	–	13,009,297
Other assets	–	–	–	10	10
Total assets	100,479,591	990,785,205	410,095,334	10	1,501,360,140
Liabilities (excluding net assets attributable to unitholders)					
Other liabilities	–	–	–	2,094,445	2,094,445
Total interest sensitivity gap	100,479,591	990,785,205	410,095,334		

As at 31 December 2017

	Up to 1 year HK\$	1 – 5 years HK\$	Over 5 years HK\$	Non-interest bearing HK\$	Total HK\$
Assets					
Investments	89,707,461	690,821,051	452,807,464	–	1,233,335,976
Cash at banks	10,534,467	–	–	–	10,534,467
Other assets	–	–	–	5,628,475	5,628,475
Total assets	100,241,928	690,821,051	452,807,464	5,628,475	1,249,498,918
Liabilities (excluding net assets attributable to unitholders)					
Other liabilities	–	–	–	14,916,884	14,916,884
Total interest sensitivity gap	100,241,928	690,821,051	452,807,464		

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund (continued)

At year end, should the relevant market interest rates have been increased by a certain percentage with all other variables held constant, the estimated impact on the net assets attributable to unitholders and the change in net assets attributable to unitholders from operations for the year are shown in the table below.

	% possible reasonable shift	Estimated increase/ (decrease) 2018 HK\$	Estimated increase/ (decrease) 2017 HK\$
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund	+0.25%	(13,591,117)	(13,209,320)

Due to current market conditions, the Manager does not anticipate that the interest rates will decrease any further and considers the downward impact will be minimal.

BEA Union Investment Asia Pacific Investment Grade Bond Fund

As at 31 December 2018

	Up to 1 year HK\$	1 – 5 years HK\$	Over 5 years HK\$	Non-interest bearing HK\$	Total HK\$
Assets					
Investments	5,952,819	421,322,273	515,019,100	–	942,294,192
Cash at banks	41,373,201	–	–	–	41,373,201
Other assets	–	–	–	43,937,569	43,937,569
Total assets	<u>47,326,020</u>	<u>421,322,273</u>	<u>515,019,100</u>	<u>43,937,569</u>	<u>1,027,604,962</u>
Liabilities (excluding net assets attributable to unitholders)					
Other liabilities	–	–	–	76,875,180	76,875,180
Total interest sensitivity gap	<u>47,326,020</u>	<u>421,322,273</u>	<u>515,019,100</u>		

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

BEA Union Investment Asia Pacific Investment Grade Bond Fund (continued)

As at 31 December 2017

	Up to 1 year HK\$	1 – 5 years HK\$	Over 5 years HK\$	Non-interest bearing HK\$	Total HK\$
Assets					
Investments	43,435,501	196,958,728	536,593,555	–	776,987,784
Cash at banks	10,262,773	–	–	–	10,262,773
Other assets	–	–	–	101	101
Total assets	<u>53,698,274</u>	<u>196,958,728</u>	<u>536,593,555</u>	<u>101</u>	<u>787,250,658</u>
Liabilities (excluding net assets attributable to unitholders)					
Other liabilities	–	–	–	4,119,481	4,119,481
Total interest sensitivity gap	<u>53,698,274</u>	<u>196,958,728</u>	<u>536,593,555</u>		

At year end, should the relevant market interest rates have been increased by a certain percentage with all other variables held constant, the estimated impact on the net assets attributable to unitholders and the change in net assets attributable to unitholders from operation for the year are shown in the table below.

	% possible reasonable shift	Estimated increase/ (decrease) 2018 HK\$	Estimated increase/ (decrease) 2017 HK\$
BEA Union Investment Asia Pacific Investment Grade Bond Fund	+0.25%	(11,887,243)	(9,252,214)

Due to current market conditions, the Manager does not anticipate that the interest rates will decrease any further and considers the downward impact will be minimal.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(iii) Other price risk

Other price risk is the risk that the fair value of the financial 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 or its issuer or factors affecting all instruments traded in the market.

The breakdown of investments held by the Sub-funds is shown in the investment report.

Each Sub-fund's market risk is managed through (i) deliberate securities selection and (ii) diversification of the investment portfolio. The Manager monitors all Sub-funds' market positions on a daily basis.

Sensitivity analysis

The Manager projects the possible movement of the underlying benchmark indices ("the potential movement") based on historical experience. If the underlying benchmark indices had changed by the following percentages, which are based on the 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 unitholders and the change in net assets attributable to unitholders from operations would have changed accordingly as shown below.

	Relevant benchmark index	% possible reasonable shift +/-	Estimated impact increase/(decrease)	
			2018 HK\$	2017 HK\$
BEA Union Investment Asia Strategic Growth Fund	MSCI AC Far East ex Japan ex ADRs (NR)	5%	90,474,956	125,034,885

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

(a) Market risk (continued)

(iii) Other price risk (continued)

Sensitivity analysis (continued)

	Relevant benchmark index	% possible reasonable shift +/-	Estimated impact increase/(decrease)	
			2018 HK\$	2017 HK\$
BEA Union Investment Hong Kong Growth Fund	8% HSBC Holdings PLC + 92% MSCI Zhong Hua ex ADRs	5%	85,414,959	156,351,329
BEA Union Investment Greater China Growth Fund	MSCI AC Golden Dragon Index ex ADRs (NR)	5%	80,971,490	98,499,928
BEA Union Investment Global Equity Fund	Direct investments in equities and approved index-tracking fund	5%	55,223,871	46,244,262

An equal change in the opposite direction would have changed the net assets attributable to unitholders and the change in net assets attributable to unitholders from operations for the year by an equal but opposite amount.

(b) Credit risk

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

For purchase, payments are made once securities have been received by the Sub-funds' custodians. The trade will fail if either party fails to meet their obligation.

The Manager monitors the Sub-funds' credit position on a monthly basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of assets and liabilities.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

(b) Credit risk (continued)

Amounts arising from ECL

Impairment on amounts due from brokers, amounts receivable on subscription, dividends and other receivables and cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Sub-funds consider that these exposures have low credit risk based on the external credit ratings of the counterparties.

The Sub-funds monitor changes in credit risk on these exposures by tracking published external credit ratings of the counterparties. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Sub-funds supplement this by reviewing changes in bond yields, where available, credit default swap ("CDS") prices together with available press and regulatory information about counterparties.

On initial application of HKFRS 9 as at 1 January 2018, the 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 recognised on amounts due from brokers, amounts receivable on subscription, dividends and other receivables and cash and cash equivalents. The amount of the loss allowance did not change during 2018.

At the reporting date, only BEA Union Investment Global Bond Fund, BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund and BEA Union Investment Asia Pacific Investment Grade Bond Fund held debt securities. As at 31 December 2018 and 2017, the Sub-funds invested in debt investments with the following credit ratings equivalent to which provided by Standard & Poor's credit rating services expressed as a percentage of debt investments:

	31 December 2018 %	31 December 2017 %
BEA Union Investment Global Bond Fund		
<i>Portfolio by rating category of debt securities</i>		
<i>Rating</i>		
AAA	33.99	11.63
AA+	1.61	2.44
AA	14.84	19.66
AA-	4.24	5.54
A+	20.97	20.10
A	1.88	5.35
A-	1.96	5.23
BBB+	8.88	11.19
BBB	4.37	16.19
BBB-	7.04	2.67
NR	0.22	-
	<u>100.00</u>	<u>100.00</u>

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

(b) Credit risk (continued)

	31 December 2018 %	31 December 2017 %
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund		
<i>Portfolio by rating category of debt securities</i>		
<i>Rating</i>		
AAA	3.44	-
AA+	22.78	33.22
AA	9.57	2.37
AA-	2.30	1.97
A+	24.25	24.56
A	14.51	17.15
A-	15.07	13.15
BBB+	4.89	2.49
BBB	1.07	3.64
BBB-	0.57	1.45
NR	1.55	-
	<u>100.00</u>	<u>100.00</u>
<i>Portfolio by rating category of the issue of certificates of deposit</i>		
<i>Rating</i>		
AA-	12.30	9.20
A+	48.89	15.00
A	-	70.65
A-	-	-
BBB+	11.30	5.15
NR	27.51	-
	<u>100.00</u>	<u>100.00</u>

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

(b) Credit risk (continued)

	31 December 2018 %	31 December 2017 %
BEA Union Investment Asia Pacific Investment Grade Bond Fund		
<i>Portfolio by rating category of debt securities</i>		
<i>Rating</i>		
AAA	–	1.00
AA	0.59	4.39
AA-	1.72	2.51
A+	20.51	11.82
A	6.22	11.44
A-	10.94	15.60
BBB+	20.96	15.82
BBB	28.83	20.51
BBB-	7.32	16.37
NR	2.91	0.54
	<u>100.00</u>	<u>100.00</u>

The Sub-funds' investments are held by the custodians and the majority of the Sub-funds' cash is deposited with The Bank of East Asia, Limited and Citibank. Bankruptcy or insolvency of the custodians and the Banks may cause to Sub-funds' execution of their rights with respect to the assets held by the custodians and the Banks to be delayed or limited. The Manager monitors the credit quality of the custodians and the Banks on an on-going basis.

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

6 Financial risk management (continued)

(c) Liquidity risk

Liquidity risk arises from the risk that the Sub-funds may not be able to convert investments into cash to meet liquidity needs in a timely manner. The Sub-funds' exposure to liquidity risk arises because of the possibility that the Sub-funds could be required to pay their liabilities or redeem their units earlier than expected. The Sub-funds are exposed to daily cash redemption of their redeemable units. Units are redeemable at the holders' option based on the Sub-funds' net asset value per unit at the time of redemption.

The Sub-funds' policy is to regularly monitor current and expected liquidity requirements to ensure that they maintain sufficient reserves of cash and readily realisable marketable securities to meet their liquidity requirements in the short and long-term.

The Sub-funds invest the majority of assets in investments that are traded in an active market, and can be readily disposed of. The Manager monitors the Sub-funds' liquidity position on a daily basis.

As at 31 December 2018 and 2017, all the financial liabilities of the Sub-funds are repayable on demand or due within three months.

(d) Fair value estimation

As at 31 December 2018 and 2017, the carrying values of assets and liabilities are a reasonable approximation of their fair values.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

7 Financial instruments at fair value through profit or loss

(a) Breakdown of investments

The breakdown of the Sub-funds' investments by investment type is illustrated below.

	As at 31 December 2018		As at 31 December 2017	
	HK\$	% of net assets	HK\$	% of net assets
BEA Union Investment Asia Strategic Growth Fund				
Listed/quoted investments				
– Equities	1,714,867,684	94.46	2,385,576,855	98.26
– Real estate investment trust	38,024,350	2.10	31,385,400	1.29
	<u>1,752,892,034</u>	<u>96.56</u>	<u>2,416,962,255</u>	<u>99.55</u>
BEA Union Investment Global Bond Fund				
Listed/quoted investments				
– Bonds	5,224,921,191	96.62	5,028,292,584	97.15
BEA Union Investment Hong Kong Growth Fund				
Listed/quoted investments				
– Equities	1,707,624,573	95.98	2,982,084,406	91.55
– Investment fund	–	–	7,952,000	0.24
– Real estate investment trust	63,400,350	3.56	119,460,000	3.67
	<u>1,771,024,923</u>	<u>99.54</u>	<u>3,109,496,406</u>	<u>95.46</u>
BEA Union Investment Greater China Growth Fund				
Listed/quoted investments				
– Equities	1,536,686,895	94.65	1,884,639,383	94.71
– Real estate investment trust	16,097,900	0.99	30,227,000	1.52
	<u>1,552,784,795</u>	<u>95.64</u>	<u>1,914,866,383</u>	<u>96.23</u>

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

7 Financial instruments at fair value through profit or loss (continued)

(a) Breakdown of investments (continued)

	As at 31 December 2018		As at 31 December 2017	
	HK\$	% of net asset	HK\$	% of net asset
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund				
Listed/quoted investments				
– Bonds	1,220,087,485	81.38	1,036,375,280	83.95
– Certificates of deposit	268,263,348	17.89	196,960,696	15.95
	<u>1,488,350,833</u>	<u>99.27</u>	<u>1,233,335,976</u>	<u>99.90</u>
BEA Union Investment Global Equity Fund				
Listed/quoted investments				
– Equities	1,025,793,319	98.24	909,123,127	98.30
BEA Union Investment Asia Pacific Investment Grade Bond Fund				
Listed/quoted investments				
– Bonds	942,294,192	99.11	776,987,784	99.22
BEA Union Investment Core Accumulation Fund ⁽¹⁾				
Approved pooled investment funds	730,957,000	100.11	494,312,416	100.17
BEA Union Investment Age 65 Plus Fund ⁽¹⁾				
Approved pooled investment funds	414,674,661	100.23	338,560,660	100.36

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

7 Financial instruments at fair value through profit or loss (continued)

(b) Fair value hierarchy

The following table presents the fair value of the Sub-funds' investments measured at the end of the reporting periods on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement.

As at 31 December 2018

Financial assets/(financial liabilities)	BEA Union Investment Asia Strategic Growth Fund HK\$	BEA Union Investment Global Bond Fund HK\$	BEA Union Investment Hong Kong Growth Fund HK\$	BEA Union Investment Greater China Growth Fund HK\$	BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund HK\$	BEA Union Investment Global Equity Fund HK\$	BEA Union Investment Asia Pacific Investment Grade Bond Fund HK\$	BEA Union Investment Core Accumulation Fund ⁽¹⁾ HK\$	BEA Union Investment Age 65 Plus Fund ⁽¹⁾ HK\$
Level 1	1,752,892,034	–	1,771,024,923	1,552,784,795	–	1,025,793,319	–	730,957,000	414,674,661
Level 2	–	5,221,313,253	–	–	1,488,350,833	(79,782)	941,317,154	(904,009)	(1,027,493)
Level 3	–	–	–	–	–	–	–	–	–
	<u>1,752,892,034</u>	<u>5,221,313,253</u>	<u>1,771,024,923</u>	<u>1,552,784,795</u>	<u>1,488,350,833</u>	<u>1,025,713,537</u>	<u>941,317,154</u>	<u>730,052,991</u>	<u>413,647,168</u>

As at 31 December 2017

Financial assets/(financial liabilities)	BEA Union Investment Asia Strategic Growth Fund HK\$	BEA Union Investment Global Bond Fund HK\$	BEA Union Investment Hong Kong Growth Fund HK\$	BEA Union Investment Greater China Growth Fund HK\$	BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund HK\$	BEA Union Investment Global Equity Fund HK\$	BEA Union Investment Asia Pacific Investment Grade Bond Fund HK\$	BEA Union Investment Core Accumulation Fund ⁽¹⁾ HK\$	BEA Union Investment Age 65 Plus Fund ⁽¹⁾ HK\$
Level 1	2,416,962,255	–	3,109,496,406	1,914,866,383	–	909,123,127	–	494,312,416	338,560,660
Level 2	–	5,020,919,893	–	–	1,233,335,976	(56,064)	776,979,670	(819,702)	(1,193,822)
Level 3	–	–	–	–	–	–	–	–	–
	<u>2,416,962,255</u>	<u>5,020,919,893</u>	<u>3,109,496,406</u>	<u>1,914,866,383</u>	<u>1,233,335,976</u>	<u>909,067,063</u>	<u>776,979,670</u>	<u>493,492,714</u>	<u>337,366,838</u>

During the year ended 31 December 2018 and 31 December 2017, there were no transfer between Level 1 and Level 2 or transfer into Level 3.

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

7 Financial instruments at fair value through profit or loss (continued)

(b) Fair value hierarchy (continued)

The Sub-funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are not considered active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

When fair values of listed and quoted investments at the reporting date are based on quoted market prices or binding dealer price quotations in an active market, without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy. When fair values of fixed income instruments at the reporting date represent quoted prices on markets that are considered less than active, those fixed income instruments are included within Level 2 of the hierarchy.

For investment funds that are not listed, transactions may or may not occur on a regular basis and they are valued by the Sub-funds based on the net asset value ("NAV") per unit published by the administrators of those underlying investment funds. Such NAV is adjusted when necessary, to reflect the effect of the time passed since the calculation date, liquidity risk, limitations on redemptions and other factors. Depending on the fair value level of the underlying investment funds' assets and liabilities and whether adjustments are needed, the Sub-funds classify the fair value of those underlying investment funds as either Level 1 or Level 2.

Over-the-counter ("OTC") derivative contracts include forward contracts related to foreign currencies. Depending on the product and the terms of the transaction, the fair value of the OTC derive products can be modelled taking into account the counterparties' creditworthiness and using a series of techniques, including simulation models. Many pricing models do not entail material subjectivity because the methodologies employed do not necessitate significant judgements and the pricing inputs are observed from actively quoted markets. Forward foreign exchange contracts valued by the Sub-funds using pricing models fall into this category and are categorised with Level 2 of the fair value hierarchy.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

8 Derivative financial instruments

Derivative financial instruments represent outstanding forward foreign exchange contracts as at the year end date as follows:

BEA Union Investment Global Bond Fund

As at 31 December 2018

Expiration	Underlying	Notional amount of contracts outstanding HK\$	Fair value HK\$
10 January 2019	Buy Hong Kong dollar/sell Japanese Yen	48,580,748	(1,397,229)
16 January 2019	Buy Hong Kong dollar/sell United States dollar	250,000,000	(21,116)
23 January 2019	Buy Hong Kong dollar/sell United States dollar	250,000,000	127,499
13 February 2019	Buy Hong Kong dollar/sell United States dollar	200,000,000	(235,531)
13 February 2019	Buy Hong Kong dollar/sell British Pound	68,913,600	(949,403)
19 February 2019	Buy Hong Kong dollar/sell United States dollar	190,000,000	(331,437)
26 February 2019	Buy Hong Kong dollar/sell United States dollar	150,000,000	(143,800)
28 February 2019	Buy Hong Kong dollar/sell United States dollar	300,000,000	(363,486)
18 March 2019	Buy Hong Kong dollar/sell United States dollar	200,000,000	(292,908)
27 March 2019	Buy Hong Kong dollar/sell United States dollar	150,000,000	(527)
			<u>(3,607,938)</u>

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

8 Derivative financial instruments (continued)

BEA Union Investment Global Bond Fund (continued)

As at 31 December 2017

Expiration	Underlying	Notional amount of contracts outstanding HK\$	Fair value HK\$
11 January 2018	Buy Euro/sell Hong Kong dollars	49,776,660	935,750
11 January 2018	Buy Euro/sell Hong Kong dollars	27,606,000	567,561
11 January 2018	Buy Hong Kong dollars/sell Canadian dollars	24,420,020	(534,384)
11 January 2018	Buy Hong Kong dollars/sell Euro	101,602,600	(1,700,457)
11 January 2018	Buy Hong Kong dollars/sell Japanese yen	6,963,788	22,255
11 January 2018	Buy Japanese yen/sell Hong Kong dollars	6,910,611	30,923
16 January 2018	Buy British pound/sell Hong Kong dollars	31,266,000	465,012
16 January 2018	Buy Hong Kong dollars/sell Australian dollars	29,327,500	(1,233,305)
16 January 2018	Buy Hong Kong dollars/sell British pound	31,412,400	(318,612)
16 January 2018	Buy Hong Kong dollars/sell United States dollars	250,000,000	(929,729)
18 January 2018	Buy Hong Kong dollars/sell United States dollars	350,000,000	(1,109,268)
25 January 2018	Buy Hong Kong dollars/sell United States dollars	300,000,000	(1,048,289)
31 January 2018	Buy Hong Kong dollars/sell British pound	83,325,600	(1,305,712)
9 February 2018	Buy Hong Kong dollars/sell United States dollars	400,000,000	(571,704)
20 February 2018	Buy Hong Kong dollars/sell Australian dollars	17,943,450	(379,023)
6 March 2018	Buy Hong Kong dollars/sell United States dollars	300,000,000	(125,771)
19 March 2018	Buy Hong Kong dollars/sell United States dollars	140,000,000	(137,938)
			<u>(7,372,691)</u>

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

8 Derivative financial instruments (continued)

BEA Union Investment Global Equity Fund

As at 31 December 2018

Expiration	Underlying	Notional amount of contracts outstanding HK\$	Fair value HK\$
31 January 2019	Buy Hong Kong dollar/sell United States dollar	<u>328,437,900</u>	<u>(79,782)</u>

As at 31 December 2017

Expiration	Underlying	Notional amount of contracts outstanding HK\$	Fair value HK\$
31 January 2018	Buy Hong Kong dollars/sell United States dollars	<u>298,353,460</u>	<u>(56,064)</u>

BEA Union Investment Asia Pacific Investment Grade Bond Fund

As at 31 December 2018

Expiration	Underlying	Notional amount of contracts outstanding HK\$	Fair value HK\$
02 January 2019	Buy Hong Kong dollar/sell United States dollar	335,000,000	(958,265)
02 January 2019	Buy United States dollar/sell Hong Kong dollar	42,762,318	(221,062)
04 February 2019	Buy Hong Kong dollar/sell United States dollar	310,000,000	<u>202,289</u>
			<u>(977,038)</u>

As at 31 December 2017

Expiration	Underlying	Notional amount of contracts outstanding HK\$	Fair value HK\$
21 March 2018	Buy Hong Kong dollars/sell United States dollars	<u>265,000,000</u>	<u>(8,114)</u>

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

8 Derivative financial instruments (continued)

BEA Union Investment Core Accumulation Fund

As at 31 December 2018

Expiration	Underlying	Notional amount of contracts outstanding HK\$	Fair value HK\$
31 January 2019	Buy Hong Kong dollar/sell Australian dollar	4,043,283	83,974
31 January 2019	Buy Hong Kong dollar/sell British Pound	10,786,083	(66,958)
31 January 2019	Buy Hong Kong dollar/sell Euro	58,865,568	(135,610)
31 January 2019	Buy Hong Kong dollar/sell Japanese Yen	33,743,793	(785,415)
			<u>(904,009)</u>

As at 31 December 2017

Expiration	Underlying	Notional amount of contracts outstanding HK\$	Fair value HK\$
31 January 2018	Buy Hong Kong dollar/sell Australian dollars	4,272,061	(86,388)
31 January 2018	Buy Hong Kong dollar/sell Euro	47,772,076	(611,395)
31 January 2018	Buy Hong Kong dollar/sell British Pound	8,366,991	(66,096)
31 January 2018	Buy Hong Kong dollar/sell British Pound	556,190	(3,381)
31 January 2018	Buy Hong Kong dollar/sell Japanese yen	23,700,710	(52,442)
			<u>(819,702)</u>

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

8 Derivative financial instruments (continued)

BEA Union Investment Age 65 Plus Fund

As at 31 December 2018

Expiration	Underlying	Notional amount of contracts outstanding HK\$	Fair value HK\$
31 January 2019	Buy Hong Kong dollar/sell Australian dollar	4,595,577	95,444
31 January 2019	Buy Hong Kong dollar/sell British Pound	12,259,411	(76,104)
31 January 2019	Buy Hong Kong dollar/sell Euro	66,906,347	(154,134)
31 January 2019	Buy Hong Kong dollar/sell Japanese Yen	38,353,048	(892,699)
			<u>(1,027,493)</u>

As at 31 December 2017

Expiration	Underlying	Notional amount of contracts outstanding HK\$	Fair value HK\$
31 January 2018	Buy Hong Kong dollar/sell Australian dollars	6,224,481	(125,869)
31 January 2018	Buy Hong Kong dollar/sell Euro	69,604,909	(890,815)
31 January 2018	Buy Hong Kong dollar/sell British Pound	12,190,884	(96,303)
31 January 2018	Buy Hong Kong dollar/sell British Pound	727,880	(4,424)
31 January 2018	Buy Hong Kong dollar/sell Japanese Yen	34,532,422	(76,411)
			<u>(1,193,822)</u>

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

9 Net (losses)/gains on investments

	BEA Union Investment Asia Strategic Growth Fund		BEA Union Investment Global Bond Fund		BEA Union Investment Hong Kong Growth Fund		BEA Union Investment Greater China Growth Fund		BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund	
	2018 HK\$	2017 HK\$	2018 HK\$	2017 HK\$	2018 HK\$	2017 HK\$	2018 HK\$	2017 HK\$	2018 HK\$	2017 HK\$
Net movement in unrealised (losses)/gains on investments	(504,453,062)	467,078,330	(112,744,496)	326,998,632	(531,079,457)	514,976,829	(340,484,472)	344,643,446	2,289,120	9,203,632
Realised gains/(losses) on investments	118,177,657	251,782,883	141,992,548	75,550,242	183,546,380	403,258,241	50,676,334	235,472,948	26,897,459	29,571,754
	<u>(386,275,405)</u>	<u>718,861,213</u>	<u>29,248,052</u>	<u>402,548,874</u>	<u>(347,533,077)</u>	<u>918,235,070</u>	<u>(289,808,138)</u>	<u>580,116,394</u>	<u>29,186,579</u>	<u>38,775,386</u>

	BEA Union Investment Global Equity Fund		BEA Union Investment Asia Pacific Investment Grade Bond Fund		BEA Union Investment Core Accumulation Fund ⁽¹⁾		BEA Union Investment Age 65 Plus Fund ⁽¹⁾	
	2018 HK\$	2017 HK\$	2018 HK\$	2017 HK\$	2018 HK\$	2017 HK\$	2018 HK\$	2017 HK\$
Net movement in unrealised (losses)/gains on investments	(150,358,324)	82,206,835	(6,024,224)	8,864,083	(38,679,290)	29,131,496	(6,829,645)	8,023,128
Realised gains/(losses) on investments	52,312,471	46,257,764	18,586,227	28,959,311	2,422,761	238,488	779,377	100,972
	<u>(98,045,853)</u>	<u>128,464,599</u>	<u>12,562,003</u>	<u>37,823,394</u>	<u>(36,256,529)</u>	<u>29,369,984</u>	<u>(6,050,268)</u>	<u>8,124,100</u>

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

10 Transactions with the Manager, the Trustee and Connected Persons

The following is a summary of significant related party transactions or transactions entered into during the year between the Sub-funds and the Manager, the Trustee and their Connected Persons. Connected Persons are those as defined in the Code on Unit Trusts and Mutual Funds issued by the SFC. All transactions during the year between the Sub-funds and the Manager and its Connected Persons were entered into in the ordinary course of business and under normal commercial terms. No investment management fee, trustee fee and registrar's fee will be levied on Class I units of BEA Union Investment Core Accumulation Fund and BEA Union Investment Age 65 Plus Fund. To the best of the knowledge of the Manager and the Trustee, the Sub-funds did not have any other transactions with Connected Persons except for those disclosed below.

(a) Investment management fees

The Manager is entitled to receive a management fee in respect of each class of units calculated as a percentage of the net asset value of that part of the relevant sub-fund relating to the relevant class of units as follows:

	Class A % p.a.	Class D % p.a.	Class I % p.a.	Class R % p.a.
BEA Union Investment Asia Strategic Growth Fund	Nil	1.75	0.40	1.50
BEA Union Investment Global Bond Fund	Nil	1.10	Nil	0.85
BEA Union Investment Hong Kong Growth Fund	Nil	1.75	0.40	1.50
BEA Union Investment Greater China Growth Fund	Nil	1.75	0.40	1.50
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund	Nil	1.00	0.30	0.75
BEA Union Investment Global Equity Fund	Nil	1.75	Nil	1.50
BEA Union Investment Asia Pacific Investment Grade Bond Fund	Nil	1.25	0.30	1.00

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

10 Transactions with the Manager, the Trustee and Connected Persons (continued)

(a) Investment management fees (continued)

Same rates have been applied for 2018 and 2017. The fee is calculated and accrued on each dealing day and is paid monthly in arrears.

The investment management fees charged for the year for each sub-fund are disclosed in the statement of comprehensive income. As at 31 December, the investment management fees payable for each sub-fund is as below:

	2018 HK\$	2017 HK\$
BEA Union Investment Asia Strategic Growth Fund	<u>86,933</u>	<u>107,050</u>
BEA Union Investment Global Bond Fund	<u>36,382</u>	<u>29,662</u>
BEA Union Investment Hong Kong Growth Fund	<u>199,064</u>	<u>262,061</u>
BEA Union Investment Greater China Growth Fund	<u>209,096</u>	<u>264,384</u>
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund	<u>912,218</u>	<u>720,160</u>
BEA Union Investment Global Equity Fund	<u>12,683</u>	<u>–</u>
BEA Union Investment Asia Pacific Investment Grade Bond Fund	<u>261,213</u>	<u>100,841</u>

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

10 Transactions with the Manager, the Trustee and Connected Persons (continued)

(b) Trustee's fees

The Trustee is entitled to receive a trustee fee in respect of each class of units calculated as a percentage of the net asset value of that part of the relevant sub-fund relating to the relevant class of units as follows:

	Class A % p.a.	Class D % p.a.	Class I % p.a.	Class R % p.a.
BEA Union Investment Asia Strategic Growth Fund	Nil	0.125	0.125	0.125
BEA Union Investment Global Bond Fund	Nil	0.085	Nil	0.085
BEA Union Investment Hong Kong Growth Fund	Nil	0.125	0.125	0.125
BEA Union Investment Greater China Growth Fund	Nil	0.150	0.150	0.150
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund	Nil	0.075	0.075	0.075
BEA Union Investment Global Equity Fund	Nil	0.150	Nil	0.150
BEA Union Investment Asia Pacific Investment Grade Bond Fund	Nil	0.100	0.100	0.100

Same rates have been applied for 2018 and 2017. The fee is calculated and accrued on each dealing day and is paid monthly in arrears.

The trustee's fees charged for the year for each sub-fund are disclosed in the statement of comprehensive income. As at 31 December, trustee's fees payable for each sub-fund is as below:

	2018 HK\$	2017 HK\$
BEA Union Investment Asia Strategic Growth Fund	<u>7,244</u>	<u>8,921</u>
BEA Union Investment Global Bond Fund	<u>3,638</u>	<u>2,966</u>
BEA Union Investment Hong Kong Growth Fund	<u>16,589</u>	<u>21,838</u>
BEA Union Investment Greater China Growth Fund	<u>20,910</u>	<u>26,438</u>
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund	<u>84,940</u>	<u>69,146</u>
BEA Union Investment Global Equity Fund	<u>1,268</u>	<u>–</u>
BEA Union Investment Asia Pacific Investment Grade Bond Fund	<u>26,121</u>	<u>10,084</u>

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

10 Transactions with the Manager, the Trustee and Connected Persons (continued)

(c) Registrar's fees

During 2018 and 2017, the Trustee has delegated the registrar function of the Sub-funds to the Manager and agreed the Manager to receive the full registrar fee from the Sub-funds directly. The registrar fee is calculated as a percentage of the net asset value of the Sub-funds at the following rates (except Class I units of BEA Union Investment Global Bond Fund and BEA Union Investment Global Equity Fund). No registrar's fee will be levied on Class I units of BEA Union Investment Global Bond Fund and BEA Union Investment Global Equity Fund:

For the first HK\$390 million of NAV	0.050%
For the next HK\$78 million of NAV	0.045%
For the next HK\$78 million of NAV	0.040%
For the next HK\$78 million of NAV	0.035%
For the next HK\$78 million of NAV	0.030%
For the next HK\$78 million of NAV	0.025%
For the remaining balance of NAV	0.015%

Same rates have been applied for 2018 and 2017. The fee is calculated and accrued on each dealing day and is paid monthly in arrears.

The registrar's fees charged for the year for each sub-fund are disclosed in the statement of comprehensive income. As at 31 December, registrar's fees payable for each sub-fund is as below:

	2018 HK\$	2017 HK\$
BEA Union Investment Asia Strategic Growth Fund	<u>41,539</u>	<u>48,583</u>
BEA Union Investment Global Bond Fund	<u>78,514</u>	<u>77,651</u>
BEA Union Investment Hong Kong Growth Fund	<u>41,269</u>	<u>59,707</u>
BEA Union Investment Greater China Growth Fund	<u>39,120</u>	<u>43,127</u>
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund	<u>37,174</u>	<u>34,006</u>
BEA Union Investment Global Equity Fund	<u>20,887</u>	<u>21,123</u>
BEA Union Investment Asia Pacific Investment Grade Bond Fund	<u>30,613</u>	<u>28,201</u>

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

10 Transactions with the Manager, the Trustee and Connected Persons (continued)

(d) Bank balances

Bank accounts are maintained with The Bank of East Asia, Limited which is the ultimate holding company of the Manager and the Trustee. The balances of these accounts are set out below:

	2018 HK\$	2017 HK\$
As at 31 December		
BEA Union Investment Asia Strategic Growth Fund	<u>55,538</u>	<u>55,708</u>
BEA Union Investment Global Bond Fund	<u>10,153,533</u>	<u>155,371</u>
BEA Union Investment Hong Kong Growth Fund	<u>695,610</u>	<u>695,510</u>
BEA Union Investment Greater China Growth Fund	<u>21,500</u>	<u>20,587</u>
BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund	<u>29,108</u>	<u>28,105</u>
BEA Union Investment Global Equity Fund	<u>13,708</u>	<u>12,707</u>
BEA Union Investment Asia Pacific Investment Grade Bond Fund	<u>9,519</u>	<u>9,476</u>
BEA Union Investment Core Accumulation Fund ⁽¹⁾	<u>–</u>	<u>–</u>
BEA Union Investment Age 65 Plus Fund ⁽¹⁾	<u>–</u>	<u>–</u>

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

11 Transactions with associates

All the transactions with associates as defined in the Hong Kong Mandatory Provident Fund Schemes Ordinance and the "Guidelines on Annual Statements of Approved Pooled Investment Funds" Annex A section I(E)(2) issued by the MPFA have been included in transaction with the Manager, the Trustee and Connected Persons as set out in note 10.

12 Bank loans, overdrafts and other borrowings

The Sub-funds had no bank loans, overdrafts or other borrowings as at 31 December 2018 and 31 December 2017.

13 Taxation

No provision for Hong Kong profits tax has been made as dividend income, interest on bank deposits and realised gains and disposal of investments of the Sub-funds are excluded from the charge to profits tax under sections 14, 26 or 26A of the Hong Kong Inland Revenue Ordinance.

Non-recoverable overseas withholding tax was charged on certain dividend and interest income received during the year.

Non-recoverable capital gain tax was charged on certain capital appreciation of investments during the year.

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

14 Soft commission arrangements

During the years ended 31 December 2018 and 2017, the Manager and its delegates did not enter into any soft commission arrangements with brokers relating to dealings in the assets of the Sub-funds.

15 Security lending arrangements

During the years ended 31 December 2018 and 2017, the Sub-funds did not enter into any security lending arrangements.

16 Negotiability of assets

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

17 Commitments

As at 31 December 2018, the Sub-funds had no commitments (2017: HK\$Nil).

18 Contingent liabilities and capital commitment

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

19 Involvement with unconsolidated structured entities

The Sub-funds have concluded that listed real estate investment trusts, listed and unlisted open-ended investment funds and exchange-traded open-ended index-tracking funds in which they invest but are not consolidated by the Sub-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 Sub-funds do not consolidate but in which they hold an interest.

Type of structured entity	Nature and purpose	Interest held by the Sub-funds
Investment funds	To manage assets on behalf of third party investors and generate fees for the investment manager.	Investments in units issued by the Sub-funds
	These vehicles are financed through the issues of units to investors.	

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

19 Involvement with unconsolidated structured entities (continued)

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

As at 31 December 2018

	Number of investee funds	Total net assets of the structured entities HK\$ (in million)	Carrying amount included in "investments" HK\$ (in million)
BEA Union Investment Asia Strategic Growth Fund			
Investment in listed real estate investment trust – Long position	1	167,481	38
BEA Union Investment Hong Kong Growth Fund			
Investment in listed real estate investment trust – Long position	1	167,481	63
BEA Union Investment Greater China Growth Fund			
Investment in listed real estate investment trust – Long position	1	167,481	16
BEA Union Investment Core Accumulation Fund			
Investment in unlisted open-ended investment funds – Long position	2	6,452	731
BEA Union Investment Age 65 Plus Fund			
Investment in unlisted open-ended investment funds – Long position	2	6,452	415

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

19 Involvement with unconsolidated structured entities (continued)

As at 31 December 2017

	Number of investee funds	Total net assets of the structured entities HK\$ (in million)	Carrying amount included in "investments" HK\$ (in million)
BEA Union Investment Asia Strategic Growth Fund			
Investment in listed real estate investment trust – Long position	1	158,753	31
BEA Union Investment Hong Kong Growth Fund			
Investment in listed open-ended investment fund – Equity long	1	75,415	8
Investment in listed real estate investment trust – Long position	1	158,753	119
BEA Union Investment Greater China Growth Fund			
Investment in listed real estate investment trust – Long position	1	158,753	30
BEA Union Investment Core Accumulation Fund			
Investment in unlisted open-ended investment funds – Long position	2	6,101	494
BEA Union Investment Age 65 Plus Fund			
Investment in unlisted open-ended investment funds – Long position	2	6,101	339

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

BEA UNION INVESTMENT CAPITAL GROWTH FUND

NOTES TO THE FINANCIAL STATEMENTS

(EXPRESSED IN HONG KONG DOLLARS UNLESS OTHERWISE INDICATED) (CONTINUED)

20 Segment information

The Manager makes the strategic resource allocation on behalf of the Sub-funds and determines the operating segments based on the internal reporting used to make strategic decisions. The Manager's asset allocation decisions for each Sub-fund are based on one single, integrated investment strategy, and the Sub-funds' performance is evaluated on an overall basis. Accordingly the Manager considers that each Sub-fund has one single operating segment which is investing in a portfolio of financial instruments to generate investment returns in accordance with the investment objective stipulated in the Explanatory Memorandum. The investment objectives and the investment portfolios of each Sub-fund are presented in the investment report.

There were no changes in the operating segment during the year.

The internal reporting provided to the Manager is the same as that disclosed in the statement of comprehensive income and the statement of assets and liabilities.

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

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 December 2018 and which have not been adopted in these financial statements.

Of these developments, the following may be relevant to the Sub-funds' operations and financial statements:

	Effective for accounting period beginning on or after
Annual Improvements to HKFRSs 2015-2017 cycle	1 January 2019
HK(IFRIC)23, <i>Uncertainty over income tax treatments</i>	1 January 2019

The Sub-funds are in the process of making an assessment of what the impact of these amendments and interpretations 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 Sub-funds' results of operations and financial position.

22 Subsequent event

With effect from 9 January 2019, a new sub-fund, namely BEA Union Investment Money Market Fund was offered for subscription.

The launch of the new sub-funds has no financial effect to the financial statements for the year ended 31 December 2018.