



BCT
銀聯集團



BCT (MPF) Pro Choice

2018

Reports and Financial Statements

(From 1 January to 31 December 2018)

BCT (MPF) PRO CHOICE
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

BCT (MPF) PRO CHOICE

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BCT (MPF) PRO CHOICE
PLAN REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

1. Overview

The BCT (MPF) Pro Choice (the “Plan”), a Master Trust Scheme, was established by Bank Consortium Trust Company Limited (the “Trustee” or “BCT”) with the contribution commencement date of 1 December 2000. The Plan was registered under the Mandatory Provident Fund Schemes Ordinance (“MPFSO”) with the Mandatory Provident Fund Schemes Authority (“MPFA”) and authorised by the Securities and Futures Commission (“SFC”) in January 2000*. It is constituted by a trust deed (the “Deed”) dated 31 January 2000 and is governed by the laws of the Hong Kong SAR. The Deed was subsequently amended and superseded by a deed of substitution and adherence dated 1 June 2011, which was further amended by first supplemental deed dated 24 November 2011, second supplemental deed dated 29 May 2012, third supplemental deed dated 1 November 2012, fourth supplemental deed dated 19 March 2014, fifth supplemental deed dated 21 December 2015, sixth supplemental deed dated 1 December 2016, seventh supplemental deed dated 22 June 2017 and eighth supplemental deed dated 1 April 2019.

The Plan is a defined contribution provident fund scheme that is open for participation by all employers, employees, self-employed persons and personal account members in Hong Kong. As at 31 December 2018, the Plan offered the Default Investment Strategy and twenty-three constituent funds, namely, BCT (Pro) MPF Conservative Fund, BCT (Pro) E30 Mixed Asset Fund, BCT (Pro) E50 Mixed Asset Fund, BCT (Pro) E70 Mixed Asset Fund, BCT (Pro) Global Bond Fund, BCT (Pro) Global Equity Fund, BCT (Pro) Asian Equity Fund, BCT (Pro) Flexi Mixed Asset Fund (formerly known as BCT (Pro) Absolute Return Fund), BCT (Pro) China and Hong Kong Equity Fund, BCT (Pro) European Equity Fund, BCT (Pro) E90 Mixed Asset Fund, BCT (Pro) SaveEasy 2020 Fund, BCT (Pro) SaveEasy 2025 Fund, BCT (Pro) SaveEasy 2030 Fund, BCT (Pro) SaveEasy 2035 Fund, BCT (Pro) SaveEasy 2040 Fund, BCT (Pro) Hang Seng Index Tracking Fund, BCT (Pro) Hong Kong Dollar Bond Fund, BCT (Pro) World Equity Fund, BCT (Pro) Greater China Equity Fund, BCT (Pro) RMB Bond Fund, BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund (2017: twenty-five constituent funds. BCT (Pro) International Equity Fund and BCT (Pro) Hong Kong Equity Fund were approved for termination on 21 September 2018). Each of them, with a different investment objective and risk profile, is offered to Plan members exclusively. Plan members can choose to invest their accrued benefit balances in any combination of the Default Investment Strategy and twenty-three constituent funds.

*[*Such registration and authorisation do not constitute official recommendation of the Plan by the MPFA and the SFC.]*

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2. Financial Highlights

During the year ended 31 December 2018, the total contributions received and receivable including transfers in from participating employers and members of the Plan amounted to HK\$6,781 million, while the total benefits paid and payable including transfers out and forfeitures amounted to HK\$3,661 million. As at 31 December 2018, the market values of the Plan's constituent funds were as follows:

	Market Value (HK\$)
BCT (Pro) MPF Conservative Fund	7,515,308,448
BCT (Pro) E30 Mixed Asset Fund	2,715,546,780
BCT (Pro) E50 Mixed Asset Fund	3,016,975,126
BCT (Pro) E70 Mixed Asset Fund	5,279,505,225
BCT (Pro) Global Bond Fund	1,220,013,474
BCT (Pro) Global Equity Fund	2,530,973,977
BCT (Pro) Hong Kong Equity Fund*	-
BCT (Pro) Asian Equity Fund	3,283,224,987
BCT (Pro) Flexi Mixed Asset Fund**	1,123,727,756
BCT (Pro) China and Hong Kong Equity Fund	7,619,703,329
BCT (Pro) European Equity Fund	522,564,007
BCT (Pro) E90 Mixed Asset Fund	625,755,925
BCT (Pro) International Equity Fund*	-
BCT (Pro) SaveEasy 2020 Fund	380,422,697
BCT (Pro) SaveEasy 2025 Fund	380,460,947
BCT (Pro) SaveEasy 2030 Fund	440,723,128
BCT (Pro) SaveEasy 2035 Fund	415,782,055
BCT (Pro) SaveEasy 2040 Fund	941,971,072
BCT (Pro) Hang Seng Index Tracking Fund	2,227,888,683
BCT (Pro) Hong Kong Dollar Bond Fund	1,033,965,392
BCT (Pro) World Equity Fund	645,112,967
BCT (Pro) Greater China Equity Fund	823,712,865
BCT (Pro) RMB Bond Fund	576,816,262
BCT (Pro) Core Accumulation Fund	562,419,192
BCT (Pro) Age 65 Plus Fund	232,231,824
Total	44,114,806,118

After taking into account the operating expenses of HK\$549.2 million, the net loss of the Plan during the year ended 31 December 2018 was HK\$4,245 million.

* the fund was approved for termination on 21 September 2018

** formerly known as BCT (Pro) Absolute Return Fund

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3. Changes to the Governing Rules of the Plan

Set out below is a brief summary of the key amendments to the governing rules / principal brochure of the Plan in relation to:-

- the restructure of the Plan with changes that include:
 - (1) the reduction of the number of constituent funds from 25 to 23 (i.e. arising from consolidating the assets of the two terminating constituent funds, namely BCT (Pro) International Equity Fund and the BCT (Pro) Hong Kong Equity Fund, into two existing constituent funds, namely BCT (Pro) Global Equity Fund and the BCT (Pro) China and Hong Kong Equity Fund);
 - (2) a change of the structure of nine constituent funds (i.e. namely BCT (Pro) Asian Equity Fund, BCT (Pro) China and Hong Kong Equity Fund, BCT (Pro) European Equity Fund, BCT (Pro) E90 Mixed Asset Fund, BCT (Pro) Global Equity Fund, BCT (Pro) Global Bond Fund as feeder funds of third party approved pooled investment funds (“APIFs”), and BCT (Pro) E30 Mixed Asset Fund, BCT (Pro) E50 Mixed Asset Fund and BCT (Pro) E70 Mixed Asset Fund as direct investment fund) into portfolio management funds which invest in investment funds of BCT Pooled Investment Fund Series;
 - (3) a change of investment policies of the said nine constituent funds;
 - (4) appointing Amundi Hong Kong Limited as the investment manager of the said nine constituent funds; and
 - (5) the reduction of the management fees of the said nine constituent funds;
- valuating the quoted investments (including any collective investment schemes listed on stock exchanges and listed ITCIS) at their last traded price (instead of their last bid price) or midway between the latest available market offered price and the latest available market bid price on the market on which such investment is quoted;
- the introduction of a new ground for the Trustee to declare suspension of dealing and valuation for the purpose of implementing any termination, merger and / or change of investment structure of one or more constituent funds in the principal brochure issued in April 2018;
- the update of top ten constituents of Hang Seng Index and the enhancement of disclosures on the risks, in respect of the BCT (Pro) Hang Seng Index Tracking Fund.

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- the update of certain fee rates of certain constituent funds (i) to reflect changes in the current trustee fees payable out of the assets of the underlying APIFs invested into by BCT (Pro) Flexi Mixed Asset Fund (formerly known as BCT (Pro) Absolute Return Fund) and BCT (Pro) RMB Bond Fund and the corresponding changes in the management fees of the said constituent funds given rise to by the above changes in the trustee fees; and (ii) in respect of BCT (Pro) SaveEasy 2020 Fund (which is a Target Date Mixed Asset Fund), to cater for the fee reduction on reaching a period of five years prior to reaching the beginning (i.e. 1 January) of the applicable target year;
- the update of the management fee in respect of the constituent fund, BCT (Pro) Hong Kong Dollar Bond Fund, with effect from 13 November 2017 to reflect the reduction in trustee fee payable by the underlying approved pooled investment fund of the constituent fund on the same effective date;
- the enhancement of the disclosure relating to the dealing cut-off time for processing rebalancing/switching instruction form on a dealing day;
- the enhancement of the disclosure relating to the sequence for processing pending switching out instructions;
- the name change of BCT (Pro) Absolute Return Fund to BCT (Pro) Flexi Mixed Asset Fund and clarification of its investment policy to cater for the corresponding changes in its underlying approved pooled investment fund;
- the clarification of investment policy of BCT (Pro) Hong Kong Dollar Bond Fund to align with the disclosure in the explanatory memorandum of the underlying approved pooled investment fund which has been amended;
- the change of the name of the reference index “Citi MPF World Government Bond Index” to “FTSE MPF World Government Bond Index” referred to in respect of the BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund;
- the update of the SaveEasy Funds Assets Rolldown Chart, to align with the disclosure in the principal brochure of the underlying approved pooled investment funds;
- the enhancement of the disclosure in the Chinese version of the Principal Brochure, to reflect the meaning in its English version;
- the update of information in relation to the shareholders of the Trustee; and

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- the clarifications and enhancement of disclosures on various fees in the principal brochure issued in April 2018, first addendum to the principal brochure issued on 16 August 2018 and second addendum to the principal brochure issued on 18 January 2019.

After the end of the financial year ended, there have also been certain key changes to the governing rules/principal brochure of the Plan for:-

- the introduction of the tax deductible voluntary contributions with effect from 1 April 2019; and
- the change of the Chinese newspapers for the publication of net asset value per unit, the issue price and the redemption price with effect from 1 May 2019.

For the details, please refer to the relevant parts of the Principal Brochure.

4. Client Services

BCT and/or BCT Financial Limited* (“BCTF”) provide(s) a wide range of client services to support employers and members in managing their MPF accounts. Key services provided through various channels include:

- 4.1 The branch network of the servicing banks (as set out below) where employers can make contribution payments through Direct Deposit (by cash, cheque or bank transfer) at the teller counter, Cheque Drop-in Box or Internet Banking of “Designated Banks”. The branches also help to refer clients to contact BCT directly for services that cannot render.

The “Designated Banks” are Chong Hing Bank Limited, Fubon Bank (Hong Kong) Limited, Industrial and Commercial Bank of China (Asia) Limited, Public Bank (Hong Kong) Limited, Shanghai Commercial Bank Limited and CMB Wing Lung Bank Limited (formerly known as Wing Lung Bank Limited).

- 4.2 The Customer Service Counter at the BCT office where employers and members can enjoy one-stop MPF services in relation to managing their MPF accounts, obtaining Plan information and other MPF related administrative information and support.
- 4.3 Direct Debit Authorization (DDA), Internet Banking Bill Payment Service and PPS where employers can make contribution payments.
- 4.4 Members can check the account balance by JETCO Automatic Teller Machines (“ATM”) terminals.

*(*Associate of the Trustee and wholly-owned subsidiary of Bank Consortium Holding Limited)*

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- 4.5 The BCT client relationship teams which are dedicated to providing quality services and assistance to employers in matters relating to MPF management as well as latest information about their participating plans and MPF regulation.
- 4.6 Employer Hotline 2298 9388 and Member Hotline 2298 9333 where employers and members can enquire about their accounts, obtain Plan information, performance of investment funds and other related information.
- 4.7 A 24-hour interactive voice response system which members can access their accounts with their PINs to obtain administrative forms and fund information via fax-on-demand facility.
- 4.8 The BCT website (www.bcthk.com) where employers and members can manage their accounts online with their PINs, such as checking contribution history, download related statements / receipts, member can also check account balances as well as performing change of investment mandate and fund switching. They can also access comprehensive plan information, fund prices and investment knowledge, as well as download statements, Principal Brochures, administrative guides, forms, fund performance publications, newsletters and leaflets etc. BCT website also provides “Retirement Calculator” and “Risk Assessment” to help members understand their financial needs.
- 4.9 Smart phone apps which allow members access their accounts with their PINs, for checking account balance and transaction history as well as performing change of investment mandate and fund switching. Monthly SMS service for account balance is available for members’ subscription.
- 4.10 E-Alert service is offered to employers who subscribed the service. E-mail and SMS are sent to employers for reminding them to make timely contributions before the statutory due day in order to avoid late contribution surcharge. Employers could also make contribution payment conveniently via PPS/ Direct Debit Authorisation / Internet Banking Bill Payment Service/ Direct Deposit at branch of “Designated Banks” / E-Cheque / Post to BCT office etc.
- 4.11 E-news covering the latest corporate, MPF and fund performance information updated on participating plans services and MPF regulatory changes are regularly sent to employers and members who have registered their e-mail addresses with BCT.

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4.12 Regular publications, member communications and investor education information are available for employers and members to better understand the features, fund performance, investment basics and latest financial market outlook and other relevant information of their participating plans. These include Monthly Fund Performance Table, Fund Performance Fact Sheet, BCT Express (employer news) and BCT Connect (member news), MPF service days, member briefings, seminars and investment forums.

5. Trustee, Administrator, Custodian, Sponsor, Auditor, Legal Adviser, Investment Managers, Sub-custodian and Banks

5.1 Trustee, Administrator and Custodian

Bank Consortium Trust Company Limited
18/F, Cosco Tower, 183 Queen's Road Central, Hong Kong

5.2 Sponsor

BCT Financial Limited*
18/F, Cosco Tower, 183 Queen's Road Central, Hong Kong

5.3 Auditor

PricewaterhouseCoopers
22/F, Prince's Building, Central, Hong Kong

5.4 Legal Adviser

Deacons
5/F, Alexandra House, 18 Chater Road, Central, Hong Kong

5.5 Investment Managers

The following investment managers have been appointed by the Trustee:

- ◆ Amundi Hong Kong Limited (from 23 April 2018)
901 – 908, One Pacific Place, No. 88 Queensway, Hong Kong
- ◆ Allianz Global Investors Asia Pacific Limited
27/F, ICBC Tower, 3 Garden Road, Central, Hong Kong

(Associate of the Trustee and wholly-owned subsidiary of Bank Consortium Holding Limited)*

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- ◆ Invesco Hong Kong Limited
41/F, Champion Tower, 3 Garden Road, Central, Hong Kong
- ◆ FIL Investment Management (Hong Kong) Limited
Level 21, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong
- ◆ State Street Global Advisors Asia Limited
68/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong
Delegate
State Street Global Advisors, Australia, Limited
(for the currency hedging pertaining to the World Equity Fund only)
Level 17, 420 George Street, Sydney,
NSW 2000, Australia
- ◆ JPMorgan Funds (Asia) Limited
21/F, Chater House, 8 Connaught Road Central, Hong Kong
Delegate
JF Asset Management Limited (prior to 23 April 2018)
(for E30/E50/E70 Mixed Asset Fund only)
21/F, Chater House, 8 Connaught Road Central, Hong Kong
- ◆ Schroder Investment Management (Hong Kong) Limited (prior to 23 April 2018)
Suites 3301, Level 33, Two Pacific Place, 88 Queensway, Hong Kong
- ◆ Franklin Templeton Investments (Asia) Limited (prior to 23 April 2018)
17/F, Chater House, 8 Connaught Road Central, Hong Kong

5.6 Sub-custodian

The following sub-custodian has been appointed by the Trustee:

- ◆ The Bank of New York Mellon Corporation
225 Liberty Street, New York, NY 10286, United States of America

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5.7 Banks

The following are the principal banks with which accounts have been maintained in connection with the operation of the Plan:

- ◆ Chong Hing Bank Limited
Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong
- ◆ Dah Sing Bank, Limited
36/F, Everbright Centre, 108 Gloucester Road, Wanchai, Hong Kong
- ◆ Fubon Bank (Hong Kong) Limited
Fubon Bank Building, 38 Des Voeux Road Central, Hong Kong
- ◆ Industrial and Commercial Bank of China (Asia) Limited
33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong
- ◆ Public Bank (Hong Kong) Limited
Public Bank Centre, 120 Des Voeux Road Central, Hong Kong
- ◆ Shanghai Commercial Bank Limited
Shanghai Commercial Bank Tower, 12 Queen's Road Central, Hong Kong
- ◆ OCBC Wing Hang Bank Limited*
161 Queen's Road Central, Hong Kong
- ◆ CMB Wing Lung Bank Limited^ (formerly known as Wing Lung Bank Limited)
45 Des Voeux Road Central, Hong Kong

(^The bank renamed as CMB Wing Lung Bank Limited in October 2018)

(Associate of the Trustee and wholly-owned subsidiary of OCBC Bank)*

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6. Board of Directors of the Trustee

Mr. TAN Stephen	Executive Director Asia Financial Holdings Limited 16/F, Worldwide House 19 Des Voeux Road Central Hong Kong
Ms. KO Sog Yee Karen (Alternate Director to Mr. TAN Stephen)	Chief Operating Officer & Senior Executive Vice President Asia Financial Holdings Limited 16/F, Worldwide House 19 Des Voeux Road Central Hong Kong
Mr. LAU Wai Man	Executive Director & Deputy Chief Executive Chong Hing Bank Limited 26/F, Chong Hing Bank Centre 24 Des Voeux Road Central Hong Kong
Mr. WONG Hon Hing	Vice Chairman Dah Sing Bank, Limited 36/F, Everbright Centre 108 Gloucester Road, Wanchai Hong Kong
Mr. LAU Shing Tat, Eddie (Alternate Director to Mr. WONG Hon Hing)	Senior Executive Director & Head of Commercial Banking Division Dah Sing Bank, Limited 35/F, Everbright Centre 108 Gloucester Road, Wanchai Hong Kong
Mr. KWOK Sek-chi, David	Managing Director & Chief Executive Shanghai Commercial Bank Limited 7/F, Shanghai Commercial Bank Tower 12 Queen's Road Central Hong Kong

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Mr. LI Yiu Ki (Alternate Director to Mr. KWOK Sek-chi, David)	Head of MPF Service Centre Department Shanghai Commercial Bank Limited 28/F, Landmark East 100 How Ming Street, Kwun Tong, Kowloon Hong Kong
Mr. WANG Frank John	Authorized Representative OCBC Wing Hang Bank Limited 4/F, 161 Queen's Road Central Hong Kong
Mr. WOO Lap Hoi	Head of Life Insurance & MPF CMB Wing Lung Bank Limited 1/F, Wing Lung Bank Building 45 Des Voeux Road Central Hong Kong
Ms. LAU Ka Shi	Managing Director & CEO Bank Consortium Trust Company Limited 18/F, Cosco Tower 183 Queen's Road Central Hong Kong
Mr. LECKIE Stuart Hamilton, OBE, JP (Independent Director)	Chairman Stirling Finance Limited 2802 Tower 2, Lippo Centre, 89 Queensway Hong Kong
Mr. TAM Po Chiu (Independent Director)	c/o Bank Consortium Trust Company Limited 18/F, Cosco Tower 183 Queen's Road Central Hong Kong

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7. Board of Directors of the Sponsor

Mr. TAN Stephen

Ms. KO Sog Yee Karen (Alternate Director to Mr. TAN Stephen)

Mr. LAU Wai Man

Mr. WONG Hon Hing

Mr. LAU Shing Tat, Eddie (Alternate Director to Mr. WONG Hon Hing)

Mr. KWOK Sek-chi, David

Mr. LI Yiu Ki (Alternate Director to Mr. KWOK Sek-chi, David)

Mr. WANG Frank John

Mr. WOO Lap Hoi

Ms. LAU Ka Shi

Mr. LECKIE Stuart Hamilton, OBE, JP (Independent Director)

Mr. TAM Po Chiu (Independent Director)

Please refer to the item 6 above for the business address of the directors.

8. Board of Directors of OCBC Wing Hang Bank Limited

Dr FUNG Yuk Bun Patrick JP

Mr NA Wu Beng

Mr Frank John WANG

Ms KNG Hwee Tin

Mr SOON Tit Koon

Mr Samuel TSIEN

Mr CHIM Wai Kin

Mr OOI Sang Kuang

Mr TSE Hau Yin Aloysius

The business address of the above directors in Note 8 is 161 Queen's Road Central, Hong Kong.

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INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

1. Overview

Constituent Funds

During the reporting year, the Plan offered the Default Investment Strategy and twenty-five constituent funds (2017: twenty-five constituent funds) for the Plan members to choose from. Each member may invest his or her accrued benefit balance in one or more of the following twenty-five constituent funds:

1. BCT (Pro) MPF Conservative Fund (“MPF Conservative Fund”)
2. BCT (Pro) E30 Mixed Asset Fund (“E30 Mixed Asset Fund”)
3. BCT (Pro) E50 Mixed Asset Fund (“E50 Mixed Asset Fund”)
4. BCT (Pro) E70 Mixed Asset Fund (“E70 Mixed Asset Fund”)
5. BCT (Pro) Global Bond Fund (“Global Bond Fund”)
6. BCT (Pro) Global Equity Fund (“Global Equity Fund”)
7. BCT (Pro) Asian Equity Fund (“Asian Equity Fund”)
8. BCT (Pro) Flexi Mixed Asset Fund (“Flexi Mixed Asset Fund”)**
9. BCT (Pro) China and Hong Kong Equity Fund (“China and Hong Kong Equity Fund”)
10. BCT (Pro) European Equity Fund (“European Equity Fund”)
11. BCT (Pro) E90 Mixed Asset Fund (“E90 Mixed Asset Fund”)
12. BCT (Pro) SaveEasy 2020 Fund (“SaveEasy 2020 Fund”)
13. BCT (Pro) SaveEasy 2025 Fund (“SaveEasy 2025 Fund”)
14. BCT (Pro) SaveEasy 2030 Fund (“SaveEasy 2030 Fund”)
15. BCT (Pro) SaveEasy 2035 Fund (“SaveEasy 2035 Fund”)
16. BCT (Pro) SaveEasy 2040 Fund (“SaveEasy 2040 Fund”)
17. BCT (Pro) Hang Seng Index Tracking Fund (“Hang Seng Index Tracking Fund”)
18. BCT (Pro) Hong Kong Dollar Bond Fund (“Hong Kong Dollar Bond Fund”)
19. BCT (Pro) World Equity Fund (“World Equity Fund”)
20. BCT (Pro) Greater China Equity Fund (“Greater China Equity Fund”)
21. BCT (Pro) RMB Bond Fund (“RMB Bond Fund”)
22. BCT (Pro) Core Accumulation Fund (“Core Accumulation Fund”)
23. BCT (Pro) Age 65 Plus Fund (“Age 65 Plus Fund”)
24. BCT (Pro) Hong Kong Equity Fund (“Hong Kong Equity Fund”)*
25. BCT (Pro) International Equity Fund (“International Equity Fund”)*

* the fund was approved for termination on 21 September 2018

**formerly known as BCT (Pro) Absolute Return Fund

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INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The four constituent funds (1) to (4) were launched on 1 December 2000, three constituent funds (5) to (6) on 1 October 2002, constituent fund (7) on 1 May 2004, constituent fund (8) on 1 August 2005, two constituent funds (9) to (10) on 1 January 2008, six constituent funds (11) to (16) on 27 October 2008, two constituent funds (17) to (18) on 1 October 2009, two constituent funds (19) to (20) on 28 June 2012, one constituent fund (21) on 4 March 2013 and the remaining two constituent funds (22) to (23) on 1 April 2017.

BCT (Pro) Hong Kong Equity Fund was launched on 1 October 2002 and BCT (Pro) International Equity Fund was launched on 27 October 2008 and both were approved for termination on 21 September 2018.

The investment objective and other relevant information relating to each of the constituent funds have been set out in the Principal Brochure of the Plan. The operation of each of the constituent funds during the year is discussed in the following sections.

Investment Managers

Each constituent fund has a different investment policy. The constituent funds were managed by one of the following investment managers:

1. Amundi Hong Kong Limited (“Amundi”) (from 23 April 2018)
2. Allianz Global Investors Asia Pacific Limited (“AGI”)
3. Invesco Hong Kong Limited (“Invesco”)
4. FIL Investment Management (Hong Kong) Limited (“FIMHK”)
5. State Street Global Advisors Asia Limited (“SSgA”)
(Delegate: State Street Global Advisors, Australia, Limited (for the currency hedging pertaining to the World Equity Fund only))
6. JPMorgan Funds (Asia) Limited (“JPMorgan”)
(Delegate: JF Asset Management Limited (For E30/ E50/ E70 Mixed Asset Fund only) (prior to 23 April 2018))
7. Schroder Investment Management (Hong Kong) Limited (“Schroders”) (prior to 23 April 2018)
8. Franklin Templeton Investments (Asia) Limited (“Templeton”) (prior to 23 April 2018)

MPF Conservative Fund is managed by Invesco.

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Prior to 23 April 2018

E30 Mixed Asset Fund, E50 Mixed Asset Fund and E70 Mixed Asset Fund of the Plan are multi-manager funds. The fund management function has been assigned as follows:

	E30 Mixed Asset Fund	E50 Mixed Asset Fund	E70 Mixed Asset Fund
AGI	√	√	√
Invesco	√	√	√
Schroders	√	√	√
J.P. Morgan	√	√	√

“√” = Investment manager for the fund.

All subscription monies received by each constituent fund were allocated on an equal basis to the investment managers assigned to manage that fund. Each investment manager invests directly in accordance with its mandate.

From 23 April 2018

The twenty-two constituent funds (excluding MPF Conservative Fund) are feeder funds / portfolio management funds and their assets are invested in the respective approved pooled investment funds (“APIFs”) or index tracking collective investment schemes (“ITCISs”). Amundi has been appointed as the investment manager for the Asian Equity Fund, China and Hong Kong Equity Fund, European Equity Fund, Global Equity Fund, E30 Mixed Asset Fund, E50 Mixed Asset Fund, E70 Mixed Asset Fund, E90 Mixed Asset Fund and Global Bond Fund. AGI has been appointed as the investment manager of the Flexi Mixed Asset Fund (formerly known as Absolute Return Fund). Invesco has been appointed as the investment manager of the RMB Bond Fund, Core Accumulation Fund and Age 65 Plus Fund. FIMHK has been appointed as the investment manager of the SaveEasy 2020 Fund, SaveEasy 2025 Fund, SaveEasy 2030 Fund, SaveEasy 2035 Fund and SaveEasy 2040 Fund. SSgA has been appointed as the investment manager of the Hang Seng Index Tracking Fund, World Equity Fund and Greater China Equity Fund. JPMorgan has been appointed as the investment manager of the Hong Kong Dollar Bond Fund.

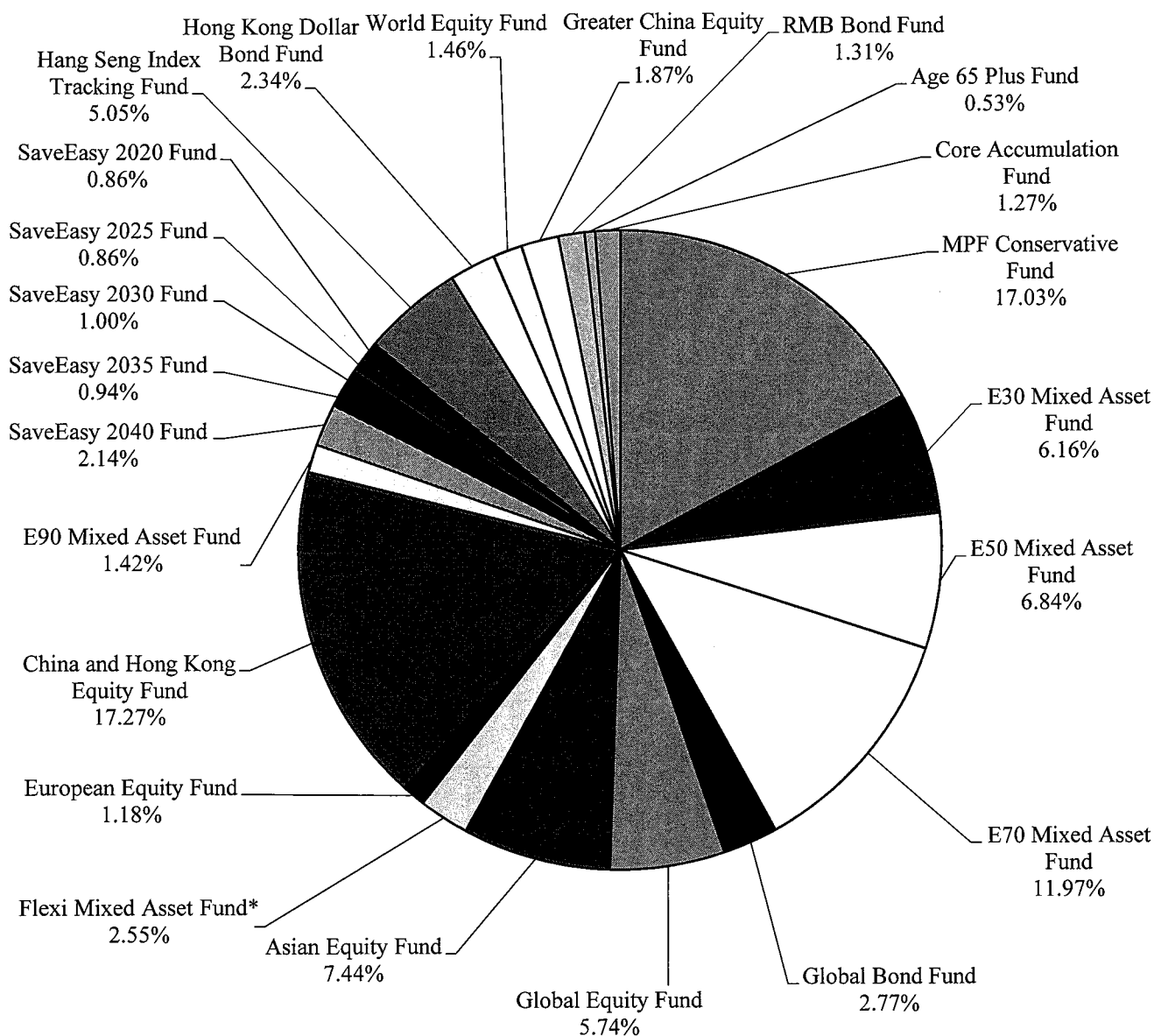
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INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Distribution of Constituent Funds

As at 31 December 2018, distribution of net assets of the Plan amongst the constituent funds was as follows:

Hong Kong Equity Fund and International Equity Fund were approved for termination on 21 September 2018.



(*formerly known as Absolute Return Fund)

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INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

2. Investment Income and Performance

	<u>MPF Conservative Fund</u>			<u>E30 Mixed Asset Fund</u>		
	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)
Interest income	87,728	39,679	25,107	149	49	83
Dividend income	-	-	-	5,880	23,232	21,602
Other income	-	332	2,208	703	2,239	944
Total income	<u>87,728</u>	<u>40,011</u>	<u>27,315</u>	<u>6,732</u>	<u>25,520</u>	<u>22,629</u>
Net income/(loss) – excluding capital appreciation and depreciation	24,904	(7,825)	(7,592)	(34,374)	(22,789)	(31,021)
Net investment appreciation/(depreciation) – realised and unrealised	28,254	10,137	7,890	(119,893)	361,339	27,812

	<u>E50 Mixed Asset Fund</u>			<u>E70 Mixed Asset Fund</u>		
	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)
Interest income	122	32	45	133	25	70
Dividend income	10,587	40,653	37,806	26,663	101,597	94,703
Other income	804	2,507	1,070	1,487	4,672	2,018
Total income	<u>11,513</u>	<u>43,192</u>	<u>38,921</u>	<u>28,283</u>	<u>106,294</u>	<u>96,791</u>
Net income/(loss) – excluding capital appreciation and depreciation	(35,641)	(13,019)	(17,909)	(58,165)	(251)	(8,726)
Net investment appreciation/(depreciation) – realised and unrealised	(217,928)	541,057	26,730	(529,908)	1,239,004	32,085

	<u>Global Bond Fund</u>			<u>Global Equity Fund</u>		
	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)
Interest income	45	-	-	72	-	-
Dividend income	-	-	-	529	-	-
Other income	1,345	3,326	3,129	2,555	6,416	4,975
Total income	<u>1,390</u>	<u>3,326</u>	<u>3,129</u>	<u>3,156</u>	<u>6,416</u>	<u>4,975</u>
Net income/(loss) – excluding capital appreciation and depreciation	(12,309)	(5,009)	(4,732)	(28,822)	(10,408)	(8,108)
Net investment appreciation/ (depreciation) – realised and unrealised	2,254	36,404	(24,090)	(362,327)	282,625	119,341

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	<u>Hong Kong Equity Fund*</u>			<u>Asian Equity Fund</u>		
	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)
Interest income	-	1	-	5	-	-
Dividend income	-	-	-	911	-	-
Other income	3,830	10,824	8,477	-	-	-
Total income	3,830	10,825	8,477	916	-	-
Net income/(loss) – excluding capital appreciation and depreciation	(7,832)	(22,151)	(17,558)	(45,304)	(31,705)	(24,769)
Net investment appreciation/ (depreciation) – realised and unrealised	69,868	1,235,392	47,619	(445,109)	1,125,920	108,965
	<u>Flexi Mixed Asset Fund**</u>			<u>China and Hong Kong Equity Fund</u>		
	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)
Interest income	1	-	-	5	-	-
Dividend income	-	-	-	736	-	-
Other income	-	-	-	-	-	-
Total income	1	-	-	741	-	-
Net income/(loss) – excluding capital appreciation and depreciation	(9,413)	(7,713)	(6,539)	(101,096)	(67,057)	(54,789)
Net investment appreciation/ (depreciation) – realised and unrealised	(49,329)	65,531	13,822	(1,316,228)	1,674,264	51,309
	<u>European Equity Fund</u>			<u>E90 Mixed Asset Fund</u>		
	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)
Interest income	49	-	-	13	-	-
Dividend income	-	-	-	79	-	-
Other income	-	-	-	569	1,471	1,073
Total income	49	-	-	661	1,471	1,073
Net income/(loss) – excluding capital appreciation and depreciation	(8,665)	(7,998)	(6,411)	(7,661)	(3,601)	(2,656)
Net investment appreciation/ (depreciation) – realised and unrealised	(88,124)	97,723	4,693	(87,451)	136,578	6,851

(*The fund was approved for termination on 21 September 2018)

(**formerly known as Absolute Return Fund)

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	International Equity Fund*			SaveEasy 2020 Fund		
	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)
Interest income	-	-	-	1	-	-
Dividend income	124	-	-	-	-	-
Other income	834	2,292	1,520	1,116	941	725
Total income	958	2,292	1,520	1,117	941	725
Net income/(loss) – excluding capital appreciation and depreciation	(1,745)	(5,061)	(3,404)	(2,469)	(2,085)	(1,627)
Net investment appreciation/ (depreciation) – realised and unrealised	3,696	143,553	18,970	(26,316)	69,137	5,317
	SaveEasy 2025 Fund			SaveEasy 2030 Fund		
	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)
Interest income	1	-	-	1	-	-
Dividend income	-	-	-	-	-	-
Other income	1,156	929	657	1,368	1,044	704
Total income	1,157	929	657	1,369	1,044	704
Net income/(loss) – excluding capital appreciation and depreciation	(2,559)	(2,060)	(1,476)	(3,024)	(2,312)	(1,581)
Net investment appreciation/ (depreciation) – realised and unrealised	(47,835)	79,865	4,142	(60,840)	93,442	4,736
	SaveEasy 2035 Fund			SaveEasy 2040 Fund		
	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)	2018 (HK\$'000)	2017 (HK\$'000)	2016 (HK\$'000)
Interest income	1	-	-	2	-	-
Dividend income	-	-	-	-	-	-
Other income	1,273	958	640	2,856	2,070	1,366
Total income	1,274	958	640	2,858	2,070	1,366
Net income/(loss) – excluding capital appreciation and depreciation	(2,815)	(2,124)	(1,437)	(6,299)	(4,571)	(3,053)
Net investment appreciation/ (depreciation) – realised and unrealised	(59,504)	86,417	4,077	(135,480)	187,519	9,563

(*The fund was approved for termination on 21 September 2018)

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	<u>Hang Seng Index Tracking Fund</u>			<u>Hong Kong Dollar Bond Fund</u>		
	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)
Interest income	10	1	-	3	-	-
Dividend income	74,679	61,085	43,328	-	-	-
Other income	-	-	-	1,214	895	685
Total income	<u>74,689</u>	<u>61,086</u>	<u>43,328</u>	<u>1,217</u>	<u>895</u>	<u>685</u>
Net income/(loss) – excluding capital appreciation and depreciation	57,966	48,017	33,919	(9,318)	(6,887)	(5,340)
Net investment appreciation/ (depreciation) – realised and unrealised	(310,698)	509,731	10,512	20,040	25,374	(9,068)
	<u>World Equity Fund</u>			<u>Greater China Equity Fund</u>		
	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)
Interest income	5	-	-	4	-	-
Dividend income	15,889	9,999	4,349	5,629	4,601	2,762
Other income	-	-	25	682	492	300
Total income	<u>15,894</u>	<u>9,999</u>	<u>4,374</u>	<u>6,315</u>	<u>5,093</u>	<u>3,062</u>
Net income/(loss) – excluding capital appreciation and depreciation	7,804	4,875	2,142	(804)	(78)	(149)
Net investment appreciation/ (depreciation) – realised and unrealised	(79,774)	66,352	10,546	(94,945)	185,021	18,081
	<u>RMB Bond Fund</u>			<u>Core Accumulation Fund</u>		
	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)
Interest income	1	-	-	1	-	-
Dividend income	-	-	-	-	-	-
Other income	1,005	586	468	-	-	-
Total income	<u>1,006</u>	<u>586</u>	<u>468</u>	<u>1</u>	<u>-</u>	<u>-</u>
Net income/(loss) – excluding capital appreciation and depreciation	(6,325)	(3,709)	(2,999)	(2,852)	(803)	-
Net investment appreciation/ (depreciation) – realised and unrealised	280	22,705	(5,556)	(37,325)	16,934	-

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	<u>Age 65 Plus Fund</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	(HK\$'000)	(HK\$'000)	(HK\$'000)
Interest income	-	-	-
Dividend income	-	-	-
Other income	-	-	-
Total income	<u>-</u>	<u>-</u>	<u>-</u>
Net income/(loss) – excluding capital appreciation and depreciation	(1,123)	(237)	-
Net investment appreciation/ (depreciation) – realised and unrealised	(2,425)	1,773	-

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Introduction

After two years of positive performance across the board, with almost no asset class in negative territory, 2018 is marking a change of direction, with an unprecedented percentage of asset classes in red. Global growth started to slow down in 2018, but with significant differences among economies. US growth, bolstered by fiscal policy, remained firmly anchored. In contrast, growth in the Eurozone was very disappointing because of both domestic and external factors. The situation deteriorated in emerging countries: they are highly exposed to the Chinese slowdown and to trade tensions with the United States, and they also suffered from the rise in US interest rates and the appreciation of the dollar. In 2019, however, developed economies will probably suffer more than emerging countries.

2018 has been a challenging year in most asset classes as investors adjusted to trade wars, China growth uncertainties, unstable European politics and a succession of Fed rate hikes. On equity market side, the decline even accelerated in December, a historically very rare occurrence.

United States

The year 2018 was a year of strong economic performance for the United States: after a weak start at the beginning of the year, growth accelerated significantly in Q2 and Q3, benefiting from the fiscal stimulus provided by the 2017 Tax Cut and Jobs Act. The year was divided into 4 periods: First, January was positive in the wake of 2017; second, the decline prevailed until the end of March, with the rise in US long-term rates causing a first drop, especially since the end of March, when the White House's desire to correct bilateral trade balance imbalances began to weigh; this was then followed by a period of divergence between the United States, supported by the positive effects of its tax reform and the rest of the world until October; for the second time in the year, the rise in long-term rates caused a general decline in equity markets, including the US market, and in particular the most prominent technology stocks. December's manufacturing ISM hit a 2-year low of 54.1, down from 59.3 in November.

In local currencies, the United States fell by -5.0% (MSCI USA NR index), -5.4% (S&P 500 NR Index). The worst sectors in the United States in total return terms during the year were Energy (-18.0%), Materials (-14.6%), Industrials (-13.9%), and Financials (-13.5%), whilst on the upside, Utilities and Healthcare managed a positive return of +1.3% and +7.3% respectively.

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Europe

European economic figures were very disappointing in 2018. Indeed, GDP growth in the euro zone was only 1% in the first three quarters of the year, compared with 2% in the last three quarters of 2017. Several negative factors played a role. First, industrial activity and exports were penalized by the high level of the euro at the beginning of the year and by international trade tensions. In addition, for temporary reasons (linked to changes in emission standards) German automobile production fell sharply in Q3. The rise in the price of oil until October was also a negative factor. Besides, political uncertainty has remained a major issue, to varying degrees, in major countries (yellow vest protests in France, Brexit, and Italy's budget issues). In December, the European Central Bank ended its asset purchase programme, but its ability to raise its key rates in 2019 remained highly uncertain.

The MSCI Europe was down -10.67% for 2018 as a whole, whilst the EuroStoxx 50 fell -11.8% in local currency terms. There were no equity markets in Europe that delivered positive returns over the year – the Swiss SMI and the Swedish OMX were the best performer (only falling -7.0%), whilst the German DAX was the main underperformer (falling -18.3%). The worst sectors in Europe in total return terms during the year were Financials (-18.14%), Industrials (-13.82%), Basic Materials (-13.37%) and Consumer Goods (-12.92%), whilst on the upside, Utilities managed a positive return of +2.03%.

Japan

In Japan, the economy weakened towards the end of the year. However, the Japanese economy is largely insulated from the effects of the US-China trade war, as exports to the US and China only account for around 3% of Japan's GDP. On the plus side, it is encouraging to note that Japanese firms are planning to increase their investment spending at a level unseen since 2007, despite the threats currently weighing on global trade. The labour market is at its tightest since 1974 and pay is rising at its fastest rate for 20 years.

During 2018, the MSCI Japan was down -15.1% and the Nikkei 225 fell -10.4% in local currency terms. Unlike the previous year, small and mid-cap stocks underperformed large caps. High PE growth stocks were especially hit by foreign selling. Domestic demand defensive sectors such as Electric Power & Gas, Consumer Goods and Land Transportation outperformed external demand-related sectors including semiconductors and machine tool manufacturers. The Nikkei China Related Stock 50 Index (-18.08%) underperformed due to China's slowdown.

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Other Asia

In the Asian economies, the deterioration in domestic conditions – mainly stemming from the risks posed by US protectionism – will continue to weigh on the business and investment climate (particularly in North Asia). However, other countries will continue to cover their infrastructure needs (Indonesia and the Philippines, for example). Nonetheless, we should mention that two of the factors that destabilised economies in 2018 (the rise in US long rates and dollar appreciation) are no longer an issue: long-term rates have come down and the dollar has stopped rising, which will ease the pressure on the countries with the most dollar-denominated debt.

The benchmark MSCI AC Asia ex Japan posted a strong negative performance over the year: -12.0% in local currency terms. Performance diverged among markets within Asia. Except India (+7.3%), all markets were in negative territory, from -16.8% for Korea's Kospi to -0.3% for Indonesia's JCI.

China and Hong Kong

The slowdown in growth in the second semester was partly due to the sharp fall in infrastructure investment, but also to a stronger negative contribution of foreign trade to growth despite strong exports. While Chinese exports, particularly to the United States, have remained dynamic in recent months despite the trade war, import demand has remained strong, partly due to the sustained growth in household consumption expenditure. However, the latest statistics available on Chinese exports in value show that their growth slowed down in November. In addition, the publication of the national PMI and Caixin surveys for the manufacturing sector in December confirms that the expansion of Chinese business activity is slowing down. The NBS National PMI Index fell below 50 and fell from 50.0 to 49.4, its lowest level since July 2016. After a slight increase in October and November, the Caixin index also fell in December, from 50.2 to 49.7, below the 50 threshold. To maintain a growth rate close to its 6.5% target, the government has initiated a recovery plan in particular in 2018 that consisted of reductions in the reserve requirement rate (RRR) applied to commercial banks by the Chinese central bank (People's Bank of China or PBoC).

In Hong Kong, the Hang Seng Index dropped -10.5% (in local currency terms) for the year, posting its worst year since 2011. In China, CSI 300 TR fell -23.4% in local currency terms. Given a deteriorating economic outlook in China, challenges are expected and China will use all the levers at its disposal to avoid a hard landing. Also, it is worth remembering that it has more leeway in these matters than the United States. As such, we continue to expect a managed slowdown of the Chinese economy.

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Global Bond

After the sharp rise in real yields generated by Fed policy normalisation, US Treasuries have rallied in the last two months, amid political concern and economic deceleration. The US 10-year rate ended the year at 2.6% after peaking at 3.26% in early November. The German 10-year rate fell below 0.2% at the end of December, which is lower than the level observed at the beginning of 2018. In a rapid move, the market switched from discounting three or four hikes to discounting less than one interest rate hike for 2019. In this bumpy path for interest rates, corporate and emerging market (EM) bonds suffered strong outflows. Credit spreads have significantly repriced, discounting, in our view, a probability of recession and not just a deceleration. EMs have recently shown some resilience, possibly an early signal of investors' confidence coming back.

[Note: The above market commentary was prepared by Bank Consortium Trust Company Limited and only reflects the situation at the time of writing as of the approval date of the financial statements. Please be reminded that past performance is not indicative of future performance.]

A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) MPF Conservative Fund <i>Launch date: 01/12/2000</i>	0.76	0.22	0.15	0.68
Performance Target <i>[MPF Prescribed Savings Rates (FER adjusted[^])]</i>	0.03	0.01	0.01	0.47
Deviation from the performance Target	0.73	0.21	0.14	0.21
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to the positive contribution of the investments (e.g. term deposits/certificate deposit) with the foreign and local banks (which provided an attractive rate of returns for the small depositors).				

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	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) E30 Mixed Asset Fund <i>Launch date: 01/12/2000</i>	-5.29	0.64	2.43	3.16
Performance Target <i>[Wills Towers Watson MPF Benchmark (Equity 20% -40%) (FER adjusted^h)]</i>	-5.00	0.80	2.63	3.25
Deviation from the performance target	-0.29	-0.16	-0.20	-0.09
Trustee's commentary <p>According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to stock selection in the European, Hong Kong / China and Japanese markets. As of 31 December 2018, the fund's equity exposure through investment in underlying APIFs to these markets amounted to about 18.1%.</p> <p>However, the fund performance was above the market median of the relevant asset class (as per Lipper /Willis Tower Watson performance report) for 1-year period as of 31 December 2018.</p>				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) E50 Mixed Asset Fund <i>Launch date: 01/12/2000</i>	-7.69	1.27	4.05	3.65
Performance Target <i>[Wills Towers Watson MPF Benchmark (Equity 40% -60%) (FER adjusted^h)]</i>	-7.29	1.44	4.23	3.86
Deviation from the performance target	-0.40	-0.17	-0.18	-0.21
Trustee's commentary <p>According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to stock selection in the European, Hong Kong / China and Japanese markets. As of 31 December 2018, the fund's equity exposure through investment in underlying APIFs to these markets amounted to about 30.7%.</p> <p>However, the fund performance was above the market median of the relevant asset class (as per Lipper /Willis Tower Watson performance report) for 1-year period as of 31 December 2018.</p>				

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	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) E70 Mixed Asset Fund <i>Launch date: 01/12/2000</i>	-9.99	1.78	5.45	3.83
Performance Target <i>[Wills Towers Watson MPF Benchmark (Equity 60% -80%) (FER adjusted^)]</i>	-9.60	1.94	5.67	4.16
Deviation from the performance target	-0.39	-0.16	-0.22	-0.33
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to the stock selection in the European, Hong Kong / China and Japanese markets. As of 31 December 2018, the fund's equity exposure through investment in underlying APIFs to these markets amounted to about 44.1%. However, the fund performance was above the market median of the relevant asset class (as per Lipper /Willis Tower Watson performance report) for 1-year period as of 31 December 2018.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) Global Bond Fund <i>Launch date: 01/10/2002</i>	-0.75	-1.79	1.39	2.73
Performance Target <i>[FTSE WGBI TR USD 35% Hedged HKD (FER adjusted^)]</i>	-1.30	0.32	0.66	2.40
Deviation from the performance target	0.55	-2.11	0.73	0.33
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to currency positions with an underweight position in Euro (which depreciated in 2018) and favourable currency hedging arrangement over the year.				

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Annualized return (in terms of %)				
	1 year*	5 years	10 years	Since Launch
BCT (Pro) Global Equity Fund <i>Launch date: 01/10/2002</i>	-13.33	0.92	6.66	6.01
Performance Target <i>[FTSE MPF All World Hedged TR (FER adjusted^)]</i>	-10.33	3.51	8.27	6.65
Deviation from the performance target	-3.00	-2.59	-1.61	-0.64
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to stock selection in Europe, North America and Japan plus the regional allocation with an underweight in North America.				
Annualized return (in terms of %)				
	1 year*	5 years	10 years	Since Launch
BCT (Pro) Asian Equity Fund <i>Launch date: 01/05/2004</i>	-12.90	4.79	9.88	8.24
Performance Target <i>[FTSE MPF Asia Pacific ex-Japan ex Australia ex New Zealand TR (FER adjusted^)]</i>	-14.60	2.73	8.58	6.99
Deviation from the performance target	1.70	2.06	1.30	1.25
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to stock selection in the Hong Kong market and country allocation with, relative to the benchmark, an overweight in the India market and an underweight in South Korea market.				

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	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) Flexi Mixed Asset Fund (formerly known as BCT (Pro) Absolute Return Fund) <i>Launch date: 01/08/2005</i>	-4.93	0.84	3.02	2.93
Performance Target <i>[Year End 5-Year Average Composite Consumer Price Index Hong Kong (FER adjusted[^])]</i>	1.76	2.27	2.06	1.92
Deviation from performance target	-6.69	-1.43	0.96	1.01
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to underperformance within the Hong Kong/China equity exposure over the period. Hang Seng Index dropped about 10.5% in 2018.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) China and Hong Kong Equity Fund <i>Launch date: 01/01/2008</i>	-15.80	2.95	6.88	0.07
Performance Target <i>[FTSE MPF Hong Kong TR (FER adjusted[^])]</i>	-14.26	3.41	8.28	0.81
Deviation from the performance target	-1.54	-0.46	-1.40	-0.74
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to stock selection in the Consumer Services and Industrials sectors and sector allocation with an underweight in the Utilities sector.				

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	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) European Equity Fund <i>Launch date: 01/01/2008</i>	-15.48	-1.37	5.39	1.18
Performance Target <i>[FTSE MPF Europe Hedged TR (FER adjusted[^])]</i>	-14.22	0.02	5.65	-0.49
Deviation from the performance target	-1.26	-1.39	-0.26	1.67
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to stock selection in the United Kingdom, Spain, Italy and France; and country allocation with an overweight in Italy (which did not perform well in 2018).				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) E90 Mixed Asset Fund <i>Launch date: 27/10/2008</i>	-13.12	2.22	7.26	7.13
Performance Target <i>[Wills Towers Watson MPF Benchmark (Equity >80%) (FER adjusted[^])]</i>	-11.87	2.45	7.11	4.93
Deviation from the performance target	-1.25	-0.23	0.15	2.20
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to stock selection in the European, Hong Kong / China and Japanese markets, and asset allocation with, relative to the benchmark, an overweight position in the Japanese market.				

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	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) SaveEasy 2020 Fund <i>Launch date: 27/10/2008</i>	-7.11	3.05	7.79	7.79
Performance Target <i>[Customized benchmark (FER adjusted^)]</i>	-6.79	3.48	8.13	9.60
Deviation from the performance target	-0.32	-0.43	-0.34	-1.81
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to stock selection in the Japanese and Asia Pacific markets. As of 31 December 2018, the fund's equity exposure through investment in underlying APIFs to these markets amounted to about 29.2% (including investment in China and Hong Kong).				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) SaveEasy 2025 Fund <i>Launch date: 27/10/2008</i>	-11.82	2.56	7.76	7.76
Performance Target <i>[Customized benchmark (FER adjusted^)]</i>	-11.46	3.02	7.99	9.50
Deviation from the performance target	-0.36	-0.46	-0.23	-1.74
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to stock selection in the Japanese and Asia Pacific markets. As of 31 December 2018, the fund's equity exposure through investment in underlying APIFs to these markets amounted to about 52.9% (including investment in China and Hong Kong).				

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	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) SaveEasy 2030 Fund <i>Launch date: 27/10/2008</i>	-12.65	2.58	7.83	7.66
Performance Target <i>[Customized benchmark (FER adjusted[^])]</i>	-12.38	3.01	8.08	9.61
Deviation from the performance target	-0.27	-0.43	-0.25	-1.95
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to stock selection in the Japanese and Asia Pacific markets. As of 31 December 2018, the fund's equity exposure through investment in underlying APIFs to these markets amounted to about 56.9% (including investment in China and Hong Kong).				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) SaveEasy 2035 Fund <i>Launch date: 27/10/2008</i>	-13.07	2.53	7.89	7.50
Performance Target <i>[Customized benchmark (FER adjusted[^])]</i>	-12.75	2.94	8.12	9.72
Deviation from the performance target	-0.32	-0.41	-0.23	-2.22
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to stock selection in the Japanese and Asia Pacific markets. As of 31 December 2018, the fund's equity exposure through investment in underlying APIFs to these markets amounted to about 58.9% (including investment in China and Hong Kong).				

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	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) SaveEasy 2040 Fund <i>Launch date: 27/10/2008</i>	-13.17	2.56	7.93	7.85
Performance Target <i>[Customized benchmark (FER adjusted[^])]</i>	-12.95	2.97	8.15	9.75
Deviation from the performance target	-0.22	-0.41	-0.22	-1.9
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to stock selection in the Japanese and Asia Pacific markets. As of 31 December 2018, the fund's equity exposure through investment in underlying APIFs to these markets amounted to about 59.6% (including investment in China and Hong Kong).				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) Hang Seng Index Tracking Fund <i>Launch date: 01/10/2009</i>	-10.91	4.78	n/a	4.39
Performance Target <i>[Hang Seng Index TR Index (FER adjusted[^])]</i>	-11.38	5.13	n/a	5.08
Deviation from the performance target	0.47	-0.35	n/a	-0.69
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was generally regarded as "tracking error" due to the nature of passive investments of the underlying fund invested by the constituent fund, for example, holding of idle cash to meet scheme members' redemption/subscription request and the calculation of performance of the constituent fund on an after-fee basis.				

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	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) Hong Kong Dollar Bond Fund <i>Launch date: 01/10/2009</i>	0.85	1.80	n/a	1.68
Performance Target <i>[Markit iBoxx Asian Local Bond Index Hong Kong (FER adjusted[^])]</i>	0.69	1.73	n/a	3.79
Deviation from the performance target	0.16	0.07	n/a	-2.11
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to bond allocation, relative to the benchmark, in general.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) World Equity Fund <i>Launch date: 28/06/2012</i>	-9.60	4.14	n/a	6.94
Performance Target <i>[FTSE MPF All World Hedged TR (FER adjusted[^])]</i>	-9.76	4.08	n/a	8.49
Deviation from the performance target	0.16	0.06	n/a	-1.55
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to asset allocation among the underlying passive investment fund(s) invested by the constituent fund, and also other factors such as fees and expenses of the underlying passive investment funds, liquidity of the market, timing difference for the portfolio rebalancing and the effect of currency hedging.				

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	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) Greater China Equity Fund <i>Launch date: 28/06/2012</i>	-10.17	4.81	n/a	5.92
Performance Target <i>[FTSE MPF Greater China TR (FER adjusted^)]</i>	-13.02	4.05	n/a	6.95
Deviation from the performance target	2.85	0.76	n/a	-1.03
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to asset allocation among the underlying passive investment fund(s) invested by the constituent fund, and also other factors such as fees and expenses of the underlying passive investment funds, liquidity of the market and timing difference for the portfolio rebalancing.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) RMB Bond Fund <i>Launch date: 04/03/2013</i>	-0.37	-0.78	n/a	-0.58
Performance Target <i>[Markit iBoxx ALBI China Offshore Non-Government Investment Grade 30 Hedged HKD (FER adjusted^)]</i>	-1.41	-0.13	n/a	-0.13
Deviation from the performance target	1.04	-0.65	n/a	-0.45
Trustee's commentary According to the Investment Manager/Sponsor, the fund outperformed the 1-year performance target in respect of the financial period ended 31 December 2018 was mainly due to the net of fee of the benchmark (i.e. the performance target).				

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	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) Core Accumulation Fund <i>Launch date: 01/04/2017</i>	-6.54	n/a	n/a	1.10
Performance Target <i>[FTSE MPF Default Investment Strategy Reference Portfolios (FER adjusted[^])]</i>	-5.79	n/a	n/a	1.92
Deviation from the performance target	-0.75	n/a	n/a	-0.82
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to the negative contribution of the equity sleeve driven by the weak security selection in the United States, while the asset allocation positively contributed to the overall fund's return. Contribution of the fixed income sleeve was marginally negative.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
BCT (Pro) Age 65 Plus Fund <i>Launch date: 01/04/2017</i>	-1.60	n/a	n/a	0.77
Performance Target <i>[FTSE MPF Default Investment Strategy Reference Portfolios (FER adjusted[^])]</i>	-1.55	n/a	n/a	1.19
Deviation from the performance target	-0.05	n/a	n/a	-0.42
Trustee's commentary According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial period ended 31 December 2018 was mainly due to the negative contribution of the equity sleeve driven by the weak security selection in the United States, while the asset allocation positively contributed to the overall fund's return. Contribution of the fixed income sleeve was marginally negative. However, the fund performance was above the market median of the relevant asset class (as per Lipper /Willis Tower Watson performance report) for 1-year period as of 31 December 2018.				

[^] FER adjustment was done by simple deduction of 2018 FER from the benchmark of the respective periods of the fund.

*The above one year annualized return is calculated with a simple return on a unit NAV-to-NAV basis based on the last dealing day of the relevant year while the net annualized investment return as shown in the performance table is calculated based on the last calendar day of the relevant year if the year-end day is not a dealing day.

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B. Supporting information in relation to trustee's assessment framework for deriving its commentary and trustee's action, if any, to address its concerns raised in its commentary in Section A

Fund performance is monitored by the trustee on a regular basis and which involves a BCT's Board committee composed of members with experience in investment, including Board members. In the event of underperformance of fund(s), the trustee would routinely (and with the involvement of the Board committee, as appropriate) follow up with relevant sponsor/fund manager(s) to ensure that appropriate action(s) are taken to enhance investment returns.

Our performance monitoring mechanism operates in such a way so that for any of the constituent funds, if its 1-year performance is below the benchmark/target and the market median, no immediate action would be required unless the underperformance persists.

We also monitor performance of appointed investment managers from perspectives other than fund performance. Other factors such as compliance cultures and experience/investment philosophy of the investment managers for delivering sustainable performance to scheme members on a long-term basis are also taken into account.

It is noted that whilst BCT (Pro) China and Hong Kong Equity Fund and the BCT (Pro) E30/E50/E70/E90 Mixed Asset Funds underperformed the respective 1-year performance targets; improvement has been seen after the scheme restructuring exercise in April 2018 (which involved the restructuring of such funds) in that, as of 31 March 2019, their respective 9-month returns were above the corresponding market medians.

The said scheme restructuring also involved the restructuring of the BCT (Pro) European Equity Fund, BCT (Pro) Global Equity Fund, BCT (Pro) Asian Equity Fund and BCT (Pro) Global Bond Fund. Since the periods available for assessment of the performance of restructured funds are still rather short, we will keep a closer eye on the fund performance in different manners.

The investment objectives and policies for all the constituent funds have been complied with in all material respects and that the general market climate which impacts the financial performance of the fund (as set out in this report) is true and accurate as of the reporting date.

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The following tables summarise the performance of the twenty-three constituent funds and two constituent funds which were approved for termination on 21 September 2018:

MPF Conservative Fund

(Date of launch: 1 December 2000)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	7,515.31	5,564.93	4,430.98	3,977.29	3,767.19	3,637.84	3,422.16	3,175.89	3,067.22	3,086.43
Net asset value per unit (HK\$)	1.1296	1.1210	1.1205	1.1204	1.1201	1.1170	1.1168	1.1129	1.1129	1.1128
Highest issue price (HK\$)	1.1296	1.1211	1.1206	1.1204	1.1201	1.1172	1.1168	1.1133	1.1129	1.1128
Lowest redemption price (HK\$)	1.1210	1.1205	1.1203	1.1201	1.1170	1.1168	1.1130	1.1129	1.1128	1.1127
Net annualised investment return	0.77%	0.04%	0.01%	0.03%	0.28%	0.02%	0.35%	0.00%	0.01%	0.01%

E30 Mixed Asset Fund

(Date of launch: 1 December 2000)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	2,715.55	2,964.03	2,716.89	2,618.33	2,694.71	2,646.89	2,546.61	2,349.82	2,385.03	2,199.31
Net asset value per unit (HK\$)	1.7547	1.8527	1.6457	1.6466	1.6980	1.6996	1.6682	1.5564	1.5989	1.5156
Highest issue price (HK\$)	1.9175	1.8533	1.7435	1.7573	1.7475	1.7064	1.6723	1.6563	1.6422	1.5566
Lowest redemption price (HK\$)	1.7400	1.6430	1.5962	1.6267	1.6687	1.6008	1.5590	1.5209	1.4440	1.2520
Net annualised investment return	-5.29%	12.58%	-0.05%	-3.03%	-0.09%	1.88%	7.18%	-2.66%	5.50%	9.79%

BCT (MPF) PRO CHOICE

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E50 Mixed Asset Fund

(Date of launch: 1 December 2000)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	3,016.98	3,340.40	2,860.14	2,818.69	2,945.47	2,938.75	2,748.45	2,458.32	2,564.79	2,352.78
Net asset value per unit (HK\$)	1.9147	2.0741	1.7496	1.7442	1.7968	1.7972	1.6955	1.5293	1.6254	1.5174
Highest issue price (HK\$)	2.1792	2.0742	1.8486	1.9074	1.8576	1.7972	1.7003	1.6945	1.6633	1.5519
Lowest redemption price (HK\$)	1.8919	1.7509	1.6448	1.6972	1.7345	1.6353	1.5359	1.4632	1.4164	1.1271
Net annualised investment return	-7.69%	18.55%	0.31%	-2.93%	-0.02%	6.00%	10.87%	-5.91%	7.12%	17.91%

E70 Mixed Asset Fund

(Date of launch: 1 December 2000)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	5,279.51	6,151.55	5,125.58	5,130.54	5,391.53	5,390.16	4,896.87	4,284.81	4,703.55	4,294.46
Net asset value per unit (HK\$)	1.9756	2.1946	1.7622	1.7547	1.8084	1.8085	1.6428	1.4343	1.5819	1.4550
Highest issue price (HK\$)	2.3410	2.1952	1.8521	1.9693	1.8793	1.8085	1.6480	1.6588	1.6109	1.4812
Lowest redemption price (HK\$)	1.9450	1.7664	1.5917	1.6815	1.7162	1.5931	1.4376	1.3423	1.3261	0.9851
Net annualised investment return	-9.98%	24.54%	0.43%	-2.97%	-0.01%	10.09%	14.54%	-9.33%	8.72%	25.22%

BCT (MPF) PRO CHOICE

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Global Bond Fund

(Date of launch: 1 October 2002)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	1,220.01	1,058.54	937.36	890.14	983.40	955.60	862.44	656.88	579.02	483.63
Net asset value per unit (HK\$)	1.5490	1.5607	1.5105	1.5568	1.6606	1.6950	1.7152	1.5895	1.5879	1.4663
Highest issue price (HK\$)	1.5840	1.5863	1.5781	1.6626	1.7332	1.7381	1.7157	1.6748	1.6331	1.4917
Lowest redemption price (HK\$)	1.5147	1.5066	1.5077	1.5497	1.6588	1.6536	1.5931	1.5678	1.4565	1.2576
Net annualised investment return	-0.75%	3.32%	-2.97%	-6.25%	-2.03%	-1.18%	7.91%	0.10%	8.29%	8.68%

Global Equity Fund

(Date of launch: 1 October 2002)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	2,530.97	1,993.22	1,559.90	1,365.73	1,376.72	1,167.84	810.24	646.64	656.15	584.70
Net asset value per unit (HK\$)	2.5854	2.9829	2.5594	2.3807	2.4879	2.4694	1.9731	1.6719	1.8053	1.6938
Highest issue price (HK\$)	3.1849	2.9868	2.5850	2.7385	2.6262	2.4694	1.9861	1.9778	1.8105	1.7053
Lowest redemption price (HK\$)	2.4871	2.5872	2.0200	2.2355	2.3279	2.0039	1.6051	1.5252	1.4882	1.0526
Net annualised investment return	-13.33%	16.55%	7.51%	-4.31%	0.75%	25.15%	18.02%	-7.39%	6.58%	24.79%

BCT (MPF) PRO CHOICE

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Hong Kong Equity Fund

(Date of launch: 1 October 2002) and (Date of approval for termination: 21 September 2018)

Financial year	<u>2018</u> [^]	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	3,868.12	4,109.81	2,965.85	2,720.79	2,600.73	2,339.40	2,069.45	1,635.11	1,877.24	1,474.00
Net asset value per unit (HK\$)	4.6391	4.5540	3.2189	3.1946	3.3567	3.2542	3.0222	2.5069	3.1479	2.8905
Highest issue price (HK\$)	5.0450	4.5594	3.5417	4.1048	3.5030	3.3200	3.0234	3.3247	3.4074	2.9776
Lowest redemption price (HK\$)	4.4743	3.2381	2.6376	2.9696	2.9795	2.7348	2.4397	2.2564	2.4861	1.5813
Net annualised investment return	6.20%	41.48%	0.76%	-4.83%	3.15%	7.68%	20.56%	-20.36%	8.91%	56.19%

Asian Equity Fund

(Date of launch: 1 May 2004)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	3,283.22	3,924.78	2,741.21	2,499.25	2,622.02	2,241.29	2,086.78	1,497.02	1,494.27	1,063.10
Net asset value per unit (HK\$)	3.1974	3.6706	2.6333	2.5481	2.7821	2.5304	2.5500	2.0661	2.4268	2.0860
Highest issue price (HK\$)	3.9405	3.6978	2.8961	3.0699	2.8812	2.6541	2.5531	2.5648	2.4306	2.0860
Lowest redemption price (HK\$)	3.0558	2.6564	2.2688	2.4345	2.3936	2.3028	2.0865	1.8935	1.8486	1.0512
Net annualised investment return	-12.89%	39.39%	3.34%	-8.41%	9.95%	-0.77%	23.42%	-14.86%	16.34%	67.42%

([^]Figures for terminated fund were up to the last dealing day on 20 April 2018)

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Flexi Mixed Asset Fund[#]

(Date of launch: 1 August 2005)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	1,123.73	1,043.86	821.45	718.44	663.06	564.31	458.95	333.10	277.52	188.30
Net asset value per unit (HK\$)	1.4746	1.5509	1.4566	1.4420	1.4570	1.4145	1.3803	1.2776	1.2784	1.2142
Highest issue price (HK\$)	1.5756	1.5510	1.4820	1.5081	1.4590	1.4250	1.3805	1.3172	1.2846	1.2216
Lowest redemption price (HK\$)	1.4656	1.4591	1.4189	1.4066	1.3984	1.3588	1.2792	1.2465	1.2095	1.0888
Net annualised investment return	-4.92%	6.47%	1.01%	-1.03%	3.00%	2.48%	8.04%	-0.06%	5.29%	10.84%

China and Hong Kong Equity Fund

(Date of launch: 1 January 2008)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	7,619.70	5,224.61	3,770.88	3,671.01	3,557.02	3,173.79	2,716.70	1,897.26	2,040.88	1,251.62
Net asset value per unit (HK\$)	1.0082	1.1973	0.8359	0.8396	0.8987	0.8720	0.8180	0.6568	0.8648	0.7996
Highest issue price (HK\$)	1.3143	1.2120	0.9248	1.1061	0.9376	0.8834	0.8180	0.8999	0.9301	0.8164
Lowest redemption price (HK\$)	0.9665	0.8379	0.6962	0.7919	0.7924	0.7306	0.6570	0.5785	0.6738	0.4395
Net annualised investment return	-15.79%	43.23%	-0.44%	-6.58%	3.06%	6.60%	24.54%	-24.05%	8.15%	54.21%

([#]formerly known as Absolute Return Fund)

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European Equity Fund

(Date of launch: 1 January 2008)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	522.56	618.97	461.25	447.27	398.96	262.55	102.30	74.59	67.40	51.99
Net asset value per unit (HK\$)	1.1379	1.3462	1.1334	1.1415	1.1588	1.2190	0.8940	0.7445	0.8254	0.8039
Highest issue price (HK\$)	1.4376	1.3496	1.1335	1.3283	1.2921	1.2190	0.9062	0.9396	0.8312	0.8172
Lowest redemption price (HK\$)	1.1078	1.1257	0.9179	1.0835	1.0831	0.9163	0.6959	0.6840	0.6829	0.5379
Net annualised investment return	-15.47%	18.78%	-0.71%	-1.49%	-4.94%	36.35%	20.08%	-9.80%	2.67%	19.43%

E90 Mixed Asset Fund

(Date of launch: 27 October 2008)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	625.76	659.26	431.84	372.74	315.06	225.77	131.14	76.57	50.54	18.14
Net asset value per unit (HK\$)	2.0160	2.3204	1.8102	1.7980	1.8333	1.8064	1.5430	1.3227	1.5468	1.3958
Highest issue price (HK\$)	2.5054	2.3205	1.8977	2.0720	1.9046	1.8064	1.5499	1.6189	1.5571	1.4142
Lowest redemption price (HK\$)	1.9774	1.8132	1.5626	1.6867	1.6958	1.5390	1.3029	1.2178	1.2457	0.8179
Net annualised investment return	-13.12%	28.18%	0.68%	-1.93%	1.49%	17.07%	16.66%	-14.49%	10.82%	39.57%

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

International Equity Fund

(Date of launch: 27 October 2008) and (Date of approval for termination: 21 September 2018)

Financial year	<u>2018[^]</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	906.25	945.17	610.65	465.41	404.03	252.91	128.17	71.54	40.95	14.86
Net asset value per unit (HK\$)	2.4364	2.4295	2.0310	1.9848	1.9976	1.9105	1.5340	1.3149	1.4756	1.3160
Highest issue price (HK\$)	2.5966	2.4330	2.0544	2.1477	2.0385	1.9105	1.5489	1.5768	1.4756	1.3218
Lowest redemption price (HK\$)	2.3589	2.0373	1.7569	1.8523	1.8148	1.5648	1.3067	1.1893	1.1795	0.7712
Net annualised investment return	0.94%	19.62%	2.33%	-0.64%	4.56%	24.54%	16.66%	-10.89%	12.13%	32.55%

SaveEasy 2020 Fund

(Date of launch: 27 October 2008)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	380.42	376.40	271.83	233.43	212.75	178.13	122.14	77.02	62.12	24.09
Net asset value per unit (HK\$)	2.1479	2.3123	1.8735	1.8517	1.8777	1.8485	1.5878	1.3561	1.5909	1.4370
Highest issue price (HK\$)	2.4535	2.3124	1.9583	2.1122	1.9501	1.8485	1.5945	1.6638	1.6051	1.4568
Lowest redemption price (HK\$)	2.1248	1.8752	1.6346	1.7457	1.7400	1.5778	1.3380	1.2468	1.2811	0.8257
Net annualised investment return	-7.11%	23.42%	1.18%	-1.38%	1.58%	16.42%	17.09%	-14.76%	10.71%	41.66%

([^]Figures for terminated fund were up to the last dealing day on 20 April 2018)

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

SaveEasy 2025 Fund

(Date of launch: 27 October 2008)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	380.46	386.28	250.66	210.84	187.14	144.84	94.87	60.30	46.45	17.00
Net asset value per unit (HK\$)	2.1418	2.4287	1.8964	1.8810	1.9160	1.8877	1.6065	1.3659	1.6110	1.4497
Highest issue price (HK\$)	2.6187	2.4288	1.9882	2.1734	1.9935	1.8877	1.6141	1.6901	1.6234	1.4696
Lowest redemption price (HK\$)	2.1031	1.8989	1.6298	1.7602	1.7683	1.5980	1.3423	1.2497	1.2877	0.8223
Net annualised investment return	-11.81%	28.07%	0.82%	-1.83%	1.50%	17.50%	17.61%	-15.21%	11.13%	42.97%

SaveEasy 2030 Fund

(Date of launch: 27 October 2008)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	440.72	452.31	269.35	221.49	194.99	148.63	93.20	56.93	43.23	17.64
Net asset value per unit (HK\$)	2.1209	2.4280	1.8744	1.8595	1.8940	1.8669	1.5854	1.3448	1.5935	1.4282
Highest issue price (HK\$)	2.6281	2.4281	1.9664	2.1556	1.9730	1.8669	1.5929	1.6683	1.6055	1.4477
Lowest redemption price (HK\$)	2.0794	1.8777	1.6017	1.7363	1.7462	1.5770	1.3208	1.2287	1.2686	0.8052
Net annualised investment return	-12.65%	29.53%	0.80%	-1.82%	1.45%	17.76%	17.89%	-15.61%	11.57%	43.08%

BCT (MPF) PRO CHOICE

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SaveEasy 2035 Fund

(Date of launch: 27 October 2008)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	415.78	412.00	250.01	203.80	176.63	141.06	88.63	53.86	37.81	15.81
Net asset value per unit (HK\$)	2.0893	2.4034	1.8512	1.8356	1.8724	1.8439	1.5681	1.3277	1.5747	1.4115
Highest issue price (HK\$)	2.6032	2.4035	1.9424	2.1319	1.9498	1.8439	1.5764	1.6482	1.5871	1.4311
Lowest redemption price (HK\$)	2.0485	1.8544	1.5787	1.7136	1.7251	1.5572	1.3034	1.2109	1.2513	0.7875
Net annualised investment return	-13.07%	29.83%	0.85%	-1.97%	1.55%	17.59%	18.11%	-15.69%	11.56%	44.43%

SaveEasy 2040 Fund

(Date of launch: 27 October 2008)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	941.97	911.17	525.22	431.68	363.95	273.71	172.11	103.22	76.49	29.62
Net asset value per unit (HK\$)	2.1586	2.4859	1.9117	1.8958	1.9322	1.9019	1.6155	1.3671	1.6228	1.4528
Highest issue price (HK\$)	2.6929	2.4860	2.0061	2.2030	2.0116	1.9019	1.6239	1.6981	1.6352	1.4726
Lowest redemption price (HK\$)	2.1160	1.9150	1.6293	1.7699	1.7777	1.6050	1.3411	1.2463	1.2883	0.8096
Net annualised investment return	-13.17%	30.04%	0.84%	-1.88%	1.59%	17.73%	18.17%	-15.76%	11.70%	44.43%

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INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Hang Seng Index Tracking Fund

(Date of launch: 1 October 2009)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	2,227.89	2,085.77	1,383.72	1,122.23	924.06	678.39	432.57	259.10	182.67	39.99
Net asset value per unit (HK\$)	1.4879	1.6701	1.1986	1.1651	1.2265	1.1780	1.1203	0.8921	1.0934	1.0261
Highest issue price (HK\$)	1.8529	1.6787	1.3129	1.4814	1.3094	1.2140	1.1229	1.1587	1.1826	1.0750
Lowest redemption price (HK\$)	1.4228	1.2066	0.9773	1.0953	1.0706	0.9974	0.8931	0.7881	0.9020	0.9854
Net annualised investment return	-10.91%	39.34%	2.88%	-5.01%	4.12%	5.15%	25.58%	-18.41%	6.56%	2.61%*

Hong Kong Dollar Bond Fund

(Date of launch: 1 October 2009)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	1,033.97	784.43	596.24	377.47	278.16	238.27	231.30	150.75	75.67	20.84
Net asset value per unit (HK\$)	1.1667	1.1568	1.1203	1.1380	1.1139	1.0670	1.1022	1.0644	1.0258	0.9969
Highest issue price (HK\$)	1.1667	1.1802	1.1780	1.1466	1.1228	1.1069	1.1037	1.0855	1.0563	1.0097
Lowest redemption price (HK\$)	1.1297	1.1212	1.1148	1.1119	1.0631	1.0494	1.0616	1.0171	0.9927	0.9957
Net annualised investment return	0.86%	3.26%	-1.56%	2.16%	4.40%	-3.19%	3.55%	3.76%	2.90%	-0.31%*

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

World Equity Fund

(Date of launch: 28 June 2012)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	645.11	523.12	216.25	113.15	70.08	29.88	5.08	-	-	-
Net asset value per unit (HK\$)	1.5487	1.7130	1.4004	1.3085	1.3000	1.2646	1.0923	-	-	-
Highest issue price (HK\$)	1.8276	1.7142	1.4214	1.4513	1.3559	1.2646	1.0954	-	-	-
Lowest redemption price (HK\$)	1.4836	1.4124	1.1594	1.2222	1.1772	1.0649	0.9601	-	-	-
Net annualised investment return	-9.59%	22.32%	7.02%	0.65%	2.80%	15.77%	9.23%*	-	-	-

Greater China Equity Fund

(Date of launch: 28 June 2012)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	823.71	789.44	438.39	332.09	230.45	112.79	26.60	-	-	-
Net asset value per unit (HK\$)	1.4548	1.6195	1.1796	1.1307	1.2152	1.1504	1.0932	-	-	-
Highest issue price (HK\$)	1.7938	1.6485	1.2776	1.4567	1.2801	1.1786	1.0932	-	-	-
Lowest redemption price (HK\$)	1.3768	1.1811	0.9599	1.0493	1.0535	0.9811	0.9536	-	-	-
Net annualised investment return	-10.17%	37.29%	4.32%	-6.95%	5.63%	5.23%	9.32%*	-	-	-

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INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

RMB Bond Fund

(Date of launch: 4 March 2013)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	576.82	418.61	277.81	244.38	231.11	149.71	-	-	-	-
Net asset value per unit (HK\$)	0.9667	0.9702	0.9170	0.9447	0.9943	1.0051	-	-	-	-
Highest issue price (HK\$)	0.9992	0.9731	0.9580	1.0011	1.0098	1.0079	-	-	-	-
Lowest redemption price (HK\$)	0.9553	0.9154	0.9170	0.9447	0.9881	0.9859	-	-	-	-
Net annualised investment return	-0.36%	5.80%	-2.93%	-4.99%	-1.07%	0.51%*	-	-	-	-

Core Accumulation Fund

(Date of launch: 1 April 2017)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	562.42	307.48	-	-	-	-	-	-	-	-
Net asset value per unit (HK\$)	1.0193	1.0906	-	-	-	-	-	-	-	-
Highest issue price (HK\$)	1.1370	1.0914	-	-	-	-	-	-	-	-
Lowest redemption price (HK\$)	0.9933	0.9986	-	-	-	-	-	-	-	-
Net annualised investment return	-6.54%	9.06%*	-	-	-	-	-	-	-	-

BCT (MPF) PRO CHOICE

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Age 65 Plus Fund

(Date of launch: 1 April 2017)

Financial year	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net asset value (HK\$ million)	232.23	96.24	-	-	-	-	-	-	-	-
Net asset value per unit (HK\$)	1.0135	1.0300	-	-	-	-	-	-	-	-
Highest issue price (HK\$)	1.0399	1.0320	-	-	-	-	-	-	-	-
Lowest redemption price (HK\$)	1.0037	0.9999	-	-	-	-	-	-	-	-
Net annualised investment return	-1.60%	3.00% *	-	-	-	-	-	-	-	-

*[Note: the net annualised investment return is based on the percentage change in net asset value per unit for the financial year. For the constituent fund launched in its first year (marked with an asterisk *), it is based on the percentage change in net asset value per unit from its launch date to the year-end date.]*

BCT (MPF) PRO CHOICE

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The following table summarises the fund expense ratio (“FER”) and transaction costs of the twenty-three constituent funds:

Financial year	<u>FER</u> <u>2018</u>	<u>Transaction costs</u> <u>2018</u> (HK\$)
MPF Conservative Fund	0.92%	-
E30 Mixed Asset Fund	1.55%	929,524
E50 Mixed Asset Fund	1.56%	1,620,003
E70 Mixed Asset Fund	1.56%	4,068,569
Global Bond Fund	1.45%	-
Global Equity Fund	1.57%	-
Asian Equity Fund	1.66%	-
Flexi Mixed Asset Fund*	1.37%	-
China and Hong Kong Equity Fund	1.51%	-
European Equity Fund	1.61%	-
E90 Mixed Asset Fund	1.51%	-
SaveEasy 2020 Fund	1.27%	-
SaveEasy 2025 Fund	1.53%	-
SaveEasy 2030 Fund	1.54%	-
SaveEasy 2035 Fund	1.53%	-
SaveEasy 2040 Fund	1.52%	-
Hang Seng Index Tracking Fund	0.84%	304,789
Hong Kong Dollar Bond Fund	1.09%	-
World Equity Fund	1.00%	51,806
Greater China Equity Fund	1.15%	294,936
RMB Bond Fund	1.23%	-
Core Accumulation Fund	0.85%	-
Age 65 Plus Fund	0.82%	-

(*formerly known as Absolute Return Fund)

(Hong Kong Equity Fund and International Equity Fund were approved for termination on 21 September 2018.)

BCT (MPF) PRO CHOICE

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3. Investment Policies

MPF Conservative Fund

The fund is an internal portfolio fund. As stated in its constitutive documents, the objective of the MPF Conservative Fund is to provide members with a rate of return which matches or exceeds the Hong Kong dollar savings rate with a view of minimizing the exposure of the principal amount invested to market fluctuation and volatility. The fund seeks to achieve its investment objective by investing in a portfolio of Hong Kong dollar denominated bank deposits and short-term debt securities.

E30 Mixed Asset Fund

Prior to 23 April 2018, as stated in its constitutive documents, the objective of the E30 Mixed Asset Fund is to provide members with capital growth over the long term with a view of minimising the risk of capital loss by investing primarily in fixed income securities and maintaining a limited exposure to global equities. The benchmark weightings of the investments of the fund are expected to be, but not restricted to, 70% in fixed income securities and 30% in equities.

With effect from 23 April 2018, the fund is a portfolio management fund. As stated in its constitutive documents, the objective of the E30 Mixed Asset Fund is to provide members with capital growth over the long term with a view of minimizing the risk of capital loss by investing primarily in fixed income securities and maintaining a limited exposure to global equities, through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which comprises APIFs managed either by an active investment strategy or a “Rule-based Investment Strategy”. The benchmark weightings of the underlying investments of the fund are expected to be, but not restricted to, 70% in fixed income securities and 30% in equities (with 40% being the maximum exposure to equities). The fund is globally diversified with a bias towards Hong Kong on the equity portion.

E50 Mixed Asset Fund

Prior to 23 April 2018, as stated in its constitutive documents, the objective of the E50 Mixed Asset Fund is to provide members with capital appreciation and a stable level of income over the long term by investing primarily in bank deposits, global bonds and global equities. The benchmark weightings of the investments of the fund are expected to be, but not restricted to, 50% in fixed income securities and 50% in equities.

With effect from 23 April 2018, the fund is a portfolio management fund. As stated in its constitutive documents, the objective of the E50 Mixed Asset Fund is to provide members with capital appreciation and a stable level of income over the long term by investing primarily in bank deposits, global bonds and global equities, through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which comprises APIFs managed either by an active investment strategy or a “Rule-based Investment Strategy”. The benchmark weightings of the underlying investments of the fund are expected to be, but not restricted to, 50% in fixed income securities and 50% in equities (with 60% being the maximum exposure to equities). The fund is globally diversified with a bias towards Hong Kong on the equity portion.

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E70 Mixed Asset Fund

Prior to 23 April 2018, as stated in its constitutive documents, the objective of the E70 Mixed Asset Fund is to provide members with capital appreciation over the long term through diversified investments in global equities where higher rates of returns are usually available. The fund also maintains a limited exposure to global fixed income securities. The benchmark weightings of the investments of the fund are expected to be, but not restricted to, 30% in fixed income securities and 70% in equities.

With effect from 23 April 2018, the fund is a portfolio management fund. As stated in its constitutive documents, the objective of the E70 Mixed Asset Fund is to provide members with capital appreciation over the long term through diversified investments in global equities where higher rates of returns are usually available, through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which comprises APIFs managed either by an active investment strategy or a “Rule-based Investment Strategy”. The fund will also maintain a limited exposure to global fixed income securities through investments in the aforementioned relevant APIFs. The benchmark weightings of the underlying investments of the fund are expected to be, but not restricted to, 30% in fixed income securities and 70% in equities (with 80% being the maximum exposure to equities). The fund is globally diversified with a bias towards Hong Kong on the equity portion.

Global Bond Fund

Prior to 23 April 2018, as stated in its constitutive documents, the objective of the Global Bond Fund is to provide members with total investment return over the medium to longer term by investing solely in the Templeton MPF Global Bond Fund, an APIF that invests primarily into fixed income securities issued by governments and governmental agencies globally. The underlying APIF has no prescribed allocations for investments in any specific countries or currencies. As the underlying APIF is a bond fund, the investment adviser intends to invest, under normal conditions, a majority of the underlying APIF’s assets in fixed income securities.

With effect from 23 April 2018, the fund is a portfolio management fund. As stated in its constitutive documents, the objective of the Global Bond Fund is to provide members with total investment return over the medium to long term by investing primarily into investment-grade global fixed income securities issued by governments, governmental agencies, local and public authorities as well as corporates, through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which, in turn invests globally and may invest in emerging markets such as Thailand and Poland. The BCT Pooled Investment Fund Series comprises APIFs managed either by an active investment strategy or a “Rule-based Investment Strategy”. The fund has no prescribed allocations for investments in any specific countries or currencies. 70% to 100% of the underlying investments are expected to be fixed income securities and 0-30% will be held in cash and cash equivalents.

Global Equity Fund

Prior to 23 April 2018, as stated in its constitutive documents, the objective of the Global Equity Fund is to provide members with capital growth over the medium to longer term by investing solely in the Templeton MPF Global Equity Fund, an APIF that invests primarily in securities of companies listed on the global stock markets. The underlying APIF has no prescribed allocations for investments in any specific countries or currencies. As the underlying APIF is an equity fund, the investment adviser intends to invest, under normal conditions, a majority of the underlying APIF’s assets in equity securities.

With effect from 23 April 2018, the fund is a portfolio management fund. As stated in its constitutive documents, the objective of the Global Equity Fund is to provide members with capital growth over the medium to long term by investing mainly into global equity markets, through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which comprises APIFs managed either by an active investment strategy or a “Rule-based Investment Strategy”. Under normal conditions, 70% to 100% of the fund’s underlying assets will be invested in listed equity securities and 0-30% will be held in cash and cash equivalents.

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Hong Kong Equity Fund (approved for termination on 21 September 2018)

As stated in its constitutive documents, the objective of the Hong Kong Equity Fund is to provide members with long term capital appreciation by investing solely in Fidelity Global Investment Fund – Hong Kong Equity Fund, an APIF and in turn invests in equity markets of Hong Kong, namely equities of companies listed in Hong Kong (including Greater China companies that are listed in Hong Kong) or companies which have a business connection with Hong Kong (including companies which are listed outside Hong Kong). Companies which have a business connection with Hong Kong include but are not limited to companies that are domiciled or incorporated in Hong Kong. The underlying APIF will normally invest 95% of its net assets in equities and 5% in cash. Up to 10% of its net asset value may be invested in shares listed on a stock exchange that is not an approved stock exchange.

Asian Equity Fund

Prior to 23 April 2018, as stated in its constitutive documents, the objective of the Asian Equity Fund is to provide members with long term capital growth by investing solely in the Schroder MPF Asian Fund, an APIF that invests primarily in securities of companies in Asian equity markets (excluding Japan). At least 60% of the assets of the underlying APIF are invested in Asian equities.

With effect from 23 April 2018, the fund is a portfolio management fund. As stated in its constitutive documents, the objective of the Asian Equity Fund is to provide members with long term capital growth by investing in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which in turn invests primarily in equity securities listed on the stock exchanges of Asia Pacific markets (excluding Japan, Australia and New Zealand). The equity securities to be invested primarily include equity securities listed in Hong Kong, China (including, but not limited to, China A-Shares via the Stock Connect), Taiwan, Korea, Thailand, Philippines, Singapore, Malaysia, Indonesia and India. The fund may invest up to 10% of its net asset value in equity securities listed on stock exchanges that are not approved stock exchanges as defined in the Regulation. The BCT Pooled Investment Fund Series comprises APIFs managed either by an active investment strategy or a “Rule-based Investment Strategy”. Under normal conditions, 70% to 100% of the fund’s underlying assets will be invested in listed equity securities and 0-30% will be held in cash and cash equivalents.

Flexi Mixed Asset Fund (formerly known as Absolute Return Fund)

As stated in its constitutive documents, the objective of the Flexi Mixed Asset Fund (formerly known as Absolute Return Fund) is to provide members with long-term capital preservation not related to an index by investing solely in Allianz Choice Flexi Balanced Fund (formerly known as Allianz Choice Absolute Return Fund), an APIF that invests primarily in a diversified portfolio of global equities and fixed-interest securities. Under normal circumstances, at least 75% of the assets of the underlying APIF will be invested in fixed-interest securities and cash in order to minimize short term volatility.

China and Hong Kong Equity Fund

Prior to 23 April 2018, as stated in its constitutive documents, the objective of the China and Hong Kong Equity Fund is to provide members with long term capital appreciation by investing solely in the Invesco Pooled Investment Fund – Hong Kong and China Fund, an APIF which in turn invests in a portfolio of Hong Kong and China-related securities. In normal circumstances, the underlying APIF will invest up to 100% of its net assets in Hong Kong and China-related securities.

BCT (MPF) PRO CHOICE

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With effect from 23 April 2018, the fund is a portfolio management fund. As stated in its constitutive documents, the objective of the China and Hong Kong Equity Fund is to provide members with long term capital appreciation through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series and in turn invests in a portfolio of (a) Hong Kong and China-related equity securities (including common / preferred stocks, depository receipts / certificates and China A-Shares via the Stock Connect) and (b) other Hong Kong and China-related listed instruments (namely equities related ITCIS, equity real estate investment trusts (“REITs”) and other equity stapled securities / investment units), provided that such securities and listed instruments are permitted for the purposes of the MPFS Ordinance. The BCT Pooled Investment Fund Series comprises APIFs managed either by an active investment strategy or a “Rule-based Investment Strategy”. Hong Kong and China-related equity securities / listed instruments are defined as equity securities and the above-described instruments listed on the Hong Kong Stock Exchange or other exchanges of issuers generating a substantial portion of their revenues and / or profits in the People’s Republic of China (including, but not limited to, China A-Shares via the Stock Connect). Investment in China A-Shares will not exceed 10% of its net asset value at all times. Under normal conditions, 70% to 100% of the fund’s underlying assets will be invested in Hong Kong and China related securities and 0-30% will be held in cash and cash equivalents.

European Equity Fund

As stated in its constitutive documents, the objective of the European Equity Fund is to provide members with long term capital appreciation by investing primarily in the Invesco Pooled Investment Fund – Europe Fund, an APIF which in turn invests in a portfolio of listed securities in Europe (including the United Kingdom). In normal circumstances, the underlying APIF will invest up to 100% of its net assets in European (including the United Kingdom) securities.

With effect from 23 April 2018, the fund is a portfolio management fund. As stated in its constitutive documents, the objective of the European Equity Fund is to provide members with long term capital appreciation by investing primarily in a portfolio of equity securities listed in Europe (including the United Kingdom), through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which comprises APIFs managed either by an active investment strategy or a “Rule-based Investment Strategy”. The fund may invest in emerging markets such as Russia and Poland. The fund may invest up to 10% of its net asset value in equity securities listed on stock exchanges that are not approved stock exchanges as defined in the Regulation. Under normal conditions, 70% to 100% of the fund’s underlying assets will be invested in European (including United Kingdom) securities and 0-30% will be held in cash and cash equivalents.

E90 Mixed Asset Fund

Prior to 23 April 2018, as stated in its constitutive documents, the objective of the E90 Mixed Asset Fund is to provide members with capital appreciation over the long-term by investing solely in the Fidelity Global Investment Fund – Growth Fund, an APIF which in turn (through its investments in other APIFs) invests primarily in global equities with the flexibility to invest in fixed income securities. The underlying APIF will normally invest 90% of its net assets in equities and 10% in bonds and cash.

With effect from 23 April 2018, the fund is a portfolio management fund. As stated in its constitutive documents, the objective of the E90 Mixed Asset Fund is to provide members with capital appreciation over the long-term by investing primarily in global equities with the flexibility to invest in fixed income securities, through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which comprises APIFs managed either by an active investment strategy or a “Rule-based Investment Strategy”. The underlying investments will normally consist of 90% of the fund’s net asset in equities (with 100% being the maximum exposure to equities) and 10% in bonds and cash, although actual portfolios may vary as market, political, structural, economic and other conditions change. The fund will maintain a broad geographical diversification with a bias towards Hong Kong.

BCT (MPF) PRO CHOICE

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International Equity Fund (approved for termination on 21 September 2018)

As stated in its constitutive documents, the objective of the International Equity Fund is to provide members with long term capital appreciation by investing solely in the Fidelity Global Investment Fund – Global Equity Fund, an APIF which in turn (through its investments in other APIFs) invests mainly into global equity market. The underlying APIF will normally invest 98% of its net assets in equities and 2% in cash.

SaveEasy 2020 Fund

As stated in its constitutive documents, the objective of the SaveEasy 2020 Fund is to provide members with capital growth over the long term by investing as a feeder fund solely in the Fidelity Global Investment Fund – Fidelity SaveEasy 2020 Fund, an APIF which in turn (through its investments in other APIFs managed by Fidelity) invests in a wide range of investments (equities, bonds and cash) covering markets throughout the world. The underlying APIF will initially invest around 94% of its net assets in equities and will maintain an asset allocation appropriate to achieving a combination of income and long term capital growth (i.e. greater exposure to bonds and cash) as the year 2020 is approached.

SaveEasy 2025 Fund

As stated in its constitutive documents, the objective of the SaveEasy 2025 Fund is to provide members with capital growth over the long term by investing as a feeder fund solely in the Fidelity Global Investment Fund – Fidelity SaveEasy 2025 Fund, an APIF which in turn (through its investments in other APIFs managed by Fidelity) invests in a wide range of investments (equities, bonds and cash) covering markets throughout the world. The underlying APIF will initially invest around 97% of its net assets in equities and will maintain an asset allocation appropriate to achieving a combination of income and long term capital growth (i.e. greater exposure to bonds and cash) as the year 2025 is approached.

SaveEasy 2030 Fund

As stated in its constitutive documents, the objective of the SaveEasy 2030 Fund is to provide members with capital growth over the long term by investing as a feeder fund solely in the Fidelity Global Investment Fund – Fidelity SaveEasy 2030 Fund, an APIF which in turn (through its investments in other APIFs managed by Fidelity) invests in a wide range of investments (equities, bonds and cash) covering markets throughout the world. The underlying APIF will initially invest around 99% of its net assets in equities and will maintain an asset allocation appropriate to achieving a combination of income and long term capital growth (i.e. greater exposure to bonds and cash) as the year 2030 is approached.

SaveEasy 2035 Fund

As stated in its constitutive documents, the objective of the SaveEasy 2035 Fund is to provide members with capital growth over the long term by investing as a feeder fund solely in the Fidelity Global Investment Fund – Fidelity SaveEasy 2035 Fund, an APIF which in turn (through its investments in other APIFs managed by Fidelity) invests in a wide range of investments (equities, bonds and cash) covering markets throughout the world. The underlying APIF will initially invest around 100% of its net assets in equities and will maintain an asset allocation appropriate to achieving a combination of income and long term capital growth (i.e. greater exposure to bonds and cash) as the year 2035 is approached.

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SaveEasy 2040 Fund

As stated in its constitutive documents, the objective of the SaveEasy 2040 Fund is to provide members with capital growth over the long term by investing as a feeder fund solely in the Fidelity Global Investment Fund – Fidelity SaveEasy 2040 Fund, an APIF which in turn (through its investments in other APIFs managed by Fidelity) invests in a wide range of investments (equities, bonds and cash) covering markets throughout the world. The underlying APIF will initially invest around 100% of its net assets in equities and will maintain an asset allocation appropriate to achieving a combination of income and long term capital growth (i.e. greater exposure to bonds and cash) as the year 2040 is approached.

Hang Seng Index Tracking Fund

As stated in its constitutive documents, the objective of the Hang Seng Index Tracking Fund, which is an equity fund, is to provide members with long term capital appreciation by investing as a feeder fund solely in a single ITCIS (currently, the Tracker Fund of Hong Kong which invests all, or substantially all, of its assets in the shares of constituent companies of the Hang Seng Index in substantially similar composition and weighting as they appear therein), and thereby aims to achieve investment results that closely track the performance of the Hang Seng Index.

Hong Kong Dollar Bond Fund

As stated in its constitutive documents, the objective of the Hong Kong Dollar Bond Fund is to provide members with long term capital appreciation by investing as a feeder fund solely in JPMorgan SAR HK\$ Bond Fund, an APIF which in turn invests in a portfolio consisting primarily of Hong Kong dollar denominated bonds (including government and corporate bonds).

World Equity Fund

The fund is a portfolio management fund. As stated in its constitutive documents, the objective of the World Equity Fund is to provide members with capital appreciation over the long term by investing in a portfolio of ITCISs which, in turn, invests in global equity markets.

Greater China Equity Fund

The fund is a portfolio management fund. As stated in its constitutive documents, the objective of the Greater China Equity Fund is to provide members with capital appreciation over the long term by investing in two or more ITCISs which, in turn, invest in Greater China equity markets.

RMB Bond Fund

As stated in its constitutive documents, the objective of the RMB Bond Fund is to provide members with steady growth over the long term by investing as a feeder fund solely in an APIF and in turn invests primarily into RMB denominated debt instruments and money market instruments (including but not limited to commercial papers, certificates of deposit and bank deposits) issued or distributed outside the mainland China.

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Core Accumulation Fund

As stated in its constitutive documents, the objective of the Core Accumulation Fund is to provide capital growth to members by investing in a globally diversified manner. The Core Accumulation Fund will invest solely in “Invesco Pooled Investment Fund – Core Accumulation Fund” an underlying APIF which, in turn (through its investment in two other APIFs, namely Invesco Pooled Investment Fund – Global Strategic Equity Fund and Invesco Pooled Investment Fund – Global Strategic Bond Fund (the “DIS Underlying APIFs”, and each of them an “DIS Underlying APIF”)) invests in a portfolio of global equities with reference to the constituents, sectors, and geographical allocation of the FTSE MPF All-World Index, and a portfolio of global fixed income securities with reference to the credit rating, sectors, and geographical allocation of the FTSE MPF World Government Bond Index (formerly known as Citi MPF World Government Bond Index), as allowed under the Regulation. Through the DIS Underlying APIFs, the Invesco Pooled Investment Fund – Core Accumulation Fund, invested by the Core Accumulation Fund targets to invest 60% of its net asset in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global bonds, cash and money market instruments).

Age 65 Plus Fund

As stated in its constitutive documents, the objective of the Age 65 Plus Fund is to provide stable growth to members by investing in a globally diversified manner. The Age 65 Plus Fund will invest solely in “Invesco Pooled Investment Fund – Age 65 Plus Fund” an underlying APIF which, in turn (through its investment in the DIS Underlying APIFs) invests in a portfolio of global equities with reference to the constituents, sectors, and geographical allocation of the FTSE MPF All-World Index, and a portfolio of global fixed income securities with reference to the credit rating, sectors, and geographical allocation of the FTSE MPF World Government Bond Index (formerly known as Citi MPF World Government Bond Index), as allowed under the Regulation. Through the DIS Underlying APIFs, the Invesco Pooled Investment Fund – Age 65 Plus Fund invested by the Age 65 Plus Fund targets to invest 20% of its net asset value in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global bonds, cash and money market instruments).

The statement of movements in portfolio holdings for these twenty-three constituent funds and the two terminated constituent funds during the year/period is included in Schedule 1 of this report.

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Investments Held

The net assets of the constituent funds as at 31 December 2018, 2017 and 2016 are summarised below:

	<u>MPF Conservative Fund</u>			<u>E30 Mixed Asset Fund</u>		
	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)
Investments, at fair value	7,410,550	5,491,338	4,399,181	2,708,190	2,786,610	2,482,336
Other net assets/(liabilities)	104,758	73,590	31,795	7,357	177,422	234,550
Total	<u>7,515,308</u>	<u>5,564,928</u>	<u>4,430,976</u>	<u>2,715,547</u>	<u>2,964,032</u>	<u>2,716,886</u>
Investments, at cost	<u>7,392,352</u>	<u>5,489,283</u>	<u>4,392,006</u>	<u>2,857,040</u>	<u>2,541,796</u>	<u>2,518,423</u>

	<u>E50 Mixed Asset Fund</u>			<u>E70 Mixed Asset Fund</u>		
	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)
Investments, at fair value	3,012,053	3,190,678	2,734,399	5,278,847	6,004,428	4,978,282
Other net assets/(liabilities)	4,922	149,720	125,739	658	147,118	147,302
Total	<u>3,016,975</u>	<u>3,340,398</u>	<u>2,860,138</u>	<u>5,279,505</u>	<u>6,151,546</u>	<u>5,125,584</u>
Investments, at cost	<u>3,262,722</u>	<u>2,752,517</u>	<u>2,699,781</u>	<u>5,885,157</u>	<u>4,897,473</u>	<u>4,774,431</u>

	<u>Global Bond Fund</u>			<u>Global Equity Fund</u>		
	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)
Investments, at fair value	1,212,231	1,055,818	935,195	2,526,132	1,988,192	1,553,256
Other net assets/(liabilities)	7,782	2,718	2,168	4,842	5,025	6,644
Total	<u>1,220,013</u>	<u>1,058,536</u>	<u>937,363</u>	<u>2,530,974</u>	<u>1,993,217</u>	<u>1,559,900</u>
Investments, at cost	<u>1,225,792</u>	<u>1,058,762</u>	<u>977,022</u>	<u>2,872,119</u>	<u>1,508,926</u>	<u>1,276,726</u>

	<u>Hong Kong Equity Fund*</u>			<u>Asian Equity Fund</u>		
	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)
Investments, at fair value	-	4,088,555	2,953,803	3,287,792	3,923,506	2,738,305
Other net assets/(liabilities)	-	21,259	12,049	(4,567)	1,271	2,906
Total	<u>-</u>	<u>4,109,814</u>	<u>2,965,852</u>	<u>3,283,225</u>	<u>3,924,777</u>	<u>2,741,211</u>
Investments, at cost	<u>-</u>	<u>3,056,638</u>	<u>2,885,636</u>	<u>3,762,739</u>	<u>2,631,861</u>	<u>2,391,617</u>

(*The fund was approved for termination on 21 September 2018)

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	<u>Flexi Mixed Asset Fund**</u>			<u>China and Hong Kong Equity Fund</u>		
	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)
Investments, at fair value	1,123,214	1,040,018	819,309	7,613,416	5,214,421	3,770,317
Other net assets/(liabilities)	514	3,837	2,144	6,287	10,194	562
Total	<u>1,123,728</u>	<u>1,043,855</u>	<u>821,453</u>	<u>7,619,703</u>	<u>5,224,615</u>	<u>3,770,879</u>
Investments, at cost	<u>1,098,198</u>	<u>941,471</u>	<u>768,016</u>	<u>8,811,073</u>	<u>3,668,266</u>	<u>3,618,779</u>

	<u>European Equity Fund</u>			<u>E90 Mixed Asset Fund</u>		
	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)
Investments, at fair value	513,892	617,309	456,463	623,617	657,289	429,854
Other net assets/(liabilities)	8,672	1,666	4,784	2,139	1,969	1,982
Total	<u>522,564</u>	<u>618,975</u>	<u>461,247</u>	<u>625,756</u>	<u>659,258</u>	<u>431,836</u>
Investments, at cost	<u>628,094</u>	<u>532,259</u>	<u>464,130</u>	<u>711,969</u>	<u>511,299</u>	<u>404,576</u>

	<u>International Equity Fund*</u>			<u>SaveEasy 2020 Fund</u>		
	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)
Investments, at fair value	-	941,958	607,272	379,512	375,354	270,628
Other net assets/(liabilities)	-	3,217	3,381	911	1,050	1,199
Total	<u>-</u>	<u>945,175</u>	<u>610,653</u>	<u>380,423</u>	<u>376,404</u>	<u>271,827</u>
Investments, at cost	<u>-</u>	<u>782,016</u>	<u>562,319</u>	<u>344,407</u>	<u>293,221</u>	<u>244,460</u>

	<u>SaveEasy 2025 Fund</u>			<u>SaveEasy 2030 Fund</u>		
	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)
Investments, at fair value	380,114	384,787	250,283	439,639	451,305	269,173
Other net assets/(liabilities)	347	1,495	381	1,084	1,002	174
Total	<u>380,461</u>	<u>386,282</u>	<u>250,664</u>	<u>440,723</u>	<u>452,307</u>	<u>269,347</u>
Investments, at cost	<u>352,370</u>	<u>292,347</u>	<u>228,335</u>	<u>412,872</u>	<u>344,699</u>	<u>246,168</u>

(*The fund was approved for termination on 21 September 2018)

(**formerly known as Absolute Return Fund)

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	<u>SaveEasy 2035 Fund</u>			<u>SaveEasy 2040 Fund</u>		
	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)
Investments, at fair value	415,339	411,019	248,141	939,598	907,385	523,062
Other net assets/(liabilities)	443	980	1,867	2,373	3,784	2,155
Total	<u>415,782</u>	<u>411,999</u>	<u>250,008</u>	<u>941,971</u>	<u>911,169</u>	<u>525,217</u>
Investments, at cost	<u>393,054</u>	<u>314,023</u>	<u>227,084</u>	<u>911,759</u>	<u>702,229</u>	<u>483,392</u>
	<u>Hang Seng Index Tracking Fund</u>			<u>Hong Kong Dollar Bond Fund</u>		
	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)
Investments, at fair value	2,226,477	2,089,633	1,378,025	1,027,325	775,637	590,936
Other net assets/(liabilities)	1,412	(3,866)	5,693	6,640	8,797	5,308
Total	<u>2,227,889</u>	<u>2,085,767</u>	<u>1,383,718</u>	<u>1,033,965</u>	<u>784,434</u>	<u>596,244</u>
Investments, at cost	<u>2,154,364</u>	<u>1,648,978</u>	<u>1,434,474</u>	<u>998,056</u>	<u>763,302</u>	<u>597,091</u>
	<u>World Equity Fund</u>			<u>Greater China Equity Fund</u>		
	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)
Investments, at fair value	643,380	522,307	213,709	822,951	789,326	437,523
Other net assets/(liabilities)	1,733	818	2,542	762	112	867
Total	<u>645,113</u>	<u>523,125</u>	<u>216,251</u>	<u>823,713</u>	<u>789,438</u>	<u>438,390</u>
Investments, at cost	<u>652,830</u>	<u>443,413</u>	<u>204,700</u>	<u>740,666</u>	<u>606,432</u>	<u>436,258</u>
	<u>RMB Bond Fund</u>			<u>Core Accumulation Fund</u>		
	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2016</u> (HK\$'000)
Investments, at fair value	569,594	415,486	274,902	558,924	305,170	-
Other net assets/(liabilities)	7,222	3,125	2,908	3,495	2,313	-
Total	<u>576,816</u>	<u>418,611</u>	<u>277,810</u>	<u>562,419</u>	<u>307,483</u>	<u>-</u>
Investments, at cost	<u>571,566</u>	<u>393,492</u>	<u>287,172</u>	<u>585,501</u>	<u>290,025</u>	<u>-</u>

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	<u>Age 65 Plus Fund</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	(HK\$'000)	(HK\$'000)	(HK\$'000)
Investments, at fair value	229,009	94,690	-
Other net assets/(liabilities)	3,223	1,553	-
Total	<u>232,232</u>	<u>96,243</u>	<u>-</u>
Investments, at cost	<u>230,234</u>	<u>93,224</u>	<u>-</u>

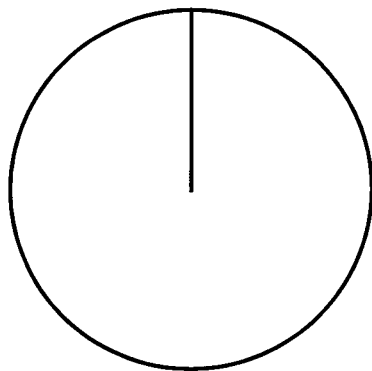
The investment portfolio for these constituent funds as at 31 December 2018 is included in Schedule 2 of this report.

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

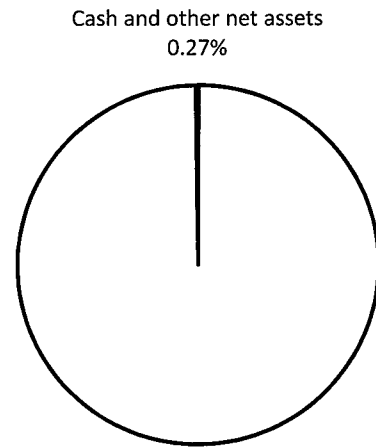
The following charts illustrate the percentage distribution of asset types in each constituent fund as at 31 December 2018.

MPF Conservative Fund



Cash, fixed deposits and
other net assets 100.00%

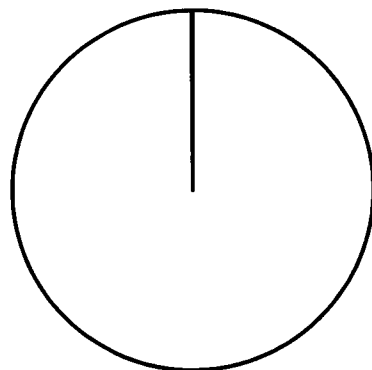
E30 Mixed Asset Fund



Cash and other net assets
0.27%

Approved Pooled
Investment Funds
99.73%

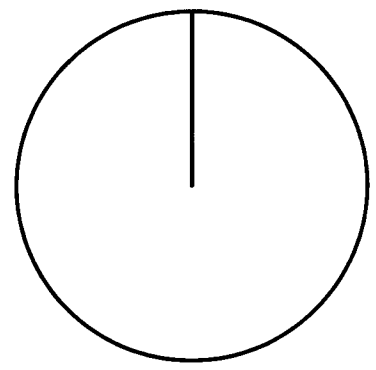
E50 Mixed Asset Fund



Cash and other net assets
0.16%

Approved Pooled
Investment Funds
99.84%

E70 Mixed Asset Fund



Cash and other net assets
0.01%

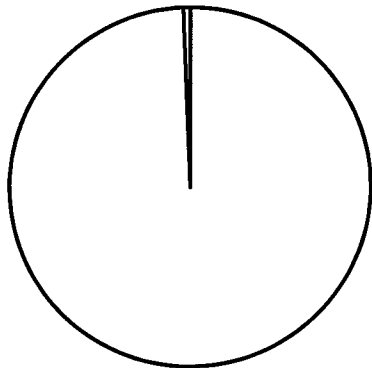
Approved Pooled
Investment Funds
99.99%

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Global Bond Fund

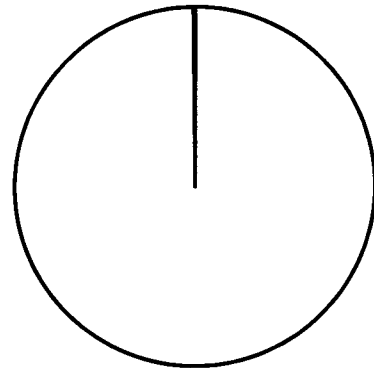
Cash and other net assets
0.64%



Approved Pooled
Investment Funds
99.36%

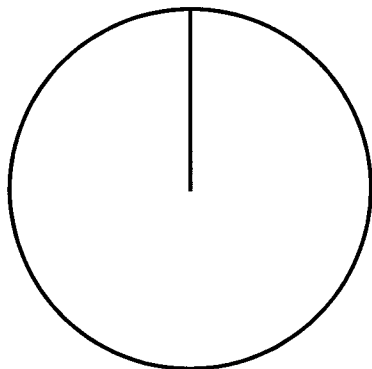
Global Equity Fund

Cash and other net assets
0.19%



Approved Pooled
Investment Funds
99.81%

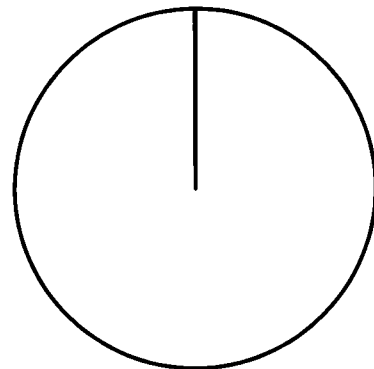
Asian Equity Fund



Approved Pooled
Investment Funds
100.00%^

Flexi Mixed Asset Fund*

Cash and other net assets
0.05%



Approved Pooled
Investment Fund
99.95%

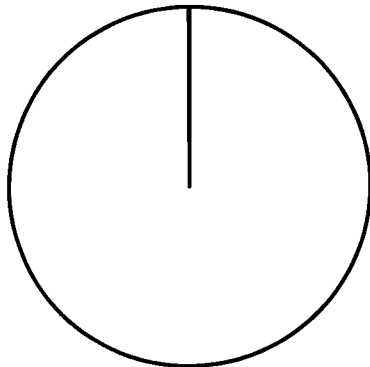
^The actual allocation of Approved Pooled Investment Funds is 100.14%. Cash and other net assets/liabilities are -0.14%.
*formerly known as Absolute Return Fund

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

China and Hong Kong Equity Fund

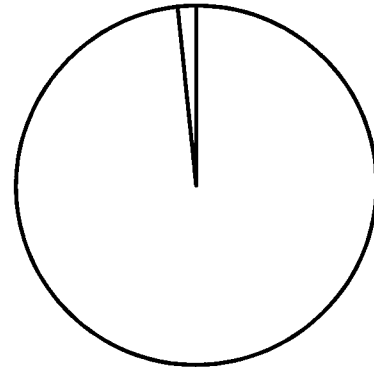
Cash and other net assets
0.08%



Approved Pooled
Investment Funds
99.92%

European Equity Fund

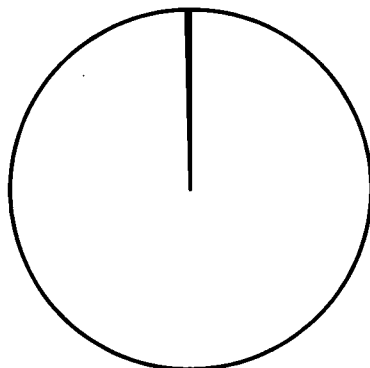
Cash and other net assets
1.66%



Approved Pooled
Investment Funds
98.34%

E90 Mixed Asset Fund

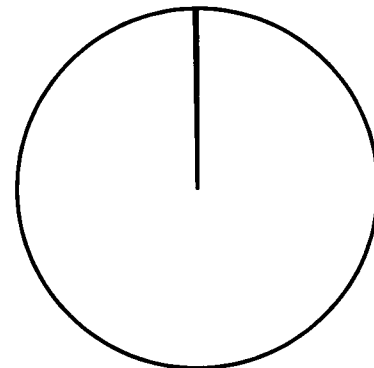
Cash and other net assets
0.34%



Approved Pooled
Investment Funds
99.66%

SaveEasy 2020 Fund

Cash and other net assets
0.24%

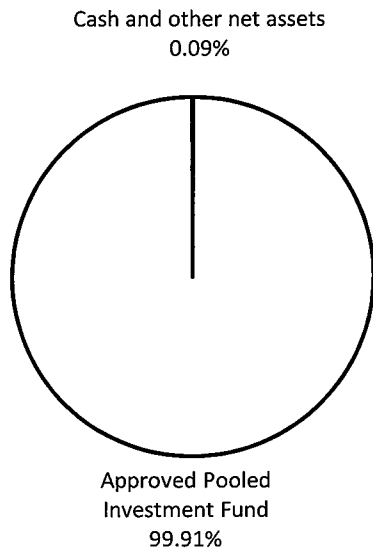


Approved Pooled
Investment Fund
99.76%

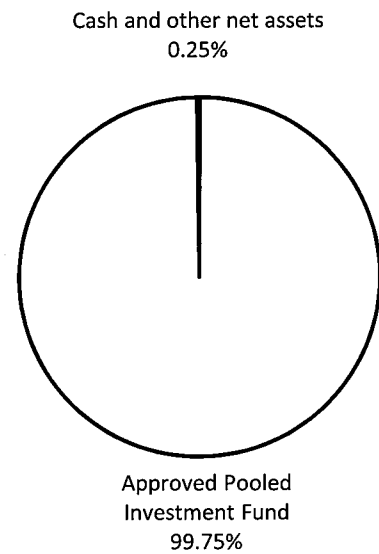
BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

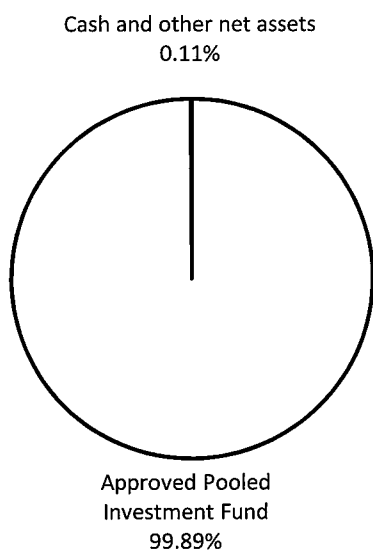
SaveEasy 2025 Fund



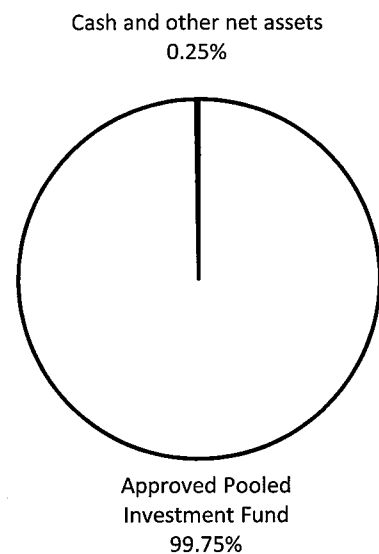
SaveEasy 2030 Fund



SaveEasy 2035 Fund



SaveEasy 2040 Fund

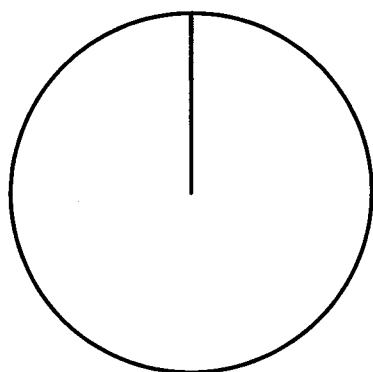


BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Hang Seng Index Tracking Fund

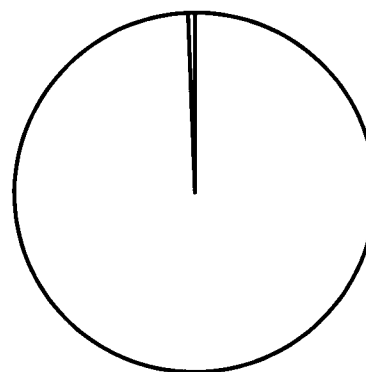
Cash and other net assets
0.06%



Index Tracking Collective
Investment Scheme
99.94%

Hong Kong Dollar Bond Fund

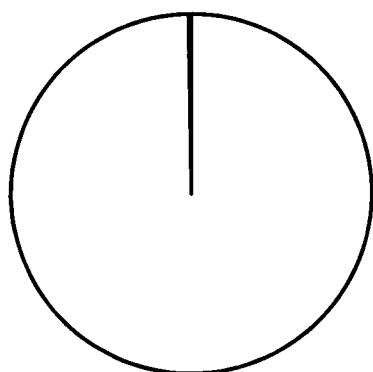
Cash and other net assets
0.64%



Approved Pooled
Investment Fund
99.36%

World Equity Fund

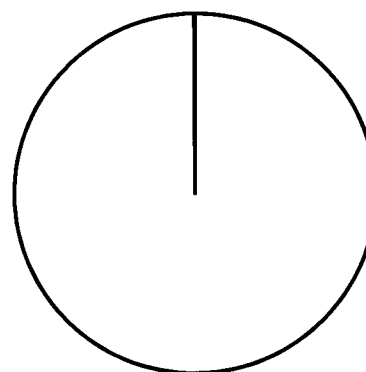
Cash and other net assets
0.27%



Index Tracking Collective
Investment Scheme
99.73%

Greater China Equity Fund

Cash and other net assets
0.09%



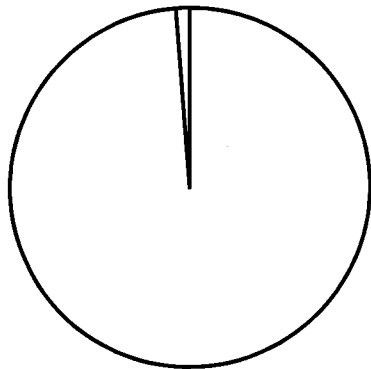
Index Tracking Collective
Investment Scheme
99.91%

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

RMB Bond Fund

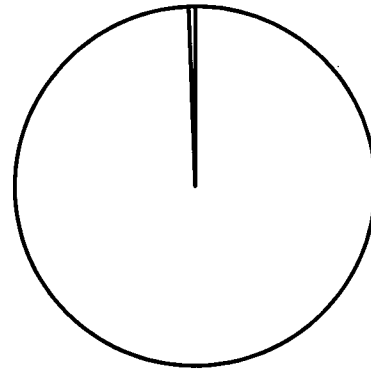
Cash and other net assets
1.25%



Approved Pooled
Investment Fund
98.75%

Core Accumulation Fund

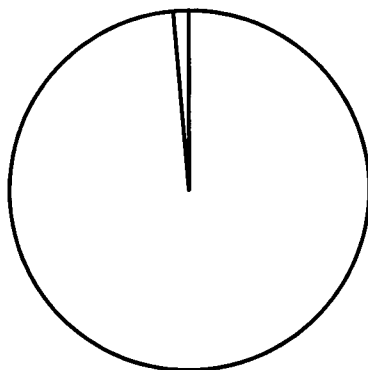
Cash and other net assets
0.62%



Approved Pooled
Investment Fund
99.38%

Age 65 Plus Fund

Cash and other net assets
1.39%



Approved Pooled
Investment Fund
98.61%

Hong Kong Equity Fund and International Equity Fund were approved for termination on 21 September 2018.
No chart is presented.

BCT (MPF) PRO CHOICE**INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018****Schedule 1****Statement of Movements in Portfolio Holdings - BCT (Pro) MPF Conservative Fund**

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Certificates of Deposit		
Hong Kong Dollar	22.11	19.22
Total Certificates of Deposit	22.11	19.22
Fixed Deposits		
Hong Kong Dollar	76.50	79.46
Total Fixed Deposits	76.50	79.46
Total Investments	98.61	98.68

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Pro) E30 Mixed Asset Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Debt Securities		
Australian Dollar	-	0.90
Canadian Dollar	-	0.72
Danish Krone	-	0.10
EURO	-	17.44
Japanese Yen	-	10.82
New Zealand Dollar	-	0.04
Pound Sterling	-	3.72
Swedish Krona	-	0.05
US Dollar	-	23.51
Total Debt Securities	-	57.30
Certificates of Deposit		
Hong Kong Dollar	-	1.86
Total Certificates of Deposit	-	1.86
Equities, Rights, Warrants and Investment Funds		
Australia	-	1.17
Belgium	-	0.06
Denmark	-	0.10
Finland	-	0.30
France	-	0.87
Germany	-	0.54
Hong Kong	-	11.48
Indonesia	-	0.18
Ireland	-	0.04
Italy	-	0.47
Japan	-	5.07
Luxemburg	-	0.04
Malaysia	-	0.02
Netherlands	-	0.44
Norway	-	0.07
Philippines	-	0.04

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Pro) E30 Mixed Asset Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Singapore	-	0.48
South Korea	-	1.52
Spain	-	0.11
Sweden	-	0.42
Switzerland	-	0.63
Taiwan	-	1.35
Thailand	-	0.21
United Kingdom	-	1.83
United States	-	7.41
Total Equities, Rights, Warrants and Investment Funds	-	34.85
Approved Pooled Investment Funds		
BCT Pooled Investment Fund Series (commenced operations on 26 April 2018)		
- Dynamic Asian Equity Fund (Class A)	2.96	-
- Dynamic China & Hong Kong Equity Fund (Class A)	5.71	-
- Dynamic European Equity Fund (Class A)	3.75	-
- Dynamic Global Emerging Markets Equity Fund (Class A)	2.48	-
- Dynamic Global Bond Fund (Class A)	57.95	-
- Smart Asian Equity Fund (Class A)	0.51	-
- Smart China & Hong Kong Equity Fund (Class A)	1.36	-
- Smart European Equity Fund (Class A)	1.40	-
- Smart Global Bond Fund (Class A)	13.89	-
- Smart Japanese Equity Fund (Class A)	3.96	-
- Smart North American Equity Fund (Class A)	5.76	-
Total Approved Pooled Investment Funds	99.73	-
Total Investments	99.73	94.01

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Pro) E50 Mixed Asset Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Debt Securities		
Australian Dollar	-	0.62
Canadian Dollar	-	0.54
Danish Krone	-	0.08
EURO	-	12.13
Japanese Yen	-	7.89
New Zealand Dollar	-	0.06
Pound Sterling	-	2.65
Swedish Krona	-	0.14
US Dollar	-	15.98
Total Debt Securities	-	40.09
Certificates of Deposit		
Hong Kong Dollar	-	0.39
Total Certificates of Deposit	-	0.39
Equities, Rights, Warrants and Investment Funds		
Australia	-	1.85
Belgium	-	0.11
Denmark	-	0.14
Finland	-	0.49
France	-	1.43
Germany	-	0.87
Hong Kong	-	18.35
Indonesia	-	0.26
Ireland	-	0.06
Italy	-	0.72
Japan	-	7.74
Luxembourg	-	0.07
Malaysia	-	0.03
Netherlands	-	0.70

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Pro) E50 Mixed Asset Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Norway	-	0.10
Philippines	-	0.05
Singapore	-	0.76
South Korea	-	2.37
Spain	-	0.16
Sweden	-	0.65
Switzerland	-	0.99
Taiwan	-	2.12
Thailand	-	0.33
United Kingdom	-	2.99
United States	-	11.70
Total Equities, Rights, Warrants and Investment Funds	-	55.04

Approved Pooled Investment Funds

BCT Pooled Investment Fund Series (commenced operations on 26 April 2018)

- Dynamic Asian Equity Fund (Class A)	4.81	-
- Dynamic China & Hong Kong Equity Fund (Class A)	10.18	-
- Dynamic European Equity Fund (Class A)	6.47	-
- Dynamic Global Emerging Markets Equity Fund (Class A)	3.97	-
- Dynamic Global Bond Fund (Class A)	41.81	-
- Smart Asian Equity Fund (Class A)	0.92	-
- Smart China & Hong Kong Equity Fund (Class A)	2.41	-
- Smart European Equity Fund (Class A)	2.46	-
- Smart Global Bond Fund (Class A)	10.60	-
- Smart Japanese Equity Fund (Class A)	6.29	-
- Smart North American Equity Fund (Class A)	9.92	-
Total Approved Pooled Investment Funds	99.84	-
Total Investments	99.84	95.52

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Pro) E70 Mixed Asset Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Debt Securities		
Australian Dollar	-	0.30
Canadian Dollar	-	0.26
Danish Krone	-	0.07
EURO	-	6.53
Japanese Yen	-	4.30
New Zealand Dollar	-	0.08
Pound Sterling	-	1.53
Swedish Krona	-	0.12
US Dollar	-	8.88
Total Debt Securities	-	22.07
Equities, Rights, Warrants and Investment Funds		
Australia	-	2.51
Belgium	-	0.15
Denmark	-	0.20
Finland	-	0.68
France	-	1.99
Germany	-	1.27
Hong Kong	-	25.62
Indonesia	-	0.36
Ireland	-	0.08
Italy	-	1.00
Japan	-	10.33
Luxembourg	-	0.10
Malaysia	-	0.04
Netherlands	-	0.93
Norway	-	0.13
Philippines	-	0.08

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Pro) E70 Mixed Asset Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Singapore	-	1.05
South Korea	-	3.22
Spain	-	0.24
Sweden	-	0.90
Switzerland	-	1.33
Taiwan	-	2.95
Thailand	-	0.46
United Kingdom	-	4.07
United States	-	15.85
Total Equities, Rights, Warrants and Investment Funds	-	75.54

Approved Pooled Investment Funds

BCT Pooled Investment Fund Series (commenced operations on 26 April 2018)

- Dynamic Asian Equity Fund (Class A)	6.67	-
- Dynamic China & Hong Kong Equity Fund (Class A)	14.51	-
- Dynamic European Equity Fund (Class A)	9.30	-
- Dynamic Global Emerging Markets Equity Fund (Class A)	5.37	-
- Dynamic Global Bond Fund (Class A)	25.61	-
- Smart Asian Equity Fund (Class A)	1.74	-
- Smart China & Hong Kong Equity Fund (Class A)	4.04	-
- Smart European Equity Fund (Class A)	3.48	-
- Smart Global Bond Fund (Class A)	6.53	-
- Smart Japanese Equity Fund (Class A)	8.77	-
- Smart North American Equity Fund (Class A)	13.97	-
Total Approved Pooled Investment Funds	99.99	-

Total Investments	99.99	97.61
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Statement of Movements in Portfolio Holdings - BCT (Pro) Global Bond Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Funds		
Templeton MPF Global Bond Fund (Class A)	-	99.74
BCT Pooled Investment Fund Series (commenced operations on 26 April 2018)		
- Dynamic Global Bond Fund (Class A)	79.47	-
- Smart Global Bond Fund (Class A)	19.89	-
Total Investments	99.36	99.74

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Pro) Global Equity Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Funds		
Templeton MPF Global Equity Fund (Class A)	-	99.74
BCT Pooled Investment Fund Series (commenced operations on 26 April 2018)		
- Dynamic Asian Equity Fund (Class A)	6.72	-
- Dynamic European Equity Fund (Class A)	22.15	-
- Dynamic Global Emerging Markets Equity Fund (Class A)	7.57	-
- Smart Japanese Equity Fund (Class A)	8.99	-
- Smart North American Equity Fund (Class A)	54.38	-
Total Investments	99.81	99.74

Statement of Movements in Portfolio Holdings - BCT (Pro) Hong Kong Equity Fund (Approved for termination on 21 September 2018)

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Fund		
Fidelity Global Investment Fund – Hong Kong Equity Fund (Class A)	-	99.48
Total Investments	-	99.48

Statement of Movements in Portfolio Holdings - BCT (Pro) Asian Equity Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Funds		
Schroder MPF Asian Fund (Class A)	-	99.96
BCT Pooled Investment Fund Series (commenced operations on 26 April 2018)		
- Dynamic Asian Equity Fund (Class A)	80.14	-
- Smart Asian Equity Fund (Class A)	20.00	-
Total Investments	100.14	99.96

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Pro) Flexi Mixed Asset Fund (formerly known as BCT (Pro) Absolute Return Fund)

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Fund		
Allianz Choice Flexi Balanced Fund (Class A) (formerly known as Allianz Choice Absolute Return Fund (Class A))	99.95	99.63
Total Investments	99.95	99.63

Statement of Movements in Portfolio Holdings - BCT (Pro) China and Hong Kong Equity Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Funds		
Invesco Pooled Investment Fund – Hong Kong and China Fund	-	99.80
BCT Pooled Investment Fund Series (commenced operations on 26 April 2018)		
- Dynamic China & Hong Kong Equity Fund (Class A)	79.60	-
- Smart China & Hong Kong Equity Fund (Class A)	20.32	-
Total Investments	99.92	99.80

Statement of Movements in Portfolio Holdings - BCT (Pro) European Equity Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Funds		
Invesco Pooled Investment Fund – Europe Fund	-	99.72
BCT Pooled Investment Fund Series (commenced operations on 26 April 2018)		
- Dynamic European Equity Fund (Class A)	70.88	-
- Smart European Equity Fund (Class A)	27.46	-
Total Investments	98.34	99.72

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Pro) E90 Mixed Asset Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Funds		
Fidelity Global Investment Fund – Growth Fund	-	99.70
BCT Pooled Investment Fund Series (commenced operations on 26 April 2018)		
- Dynamic Asian Equity Fund (Class A)	9.59	-
- Dynamic China & Hong Kong Equity Fund (Class A)	18.27	-
- Dynamic European Equity Fund (Class A)	12.27	-
- Dynamic Global Emerging Markets Equity Fund (Class A)	6.97	-
- Dynamic Global Bond Fund (Class A)	8.85	-
- Smart Asian Equity Fund (Class A)	1.93	-
- Smart China & Hong Kong Equity Fund (Class A)	5.04	-
- Smart European Equity Fund (Class A)	4.82	-
- Smart Global Bond Fund (Class A)	1.78	-
- Smart Japanese Equity Fund (Class A)	11.98	-
- Smart North American Equity Fund (Class A)	18.16	-
Total Investments	99.66	99.70

Statement of Movements in Portfolio Holdings – BCT (Pro) International Equity Fund (Approved for termination on 21 September 2018)

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Fund		
Fidelity Global Investment Fund – Global Equity Fund	-	99.66
Total Investments	-	99.66

Statement of Movements in Portfolio Holdings - BCT (Pro) SaveEasy 2020 Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Fund		
Fidelity Global Investment Fund – Fidelity SaveEasy 2020 Fund (Class A)	99.76	99.72
Total Investments	99.76	99.72

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Pro) SaveEasy 2025 Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Fund		
Fidelity Global Investment Fund – Fidelity SaveEasy 2025 Fund (Class A)	99.91	99.61
Total Investments	99.91	99.61

Statement of Movements in Portfolio Holdings – BCT (Pro) SaveEasy 2030 Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Fund		
Fidelity Global Investment Fund – Fidelity SaveEasy 2030 Fund (Class A)	99.75	99.77
Total Investments	99.75	99.77

Statement of Movements in Portfolio Holdings - BCT (Pro) SaveEasy 2035 Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Fund		
Fidelity Global Investment Fund – Fidelity SaveEasy 2035 Fund (Class A)	99.89	99.76
Total Investments	99.89	99.76

Statement of Movements in Portfolio Holdings - BCT (Pro) SaveEasy 2040 Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Fund		
Fidelity Global Investment Fund – Fidelity SaveEasy 2040 Fund (Class A)	99.75	99.58
Total Investments	99.75	99.58

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Pro) Hang Seng Index Tracking Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Index Tracking Collective Investment Scheme		
Tracker Fund of Hong Kong	99.94	100.18
Total Investments	99.94	100.18

Statement of Movements in Portfolio Holdings - BCT (Pro) Hong Kong Dollar Bond Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Fund		
JPMorgan SAR HK\$ Bond Fund (Class B)	99.36	98.87
Total Investments	99.36	98.87

Statement of Movements in Portfolio Holdings - BCT (Pro) World Equity Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Index Tracking Collective Investment Schemes		
iShares MSCI Japan ETF	7.86	7.94
iShares MSCI Pacific ex Japan ETF	9.90	10.03
SPDR S&P 500 ETF Trust	50.48	50.71
Tracker Fund of Hong Kong	5.29	5.09
Vanguard FTSE Developed Europe UCITS ETF	26.20	26.07
Total Investments	99.73	99.84

Statement of Movements in Portfolio Holdings - BCT (Pro) Greater China Equity Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Index Tracking Collective Investment Schemes		
SPDR FTSE Greater China ETF	79.75	79.98
Tracker Fund of Hong Kong	20.16	20.00
Total Investments	99.91	99.98

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 1

Statement of Movements in Portfolio Holdings - BCT (Pro) RMB Bond Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Fund		
Invesco Pooled Investment Fund - RMB Bond Fund (Class B) (This investment fund is denominated in HKD only and not in RMB)	98.75	99.25
Total Investments	98.75	99.25

Statement of Movements in Portfolio Holdings - BCT (Pro) Core Accumulation Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Fund		
Invesco Pooled Investment Fund – Core Accumulation Fund	99.38	99.24
Total Investments	99.38	99.24

Statement of Movements in Portfolio Holdings - BCT (Pro) Age 65 Plus Fund

	% of Net Assets	
	Closing Balance 31/12/2018	Opening Balance 1/1/2018
Approved Pooled Investment Fund		
Invesco Pooled Investment Fund - Age 65 Plus Fund	98.61	98.38
Total Investments	98.61	98.38

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 2

Investment Portfolio - BCT (Pro) MPF Conservative Fund

<u>Description</u>	<u>Nominal Value</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Certificates of Deposit			
Hong Kong Dollar			
AGRICULTURAL BK CHINA/HK 0% APR 23 2019	219,000,000	217,303,845	2.89
AGRICULTURAL BK CHINA/HK 0% JAN 22 2019	52,000,000	51,950,340	0.69
AGRICULTURAL BK CHINA/HK 0% JUN 05 2019	90,000,000	89,037,450	1.18
AGRICULTURAL BK CHINA/HK 1.9% JAN 25 2019	100,000,000	101,762,068	1.35
AGRICULTURAL BK CHINA/HK 2.56% SEP 06 2019	30,000,000	30,273,927	0.40
BANK OF CHINA/HONG KONG 0% JUL 09 2019	136,000,000	134,357,120	1.79
BANK OF CHINA/HONG KONG 2.12% MAR 14 2019	55,000,000	55,860,008	0.74
BANK OF CHINA/HONG KONG 2.48% AUG 14 2019	170,000,000	171,594,891	2.28
BANK OF CHINA/HONG KONG 2.6% OCT 10 2019	78,000,000	78,540,722	1.05
CHINA DEVELOPMENT BK/HK 0% MAY 02 2019	164,000,000	162,655,200	2.16
CHINA DEVELOPMENT BK/HK 0% MAY 17 2019	90,000,000	89,207,100	1.19
CHINA DEVELOPMENT BK/HK 0% SEP 26 2019	107,000,000	104,989,470	1.40
CHINA DEVELOPMENT BK/HK 2.38% MAY 31 2019	108,000,000	109,481,671	1.46
DAH SING BANK LTD 2.55% SEP 06 2019	60,000,000	60,538,147	0.81
DBS BANK (HK) LTD 0% FEB 11 2019	30,000,000	29,916,300	0.40
DBS BANK (HK) LTD 0% MAY 24 2019	100,000,000	98,964,000	1.32
SHINHAN BANK OF HK 0% JAN 22 2019	45,000,000	44,946,000	0.60
SMTB HONG KONG 0% FEB 08 2019	30,000,000	29,914,200	0.40
Total Certificates of Deposit		1,661,292,459	22.11
Fixed Deposits			
Hong Kong Dollar			
BANK OF COMMUNICATIONS HK DEPOSIT 1.73% JAN 28 2019	165,970,352	165,970,352	2.21
BANK OF COMMUNICATIONS HK DEPOSIT 1.91% JAN 30 2019	50,727,434	50,727,434	0.67
BANK OF COMMUNICATIONS HK DEPOSIT 1.98% JAN 18 2019	132,606,566	132,606,566	1.76
BANK OF COMMUNICATIONS HK DEPOSIT 2% JAN 22 2019	64,576,258	64,576,258	0.86
BANK OF EAST ASIA LTD DEPOSIT 1.86% JAN 22 2019	100,000,000	100,000,000	1.33
BANK OF EAST ASIA LTD DEPOSIT 2.16% FEB 21 2019	90,621,184	90,621,184	1.21
BANK OF EAST ASIA LTD DEPOSIT 2.21% JAN 18 2019	80,652,739	80,652,739	1.07
BANK OF EAST ASIA LTD DEPOSIT 2.3% FEB 12 2019	151,864,613	151,864,613	2.02
BANK OF EAST ASIA LTD DEPOSIT 2.36% MAR 11 2019	60,631,885	60,631,885	0.81
BANK OF EAST ASIA LTD DEPOSIT 2.5% MAR 18 2019	80,858,399	80,858,399	1.08
CHINA CONSTRUCTION BANK ASIA DEPOSIT 2% FEB 28 2019	65,996,432	65,996,432	0.88
CHINA CONSTRUCTION BANK ASIA DEPOSIT 2.05% FEB 08 2019	70,624,092	70,624,092	0.94
CHINA CONSTRUCTION BANK ASIA DEPOSIT 2.18% FEB 25 2019	185,735,537	185,735,537	2.47
CHINA CONSTRUCTION BANK ASIA DEPOSIT 2.4% MAR 28 2019	155,944,152	155,944,152	2.08
CMB WING LUNG BANK DEPOSIT 2% FEB 14 2019	101,195,082	101,195,082	1.35
CMB WING LUNG BANK DEPOSIT 2% JAN 29 2019	153,458,610	153,458,610	2.04
CMB WING LUNG BANK DEPOSIT 2.54% MAR 28 2019	135,330,531	135,330,531	1.80
FUBON BANK DEPOSIT 1.9% JAN 03 2019	284,737,870	284,737,870	3.78
FUBON BANK DEPOSIT 2.2% JAN 08 2019	254,649,706	254,649,706	3.38
ICBC (ASIA) DEPOSIT 2.1% FEB 25 2019	112,438,439	112,438,439	1.50
ICBC (ASIA) DEPOSIT 2.1% FEB 28 2019	81,987,869	81,987,869	1.09
ICBC (ASIA) DEPOSIT 2.1% MAR 04 2019	60,516,858	60,516,858	0.81
ICBC (ASIA) DEPOSIT 2.2% JAN 11 2019	163,794,642	163,794,642	2.18
ICBC (ASIA) DEPOSIT 2.5% MAR 27 2019	114,163,484	114,163,484	1.52
ICBC (ASIA) DEPOSIT 2.75% MAR 20 2019	91,381,108	91,381,108	1.22

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 2

Investment Portfolio - BCT (Pro) MPF Conservative Fund(Continued)

<u>Description</u>	<u>Nominal Value</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Fixed Deposits(Continued)			
Hong Kong Dollar(Continued)			
OCBC WING HANG BANK DEPOSIT 1.2% JAN 04 2019	50,051,370	50,051,370	0.67
OCBC WING HANG BANK DEPOSIT 1.5% JAN 04 2019	114,932,328	114,932,328	1.53
OCBC WING HANG BANK DEPOSIT 2.2% JAN 21 2019	91,046,253	91,046,253	1.21
OCBC WING HANG BANK DEPOSIT 2.55% FEB 21 2019	98,346,789	98,346,789	1.31
OCBC WING HANG BANK DEPOSIT 2.6% MAR 19 2019	101,385,301	101,385,301	1.35
OCBC WING HANG BANK DEPOSIT 2.6% MAR 20 2019	122,266,038	122,266,038	1.63
PUBLIC BANK DEPOSIT 2% FEB 14 2019	70,878,307	70,878,307	0.94
PUBLIC BANK DEPOSIT 2.15% FEB 04 2019	70,880,621	70,880,621	0.94
PUBLIC BANK DEPOSIT 2.15% JAN 30 2019	30,441,429	30,441,429	0.41
PUBLIC BANK DEPOSIT 2.35% MAR 07 2019	233,247,595	233,247,595	3.09
PUBLIC BANK DEPOSIT 2.5% MAR 18 2019	60,000,000	60,000,000	0.80
SHANGHAI COMMERCIAL BANK DEPOSIT 1.75% FEB 13 2019	130,772,992	130,772,992	1.74
SHANGHAI COMMERCIAL BANK DEPOSIT 2% FEB 08 2019	100,529,315	100,529,315	1.34
SHANGHAI COMMERCIAL BANK DEPOSIT 2.2% JAN 24 2019	50,000,000	50,000,000	0.67
SHANGHAI COMMERCIAL BANK DEPOSIT 2.4% JAN 21 2019	133,358,246	133,358,246	1.77
SUMITOMO MITSUI DEPOSIT 2.1% MAR 06 2019	107,643,275	107,643,275	1.43
SUMITOMO MITSUI DEPOSIT 2.14% FEB 14 2019	70,925,151	70,925,151	0.94
SUMITOMO MITSUI DEPOSIT 2.17% FEB 11 2019	50,000,000	50,000,000	0.67
SUMITOMO MITSUI DEPOSIT 2.24% JAN 21 2019	112,268,769	112,268,769	1.49
SUMITOMO MITSUI DEPOSIT 2.25% JAN 09 2019	145,925,642	145,925,642	1.94
SUMITOMO MITSUI DEPOSIT 2.36% MAR 07 2019	55,877,427	55,877,427	0.74
SUMITOMO MITSUI DEPOSIT 2.59% MAR 19 2019	91,673,523	91,673,523	1.22
UNITED OVERSEAS BANK DEPOSIT 2.35% MAR 04 2019	118,022,870	118,022,870	1.57
UNITED OVERSEAS BANK DEPOSIT 2.38% JAN 23 2019	91,149,672	91,149,672	1.21
UNITED OVERSEAS BANK DEPOSIT 2.38% JAN 24 2019	122,953,727	122,953,727	1.64
UNITED OVERSEAS BANK DEPOSIT 2.41% JAN 30 2019	152,946,452	152,946,452	2.04
UNITED OVERSEAS BANK DEPOSIT 2.44% FEB 11 2019	161,271,018	161,271,018	2.15
Total Fixed Deposits		5,749,257,952	76.50
Total Investments		7,410,550,411	98.61
Total Investments, at cost		7,392,351,787	

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

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 2

Investment Portfolio – BCT (Pro) E30 Mixed Asset Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Funds			
BCT Pooled Investment Fund Series			
- Dynamic Asian Equity Fund (Class A)	9,267,588	80,393,549	2.96
- Dynamic China & Hong Kong Equity Fund (Class A)	18,294,580	155,101,448	5.71
- Dynamic European Equity Fund (Class A)	13,016,238	101,872,891	3.75
- Dynamic Global Emerging Markets Equity Fund (Class A)	8,063,888	67,226,213	2.48
- Dynamic Global Bond Fund (Class A)	159,996,763	1,573,776,161	57.95
- Smart Asian Equity Fund (Class A)	1,591,461	13,767,252	0.51
- Smart China & Hong Kong Equity Fund (Class A)	4,267,001	36,949,239	1.36
- Smart European Equity Fund (Class A)	4,499,820	37,906,487	1.40
- Smart Global Bond Fund (Class A)	38,414,241	377,273,946	13.89
- Smart Japanese Equity Fund (Class A)	12,920,117	107,641,369	3.96
- Smart North American Equity Fund (Class A)	16,669,466	156,281,242	5.76
Total Investments		2,708,189,797	99.73
Total Investments, at cost		2,857,039,958	

Investment Portfolio – BCT (Pro) E50 Mixed Asset Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value (HK\$)</u>	<u>% of Net Assets</u>
Approved Pooled Investment Funds			
BCT Pooled Investment Fund Series			
- Dynamic Asian Equity Fund (Class A)	16,729,710	145,125,214	4.81
- Dynamic China & Hong Kong Equity Fund (Class A)	36,220,229	307,075,105	10.18
- Dynamic European Equity Fund (Class A)	24,923,236	195,064,200	6.47
- Dynamic Global Emerging Markets Equity Fund (Class A)	14,382,788	119,904,991	3.97
- Dynamic Global Bond Fund (Class A)	128,225,922	1,261,268,635	41.81
- Smart Asian Equity Fund (Class A)	3,200,334	27,685,126	0.92
- Smart China & Hong Kong Equity Fund (Class A)	8,410,847	72,832,050	2.41
- Smart European Equity Fund (Class A)	8,796,463	74,101,404	2.46
- Smart Global Bond Fund (Class A)	32,576,503	319,940,349	10.60
- Smart Japanese Equity Fund (Class A)	22,783,902	189,819,519	6.29
- Smart North American Equity Fund (Class A)	31,917,553	299,236,630	9.92
Total Investments		3,012,053,223	99.84
Total Investments, at cost		3,262,721,803	

[Note: The underlying approved pooled investment funds were established in Hong Kong and are accounted for on a trade date basis.]

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 2

Investment Portfolio – BCT (Pro) E70 Mixed Asset Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Funds			
BCT Pooled Investment Fund Series			
- Dynamic Asian Equity Fund (Class A)	40,569,918	351,931,865	6.67
- Dynamic China & Hong Kong Equity Fund (Class A)	90,384,617	766,280,780	14.51
- Dynamic European Equity Fund (Class A)	62,727,888	490,946,090	9.30
- Dynamic Global Emerging Markets Equity Fund (Class A)	34,038,444	283,768,293	5.37
- Dynamic Global Bond Fund (Class A)	137,421,990	1,351,723,919	25.61
- Smart Asian Equity Fund (Class A)	10,643,228	92,071,371	1.74
- Smart China & Hong Kong Equity Fund (Class A)	24,610,520	213,109,874	4.04
- Smart European Equity Fund (Class A)	21,814,004	183,761,169	3.48
- Smart Global Bond Fund (Class A)	35,114,335	344,864,903	6.53
- Smart Japanese Equity Fund (Class A)	55,556,620	462,858,866	8.77
- Smart North American Equity Fund (Class A)	78,667,321	737,529,736	13.97
Total Investments		5,278,846,866	99.99
Total Investments, at cost		5,885,157,313	

Investment Portfolio - BCT (Pro) Global Bond Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Funds			
BCT Pooled Investment Fund Series			
- Dynamic Global Bond Fund (Class A)	98,569,349	969,557,693	79.47
- Smart Global Bond Fund (Class A)	24,709,106	242,673,074	19.89
Total Investments		1,212,230,767	99.36
Total Investments, at cost		1,225,791,720	

[Note: The underlying approved pooled investment funds were established in Hong Kong and are accounted for on a trade date basis.]

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 2

Investment Portfolio - BCT (Pro) Global Equity Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> <u>(HK\$)</u>	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Funds			
BCT Pooled Investment Fund Series			
- Dynamic Asian Equity Fund (Class A)	19,601,859	170,040,250	6.72
- Dynamic European Equity Fund (Class A)	71,620,030	560,541,324	22.15
- Dynamic Global Emerging Markets Equity Fund (Class A)	22,987,092	191,636,487	7.57
- Smart Japanese Equity Fund (Class A)	27,319,758	227,609,099	8.99
- Smart North American Equity Fund (Class A)	146,801,201	1,376,305,300	54.38
Total Investments		2,526,132,460	99.81
Total Investments, at cost		2,872,119,385	

Investment Portfolio - BCT (Pro) Asian Equity Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> <u>(HK\$)</u>	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Funds			
BCT Pooled Investment Fund Series			
- Dynamic Asian Equity Fund (Class A)	303,300,216	2,631,038,383	80.14
- Smart Asian Equity Fund (Class A)	75,919,107	656,753,422	20.00
Total Investments		3,287,791,805	100.14
Total Investments, at cost		3,762,738,649	

[Note: The underlying approved pooled investment funds were established in Hong Kong and are accounted for on a trade date basis.]

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 2

Investment Portfolio - BCT (Pro) Flexi Mixed Asset Fund (formerly known as BCT (Pro) Absolute Return Fund)

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> <u>(HK\$)</u>	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Fund			
Allianz Choice Flexi Balanced Fund (Class A) (formerly known as Allianz Choice Absolute Return Fund (Class A))	64,552,510	1,123,213,681	99.95
Total Investments		1,123,213,681	99.95
Total Investments, at cost		1,098,197,966	

Investment Portfolio - BCT (Pro) China and Hong Kong Equity Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> <u>(HK\$)</u>	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Funds			
BCT Pooled Investment Fund Series			
- Dynamic China & Hong Kong Equity Fund (Class A)	715,368,324	6,064,892,647	79.60
- Smart China & Hong Kong Equity Fund (Class A)	178,827,743	1,548,523,071	20.32
Total Investments		7,613,415,718	99.92
Total Investments, at cost		8,811,073,298	

[Note: The underlying approved pooled investment funds were established in Hong Kong and are accounted for on a trade date basis.]

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 2

Investment Portfolio - BCT (Pro) European Equity Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Funds			
BCT Pooled Investment Fund Series			
- Dynamic European Equity Fund (Class A)	47,324,205	370,387,623	70.88
- Smart European Equity Fund (Class A)	17,035,174	143,504,306	27.46
Total Investments		513,891,929	98.34
Total Investments, at cost		628,093,892	

Investment Portfolio - BCT (Pro) E90 Mixed Asset Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Funds			
BCT Pooled Investment Fund Series			
- Dynamic Asian Equity Fund (Class A)	6,918,094	60,012,386	9.59
- Dynamic China & Hong Kong Equity Fund (Class A)	13,477,550	114,262,670	18.27
- Dynamic European Equity Fund (Class A)	9,810,250	76,780,900	12.27
- Dynamic Global Emerging Markets Equity Fund (Class A)	5,229,989	43,600,849	6.97
- Dynamic Global Bond Fund (Class A)	5,631,866	55,396,726	8.85
- Smart Asian Equity Fund (Class A)	1,397,640	12,090,564	1.93
- Smart China & Hong Kong Equity Fund (Class A)	3,644,258	31,556,725	5.04
- Smart European Equity Fund (Class A)	3,582,333	30,177,572	4.82
- Smart Global Bond Fund (Class A)	1,134,619	11,143,316	1.78
- Smart Japanese Equity Fund (Class A)	8,998,112	74,965,968	11.98
- Smart North American Equity Fund (Class A)	12,120,029	113,628,913	18.16
Total Investments		623,616,589	99.66
Total Investments, at cost		711,969,024	

[Note: The underlying approved pooled investment funds were established in Hong Kong and are accounted for on a trade date basis.]

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 2

Investment Portfolio - BCT (Pro) SaveEasy 2020 Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Fund			
Fidelity Global Investment Fund – Fidelity SaveEasy 2020 Fund (Class A)	15,333,825	379,512,179	99.76
Total Investments		379,512,179	99.76
Total Investments, at cost		344,407,098	

Investment Portfolio - BCT (Pro) SaveEasy 2025 Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Fund			
Fidelity Global Investment Fund – Fidelity SaveEasy 2025 Fund (Class A)	15,414,192	380,113,979	99.91
Total Investments		380,113,979	99.91
Total Investments, at cost		352,369,795	

Investment Portfolio - BCT (Pro) SaveEasy 2030 Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Fund			
Fidelity Global Investment Fund – Fidelity SaveEasy 2030 Fund (Class A)	17,698,835	439,639,057	99.75
Total Investments		439,639,057	99.75
Total Investments, at cost		412,871,779	

[Note: The underlying approved pooled investment funds were established in Hong Kong and are accounted for on a trade date basis.]

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 2

Investment Portfolio - BCT (Pro) SaveEasy 2035 Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Fund			
Fidelity Global Investment Fund – Fidelity SaveEasy 2035 Fund (Class A)	16,686,963	415,338,509	99.89
Total Investments		415,338,509	99.89
Total Investments, at cost		393,054,137	

Investment Portfolio - BCT (Pro) SaveEasy 2040 Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Fund			
Fidelity Global Investment Fund – Fidelity SaveEasy 2040 Fund (Class A)	37,434,173	939,597,746	99.75
Total Investments		939,597,746	99.75
Total Investments, at cost		911,758,935	

Investment Portfolio – BCT (Pro) Hang Seng Index Tracking Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
Index Tracking Collective Investment Scheme			
Tracker Fund of Hong Kong	85,469,350	2,226,476,568	99.94
Total Investments		2,226,476,568	99.94
Total Investments, at cost		2,154,363,874	

[Note: The underlying approved pooled investment funds and index tracking collective investment scheme were established in Hong Kong and are accounted for on a trade date basis.]

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 2

Investment Portfolio – BCT (Pro) Hong Kong Dollar Bond Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Fund			
JPMorgan SAR HK\$ Bond Fund (Class B)	42,346,444	1,027,324,742	99.36
Total Investments		1,027,324,742	99.36
Total Investments, at cost		998,056,151	

Investment Portfolio – BCT (Pro) World Equity Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
Index Tracking Collective Investment Schemes			
iShares MSCI Japan ETF	127,761	50,720,019	7.86
iShares MSCI Pacific ex Japan ETF	200,363	63,866,152	9.90
SPDR S&P 500 ETF Trust	166,388	325,673,056	50.48
Tracker Fund of Hong Kong	1,310,000	34,125,500	5.29
Vanguard FTSE Developed Europe UCITS ETF	710,174	168,995,567	26.20
Total Investments		643,380,294	99.73
Total Investments, at cost		652,829,748	

Investment Portfolio – BCT (Pro) Greater China Equity Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
Index Tracking Collective Investment Schemes			
SPDR FTSE Greater China ETF	17,425,100	656,926,270	79.75
Tracker Fund of Hong Kong	6,373,300	166,024,465	20.16
Total Investments		822,950,735	99.91
Total Investments, at cost		740,666,297	

[Note: The underlying approved pooled investment funds and index tracking collective investment schemes were established in Hong Kong, Ireland and United States and are accounted for on a trade date basis.]

BCT (MPF) PRO CHOICE

INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Schedule 2

Investment Portfolio – BCT (Pro) RMB Bond Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Fund			
Invesco Pooled Investment Fund - RMB Bond Fund (Class B) (This investment fund is denominated in HKD only and not in RMB)	51,137,449	569,594,478	98.75
Total Investments		569,594,478	98.75
Total Investments, at cost		571,566,214	

Investment Portfolio – BCT (Pro) Core Accumulation Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Fund			
Invesco Pooled Investment Fund – Core Accumulation Fund	54,014,335	558,924,132	99.38
Total Investments		558,924,132	99.38
Total Investments, at cost		585,501,135	

Investment Portfolio – BCT (Pro) Age 65 Plus Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
Approved Pooled Investment Fund			
Invesco Pooled Investment Fund - Age 65 Plus Fund	22,257,011	229,009,064	98.61
Total Investments		229,009,064	98.61
Total Investments, at cost		230,233,682	

[Note: The underlying approved pooled investment funds were established in Hong Kong and are accounted for on a trade date basis.]

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF
BCT (MPF) PRO CHOICE (THE "PLAN")

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of the Plan set out on pages 97 to 256, which comprise:

- the statement of net assets available for benefits of the Plan as at 31 December 2018; the statement of net assets of BCT (Pro) Hong Kong Equity Fund and BCT (Pro) International Equity Fund (together the "Terminating Constituent Funds") as at 21 September 2018 (date of approval for termination) and each of BCT (Pro) MPF Conservative Fund, BCT (Pro) E30 Mixed Asset Fund, BCT (Pro) E50 Mixed Asset Fund, BCT (Pro) E70 Mixed Asset Fund, BCT (Pro) Global Bond Fund, BCT (Pro) Global Equity Fund, BCT (Pro) Asian Equity Fund, BCT (Pro) Flexi Mixed Asset Fund (formerly known as BCT (Pro) Absolute Return Fund), BCT (Pro) China and Hong Kong Equity Fund, BCT (Pro) European Equity Fund, BCT (Pro) E90 Mixed Asset Fund, BCT (Pro) SaveEasy 2020 Fund, BCT (Pro) SaveEasy 2025 Fund, BCT (Pro) SaveEasy 2030 Fund, BCT (Pro) SaveEasy 2035 Fund, BCT (Pro) SaveEasy 2040 Fund, BCT (Pro) Hang Seng Index Tracking Fund, BCT (Pro) Hong Kong Dollar Bond Fund, BCT (Pro) World Equity Fund, BCT (Pro) Greater China Equity Fund, BCT (Pro) RMB Bond Fund, BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund (collectively the "Continuing Constituent Funds") as at 31 December 2018;
- the statement of comprehensive income of the Terminating Constituent Funds for the period from 1 January 2018 to 21 September 2018 (date of approval for termination) and for each of the Continuing Constituent Funds for the year then ended;
- the statement of changes in net assets available for benefits of the Plan for the year then ended, the statement of changes in net asset attributable to members of Terminating Constituent Funds for the period from 1 January 2018 to 21 September 2018 (date of approval for termination) and for each of the Continuing Constituent Funds for the year then ended;
- the statement of cash flows of the Plan for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies.

Our opinion

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF
BCT (MPF) PRO CHOICE (THE "PLAN") (Continued)

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

Independence

We are independent of the Plan 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.

Other Information

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF

BCT (MPF) PRO CHOICE (THE "PLAN") (Continued)

Responsibilities of the Trustee for the Financial Statements

The Trustee is 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 Trustee determines 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 Trustee is responsible for assessing the Plan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Plan or to cease operations, or have no realistic alternative but to do so.

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

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. We report our opinion solely to you, as a body, in accordance with section 102 of the General Regulation, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 Plan have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.

As part of an audit in accordance with HKSAs, we exercise professional judgment 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 Plan's internal control.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF

BCT (MPF) PRO CHOICE (THE "PLAN") (Continued)

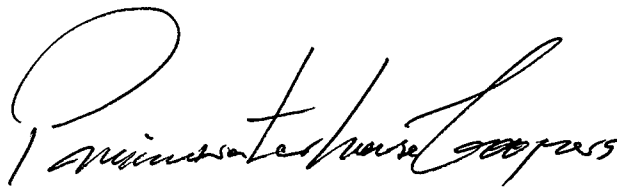
Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of 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 Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan 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 Trustee 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 General Regulation

- (a) In our opinion, the financial statements of the Plan have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.
- (b) We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.




PricewaterhouseCoopers
Certified Public Accountants


Hong Kong, 24 June 2019

BCT (MPF) PRO CHOICE
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
– PLAN AND CONSTITUENT FUNDS
AS AT 31 DECEMBER 2018

	<u>Note</u>	<u>2018</u> (HK\$)	<u>2017</u> (HK\$)
Assets			
Current assets			
Financial assets at fair value through profit or loss	8, 11	43,941,794,729	44,522,220,325
Derivative financial instruments	12	32,161,038	1,130,710
Amounts receivable on sale of financial assets at fair value through profit or loss		87,121,869	85,846,898
Dividends receivable		2,024,539	4,544,711
Interest receivable	11	13,865,932	5,996,617
Contributions receivable			
From employers		151,603,775	139,766,646
From members		112,347,732	106,902,842
From other schemes		10,078,785	127,707,145
Other receivables		1,106,851	3,433,969
Bank balances	11	255,453,078	751,746,468
Total assets		<u>44,607,558,328</u>	<u>45,749,296,331</u>
Liabilities			
Current liabilities			
Derivative financial instruments	12	(7,280,754)	(12,676,547)
Amounts payable on purchase of financial assets at fair value through profit or loss		(25,498,203)	(50,956,349)
Benefits and forfeitures payable	14	(224,540,174)	(236,250,405)
Amounts payable to derivative counterparties		(30,400,000)	-
Accruals and other payables		(57,596,905)	(62,884,631)
Total liabilities		<u>(345,316,036)</u>	<u>(362,767,932)</u>
Net assets available for benefits attributable to members		<u>44,262,242,292</u>	<u>45,386,528,399</u>

On behalf of the Trustee
Bank Consortium Trust Company Limited


.....
Director


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Director

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
– PLAN AND CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	<u>2018</u> (HK\$)	<u>2017</u> (HK\$)
Investment income			
Dividends from equities	11	141,706,307	241,166,606
Bank interest	11	845,142	133,193
Interest income from fixed deposits	11	87,558,427	39,663,545
Other income	11	22,796,012	41,994,881
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		6,893,935,695	1,579,989,733
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(10,840,980,265)	6,713,806,980
Change in unrealised gain/loss on foreign exchange		4,658,563	10,160,433
Total investment (loss)/income		(3,689,480,119)	8,626,915,371
Expenses			
Investment management fees	4(a)	(166,833,545)	(120,850,830)
Trustee and administration fees	4(b)	(366,692,067)	(346,668,848)
Sub-custodian fees		(1,770,213)	(4,086,555)
Safe custody and bank charges		(1,150,070)	(2,502,319)
Legal and other professional fees		(110,096)	(81,591)
Auditor's remuneration		(1,831,451)	(2,127,943)
Professional indemnity insurance		(368,083)	(341,353)
Miscellaneous expenses		(10,410,469)	(9,086,949)
Total operating expenses		(549,165,994)	(485,746,388)
Overseas withholding tax		(6,298,173)	(23,933,071)
Net income		(4,244,944,286)	8,117,235,912
Contributions received and receivable	5		
From employers			
Mandatory		1,597,397,481	1,463,453,541
Additional voluntary		584,258,497	499,259,183
From members			
Mandatory		1,568,233,381	1,438,464,675
Additional voluntary		170,621,152	155,267,190
		3,920,510,511	3,556,444,589

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
– PLAN AND CONSTITUENT FUNDS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2018

	<u>Note</u>	<u>2018</u> (HK\$)	<u>2017</u> (HK\$)
Transfers in			
Group transfers in from other schemes		846,738,339	680,346,197
Individual transfers in from other schemes		2,011,404,580	2,205,446,200
		<u>2,858,142,919</u>	<u>2,885,792,397</u>
Contribution surcharge received and receivable		<u>2,688,148</u>	<u>2,235,326</u>
		<u>6,781,341,578</u>	<u>6,444,472,312</u>
Benefits paid and payable	6,14		
Retirement		(446,138,314)	(497,617,259)
Early retirement		(164,429,996)	(150,468,806)
Death		(43,725,061)	(33,519,594)
Permanent departure		(219,579,289)	(211,944,144)
Total incapacity		(15,372,698)	(12,785,347)
Small balance		(94,998)	(38,717)
Refund of additional voluntary contributions		(265,368,402)	(269,699,959)
Long service payment		(364,867,656)	(261,825,291)
Terminal illness		(4,567,795)	(3,533,551)
		<u>(1,524,144,209)</u>	<u>(1,441,432,668)</u>
Transfers out			
Group transfers out to other schemes		(344,586,609)	(199,448,471)
Individual transfers out to other schemes		(1,714,905,227)	(1,490,183,565)
		<u>(2,059,491,836)</u>	<u>(1,689,632,036)</u>
Forfeitures		<u>(77,047,354)</u>	<u>(61,628,984)</u>
		<u>(3,660,683,399)</u>	<u>(3,192,693,688)</u>
Movement during the year		3,120,658,179	3,251,778,624
Net income for the year		<u>(4,244,944,286)</u>	<u>8,117,235,912</u>
Change in net assets available for benefits attributable to members		<u>(1,124,286,107)</u>	<u>11,369,014,536</u>
Net assets available for benefits attributable to members at the beginning of the year			
– members' accounts		<u>45,386,528,399</u>	<u>34,017,513,863</u>
Net assets available for benefits attributable to members at the end of the year			
– members' accounts		<u>44,262,242,292</u>	<u>45,386,528,399</u>

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF CASH FLOWS – PLAN AND CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018


	<u>2018</u> (HK\$)	<u>2017</u> (HK\$)
Cash flows from operating activities		
Net income	(4,244,944,286)	8,117,235,912
Adjustment for		
- dividends	(141,706,307)	(241,166,606)
- bank interest	(845,142)	(133,193)
- interest income from fixed deposits	(87,558,427)	(39,663,545)
- overseas withholding tax	6,298,173	23,933,071
	<hr/>	<hr/>
Operating profit before working capital changes	(4,468,755,989)	7,860,205,639
Net decrease/(increase) in financial assets at fair value through profit or loss		
– with original maturity of more than 3 months	1,200,961,043	(10,763,230,143)
Net change in derivative financial instruments	(36,426,121)	58,701,300
Increase in amounts receivable on sale of financial assets at fair value through profit or loss	(1,274,971)	(30,134,913)
Decrease/(increase) in other receivables	2,327,118	(860,007)
(Decrease)/increase in amounts payable on purchase of financial assets at fair value through profit or loss	(25,458,146)	21,602,998
Increase in amounts payable to derivative counterparties	30,400,000	-
(Decrease)/increase in accruals and other payables	(5,287,726)	15,786,067
	<hr/>	<hr/>
Cash used in operations	(3,303,514,792)	(2,837,929,059)
Bank interest received	845,142	133,193
Interest income from fixed deposit received	79,689,112	37,010,470
Dividends received	144,226,479	239,750,539
Overseas withholding tax paid	(6,298,173)	(23,933,071)
	<hr/>	<hr/>
Net cash used in operating activities	(3,085,052,232)	(2,584,967,928)
	<hr/>	<hr/>
Cash flows from financing activities		
Contributions received and transfers in	6,881,687,919	6,356,566,591
Benefits paid, transfers out and forfeitures	(3,672,393,630)	(3,237,504,871)
	<hr/>	<hr/>
Net cash generated from financing activities	3,209,294,289	3,119,061,720
	<hr/>	<hr/>
Net increase in cash and cash equivalents	124,242,057	534,093,792
Cash and cash equivalents at the beginning of the year	2,830,899,145	2,296,805,353
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	<u>2,955,141,202</u>	<u>2,830,899,145</u>
	<hr/>	<hr/>
Analysis of balances of cash and cash equivalents:		
Financial assets at fair value through profit or loss	43,941,794,729	44,522,220,325
Less: Financial assets at fair value through profit or loss – with original maturity of more than 3 months	(41,242,106,605)	(42,443,067,648)
	<hr/>	<hr/>
Financial assets at fair value through profit or loss – with original maturity of less than or equal to 3 months	2,699,688,124	2,079,152,677
Bank balances	255,453,078	751,746,468
	<hr/>	<hr/>
	<u>2,955,141,202</u>	<u>2,830,899,145</u>
	<hr/>	<hr/>

The notes on pages 132 to 256 are an integral part of the financial statements.

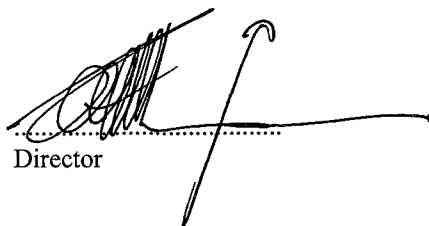
BCT (MPF) PRO CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2018

		BCT (Pro)		BCT (Pro)	
		MPF Conservative Fund		E30 Mixed Asset Fund	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	7,410,550,411	5,491,338,151	2,708,189,797	2,786,609,649
Derivative financial instruments	12	-	-	5,085,489	456,574
Amounts receivable on sale of financial assets at fair value through profit or loss		-	-	4,652,393	683,997
Dividends receivable		-	-	-	445,575
Interest receivable from fixed deposits	11	13,865,932	5,996,617	-	-
Amounts receivable on funds switching		59,997,049	53,765,746	1,882,188	1,938,239
Amounts receivable on subscription		3,027,734	3,628,487	470,180	1,055,122
Other receivables		-	-	-	187,864
Bank balances	11	80,348,871	64,018,508	11,608,163	203,739,539
Total assets		7,567,789,997	5,618,747,509	2,731,888,210	2,995,116,559
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	(1,504,617)	(3,056,429)
Amounts payable on purchase of financial assets at fair value through profit or loss		-	-	(807,340)	(16,337,065)
Amounts payable on redemption		(9,648,815)	(10,049,747)	(3,370,648)	(4,757,119)
Amounts payable on funds switching		(36,309,243)	(38,596,074)	(2,048,809)	(2,149,677)
Amounts payable to derivative counterparties		-	-	(5,100,000)	-
Accruals and other payables		(6,523,491)	(5,173,437)	(3,510,016)	(4,784,122)
Total liabilities		(52,481,549)	(53,819,258)	(16,341,430)	(31,084,412)
Net assets attributable to members		7,515,308,448	5,564,928,251	2,715,546,780	2,964,032,147
Units in issue		6,653,111,296	4,964,129,100	1,547,588,020	1,599,832,891
Net asset value per unit		1.1296	1.1210	1.7547	1.8527

On behalf of the Trustee
Bank Consortium Trust Company Limited



Director




Director


The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2018

		BCT (Pro)		BCT (Pro)	
		E50 Mixed Asset Fund		E70 Mixed Asset Fund	
	Note	2018	2017	2018	2017
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	3,012,053,223	3,190,678,183	5,278,846,866	6,004,428,154
Derivative financial instruments	12	4,382,238	345,263	5,223,943	323,359
Amounts receivable on sale of financial assets at fair value through profit or loss		3,414,198	1,202,707	7,384,782	3,411,476
Dividends receivable		-	779,371	-	1,935,533
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		651,733	4,321,502	263,995	2,501,344
Amounts receivable on subscription		518,591	873,131	758,654	867,147
Other receivables		-	210,961	-	388,241
Bank balances	11	11,306,063	169,277,410	10,300,231	179,190,384
Total assets		3,032,326,046	3,367,688,528	5,302,778,471	6,193,045,638
Liabilities					
Current liabilities					
Derivative financial instruments	12	(1,402,940)	(2,281,069)	(1,954,138)	(2,056,851)
Amounts payable on purchase of financial assets at fair value through profit or loss		(259,464)	(14,545,462)	(17,314)	(20,073,822)
Amounts payable on redemption		(3,094,520)	(3,837,737)	(4,053,399)	(5,355,570)
Amounts payable on funds switching		(1,767,563)	(1,258,613)	(3,987,891)	(4,215,824)
Amounts payable to derivative counterparties		(4,900,000)	-	(6,300,000)	-
Accruals and other payables		(3,926,433)	(5,367,262)	(6,960,504)	(9,797,661)
Total liabilities		(15,350,920)	(27,290,143)	(23,273,246)	(41,499,728)
Net assets attributable to members		3,016,975,126	3,340,398,385	5,279,505,225	6,151,545,910
Units in issue		1,575,683,014	1,610,539,943	2,672,316,942	2,803,001,818
Net asset value per unit		1.9147	2.0741	1.9756	2.1946

On behalf of the Trustee
Bank Consortium Trust Company Limited


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Director



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Director


The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2018

		BCT (Pro)		BCT (Pro)	
		Global Bond Fund		Global Equity Fund	
	Note	2018	2017	2018	2017
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	1,212,230,767	1,055,818,326	2,526,132,460	1,988,191,776
Derivative financial instruments	12	2,898,956	-	4,361,312	-
Amounts receivable on sale of financial assets at fair value through profit or loss		2,367,721	2,866,182	8,419,048	5,362,505
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		5,517,756	1,979,433	3,354,836	4,125,224
Amounts receivable on subscription		533,135	709,592	1,414,436	1,152,539
Other receivables		-	74,580	-	182,514
Bank balances	11	9,254,684	1,238,041	8,533,779	2,079,738
Total assets		1,232,803,019	1,062,686,154	2,552,215,871	2,001,094,296
Liabilities					
Current liabilities					
Derivative financial instruments	12	(665,743)	-	(1,343,980)	-
Amounts payable on purchase of financial assets at fair value through profit or loss		(3,064,264)	-	(540,405)	-
Amounts payable on redemption		(1,058,965)	(1,072,930)	(2,332,702)	(3,087,777)
Amounts payable on funds switching		(1,950,772)	(2,228,740)	(8,610,449)	(3,040,503)
Amounts payable to derivative counterparties		(4,600,000)	-	(5,200,000)	-
Accruals and other payables		(1,449,801)	(848,471)	(3,214,358)	(1,748,582)
Total liabilities		(12,789,545)	(4,150,141)	(21,241,894)	(7,876,862)
Net assets attributable to members		1,220,013,474	1,058,536,013	2,530,973,977	1,993,217,434
Units in issue		787,637,857	678,255,744	978,932,202	668,212,085
Net asset value per unit		1.5490	1.5607	2.5854	2.9819

On behalf of the Trustee
Bank Consortium Trust Company Limited


Director


Director

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2018

			BCT (Pro) Hong Kong Equity Fund*	BCT (Pro) Asian Equity Fund	
			As at 21 September 2018 (date of approval for termination)		
	Note		2017 (HK\$)	2018 (HK\$)	2017 (HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	-	4,088,554,696	3,287,791,805	3,923,505,684
Derivative financial instruments	12	-	-	-	-
Amounts receivable on sale of financial assets at fair value through profit or loss		-	16,241,536	6,478,776	5,918,287
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		-	20,812,311	2,349,590	5,462,124
Amounts receivable on subscription		-	2,960,571	1,208,327	2,354,660
Other receivables		-	1,035,310	-	-
Bank balances	11	-	11,821,370	44,535	2,709,875
Total assets		-	4,141,425,794	3,297,873,033	3,939,950,630
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss		-	-	(701,296)	-
Amounts payable on redemption		-	(3,497,379)	(2,895,958)	(3,529,827)
Amounts payable on funds switching		-	(24,564,441)	(6,767,345)	(8,278,519)
Amounts payable to derivative counterparties		-	-	-	-
Accruals and other payables		-	(3,550,243)	(4,283,447)	(3,365,411)
Total liabilities		-	(31,612,063)	(14,648,046)	(15,173,757)
Net assets attributable to members		-	4,109,813,731	3,283,224,987	3,924,776,873
Units in issue		-	902,468,514	1,026,834,699	1,069,233,392
Net asset value per unit		-	4.5540	3.1974	3.6706

On behalf of the Trustee
Bank Consortium Trust Company Limited



Director



Director


*The fund was approved for termination on 21 September 2018


The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2018

		BCT (Pro)		BCT (Pro)	
		Flexi Mixed Asset Fund*		China and Hong Kong Equity Fund	
	Note	2018	2017	2018	2017
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	1,123,213,681	1,040,018,361	7,613,415,718	5,214,421,474
Derivative financial instruments	12	-	-	-	-
Amounts receivable on sale of financial assets at fair value through profit or loss		5,030,645	2,590,406	25,512,967	18,912,341
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		552,527	3,187,332	15,601,530	11,220,808
Amounts receivable on subscription		669,328	771,252	3,332,166	3,424,558
Other receivables		-	-	-	-
Bank balances	11	1,123,993	1,076,489	61,169	4,536,508
Total assets		1,130,590,174	1,047,643,840	7,657,923,550	5,252,515,689
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss		-	-	(624,491)	-
Amounts payable on redemption		(1,576,386)	(1,406,583)	(5,770,509)	(5,267,243)
Amounts payable on funds switching		(4,405,343)	(1,574,799)	(22,280,890)	(15,813,510)
Amounts payable to derivative counterparties		-	-	-	-
Accruals and other payables		(880,689)	(807,217)	(9,544,331)	(6,820,390)
Total liabilities		(6,862,418)	(3,788,599)	(38,220,221)	(27,901,143)
Net assets attributable to members		1,123,727,756	1,043,855,241	7,619,703,329	5,224,614,546
Units in issue		762,048,675	673,048,982	7,557,365,126	4,363,760,422
Net asset value per unit		1.4746	1.5509	1.0082	1.1973

On behalf of the Trustee
Bank Consortium Trust Company Limited


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Director


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Director

*Formerly known as BCT (Pro) Absolute Return Fund

The notes on pages 132 to 256 are an integral part of the financial statements.

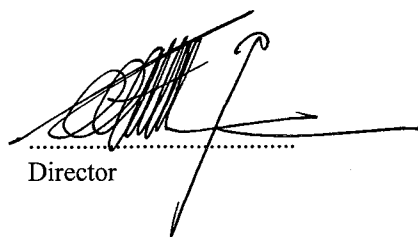
BCT (MPF) PRO CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2018

		BCT (Pro)		BCT (Pro)	
		European Equity Fund		E90 Mixed Asset Fund	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	513,891,929	617,308,962	623,616,589	657,289,152
Derivative financial instruments	12	3,632,384	-	223,883	-
Amounts receivable on sale of financial assets at fair value through profit or loss		3,058,610	3,856,739	1,711,110	529,227
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		2,318,511	1,300,235	846,250	1,526,277
Amounts receivable on subscription		490,598	2,411,201	633,292	544,088
Other receivables		-	-	-	147,282
Bank balances	11	8,170,729	788,155	2,180,344	711,883
Total assets		531,562,761	625,665,292	629,211,468	660,747,909
Liabilities					
Current liabilities					
Derivative financial instruments	12	(200,649)	(2,029,449)	(156,416)	-
Amounts payable on purchase of financial assets at fair value through profit or loss		(152,251)	-	(546,011)	-
Amounts payable on redemption		(275,557)	(768,852)	(649,538)	(571,844)
Amounts payable on funds switching		(3,383,527)	(3,075,070)	(1,324,036)	(362,079)
Amounts payable to derivative counterparties		(4,300,000)	-	-	-
Accruals and other payables		(686,770)	(817,380)	(779,542)	(556,054)
Total liabilities		(8,998,754)	(6,690,751)	(3,455,543)	(1,489,977)
Net assets attributable to members		522,564,007	618,974,541	625,755,925	659,257,932
Units in issue		459,230,328	459,798,611	310,387,138	284,111,171
Net asset value per unit		1.1379	1.3462	2.0160	2.3204

On behalf of the Trustee
Bank Consortium Trust Company Limited



Director



Director

The notes on pages 132 to 256 are an integral part of the financial statements.

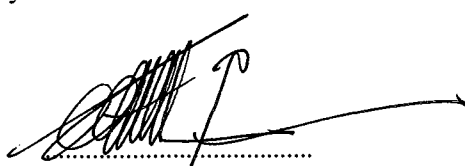
BCT (MPF) PRO CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2018

			BCT (Pro) International Equity Fund*	BCT (Pro) SaveEasy 2020 Fund	
			As at 21 September 2018 (date of approval for termination)	2017	2018
	Note		(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	-	941,958,488	379,512,179	375,354,318
Derivative financial instruments	12	-	-	-	-
Amounts receivable on sale of financial assets at fair value through profit or loss		-	2,799,481	1,897,920	796,851
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		-	2,750,613	584,410	776,390
Amounts receivable on subscription		-	1,085,020	182,247	419,967
Other receivables		-	229,158	93,913	91,077
Bank balances	11	-	1,884,969	595,932	402,546
Total assets		-	950,707,729	382,866,601	377,841,149
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss		-	-	-	-
Amounts payable on redemption		-	(1,324,446)	(544,634)	(713,073)
Amounts payable on funds switching		-	(3,406,729)	(1,567,145)	(401,951)
Amounts payable to derivative counterparties		-	-	-	-
Accruals and other payables		-	(801,905)	(332,125)	(321,792)
Total liabilities		-	(5,533,080)	(2,443,904)	(1,436,816)
Net assets attributable to members		-	945,174,649	380,422,697	376,404,333
Units in issue		-	389,038,379	177,111,579	162,780,830
Net asset value per unit		-	2.4295	2.1479	2.3123

On behalf of the Trustee
Bank Consortium Trust Company Limited



Director



Director

*The fund was approved for termination on 21 September 2018

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2018

		BCT (Pro) SaveEasy 2025 Fund		BCT (Pro) SaveEasy 2030 Fund	
	<u>Note</u>	<u>2018</u> (HK\$)	<u>2017</u> (HK\$)	<u>2018</u> (HK\$)	<u>2017</u> (HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	380,113,979	384,786,811	439,639,057	451,305,149
Derivative financial instruments	12	-	-	-	-
Amounts receivable on sale of financial assets at fair value through profit or loss		514,793	692,758	1,331,301	482,037
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		151,651	894,420	865,419	724,462
Amounts receivable on subscription		179,564	566,977	208,264	388,101
Other receivables		94,644	93,142	109,678	108,580
Bank balances	11	459,693	1,099,459	525,021	487,728
Total assets		381,514,324	388,133,567	442,678,740	453,496,057
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss		-	-	-	-
Amounts payable on redemption		(252,979)	(187,068)	(303,237)	(305,551)
Amounts payable on funds switching		(464,648)	(1,336,277)	(1,263,126)	(501,907)
Amounts payable to derivative counterparties		-	-	-	-
Accruals and other payables		(335,750)	(328,250)	(389,249)	(381,251)
Total liabilities		(1,053,377)	(1,851,595)	(1,955,612)	(1,188,709)
Net assets attributable to members		380,460,947	386,281,972	440,723,128	452,307,348
Units in issue		177,632,635	159,047,074	207,801,125	186,285,065
Net asset value per unit		2.1418	2.4287	2.1209	2.4280

On behalf of the Trustee
Bank Consortium Trust Company Limited

Director


Director

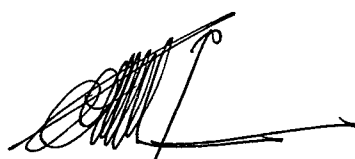
The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2018

		BCT (Pro)		BCT (Pro)	
		SaveEasy 2035 Fund		SaveEasy 2040 Fund	
	Note	2018	2017	2018	2017
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	415,338,509	411,018,591	939,597,746	907,385,025
Derivative financial instruments	12	-	-	-	-
Amounts receivable on sale of financial assets at fair value through profit or loss		1,304,727	204,955	2,174,821	1,344,432
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		191,122	631,269	1,605,014	2,554,203
Amounts receivable on subscription		247,221	285,812	569,202	1,400,310
Other receivables		103,692	98,927	234,396	218,266
Bank balances	11	421,547	697,415	1,106,803	1,153,283
Total assets		417,606,818	412,936,969	945,287,982	914,055,519
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss		-	-	-	-
Amounts payable on redemption		(209,539)	(287,193)	(864,597)	(1,047,941)
Amounts payable on funds switching		(1,248,056)	(303,671)	(1,627,832)	(1,076,000)
Amounts payable to derivative counterparties		-	-	-	-
Accruals and other payables		(367,168)	(347,289)	(824,481)	(762,470)
Total liabilities		(1,824,763)	(938,153)	(3,316,910)	(2,886,411)
Net assets attributable to members		415,782,055	411,998,816	941,971,072	911,169,108
Units in issue		199,006,014	171,422,777	436,371,685	366,541,196
Net asset value per unit		2.0893	2.4034	2.1586	2.4859

On behalf of the Trustee
Bank Consortium Trust Company Limited


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Director


.....
Director

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2018

		BCT (Pro)		BCT (Pro)	
		Hang Seng Index Tracking Fund		Hong Kong Dollar Bond Fund	
	Note	2018	2017	2018	2017
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	2,226,476,568	2,089,633,428	1,027,324,742	775,636,864
Derivative financial instruments	12	-	-	-	-
Amounts receivable on sale of financial assets at fair value through profit or loss		3,580,883	4,040,201	1,634,814	8,131,912
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		16,630,825	15,513,445	7,139,837	8,613,117
Amounts receivable on subscription		1,808,014	2,725,338	417,200	1,257,294
Other receivables		-	-	326,816	253,073
Bank balances	11	14,668,563	3,995,509	2,193,075	1,079,685
Total assets		2,263,164,853	2,115,907,921	1,039,036,484	794,971,945
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss		(11,255,261)	-	-	-
Amounts payable on redemption		(1,770,333)	(2,886,827)	(528,007)	(1,266,463)
Amounts payable on funds switching		(20,581,111)	(25,721,773)	(2,838,518)	(7,950,957)
Amounts payable to derivative counterparties		-	-	-	-
Accruals and other payables		(1,669,465)	(1,531,872)	(1,704,567)	(1,320,159)
Total liabilities		(35,276,170)	(30,140,472)	(5,071,092)	(10,537,579)
Net assets attributable to members		2,227,888,683	2,085,767,449	1,033,965,392	784,434,366
Units in issue		1,497,349,884	1,248,893,596	886,216,243	678,104,214
Net asset value per unit		1.4879	1.6701	1.1667	1.1568

On behalf of the Trustee
Bank Consortium Trust Company Limited

.....
Director

.....
Director

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2018

		BCT (Pro)		BCT (Pro)	
		World Equity Fund		Greater China Equity Fund	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	643,380,294	522,307,410	822,950,735	789,325,635
Derivative financial instruments	12	468,767	5,514	-	-
Amounts receivable on sale of financial assets at fair value through profit or loss		-	129,580	-	-
Dividends receivable		2,024,539	1,384,232	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		4,477,304	2,701,064	3,249,595	1,535,473
Amounts receivable on subscription		934,558	838,034	736,338	905,868
Other receivables		-	-	55,680	52,352
Bank balances	11	2,910,424	1,119,018	4,543,854	2,002,180
		<u>654,195,886</u>	<u>528,484,852</u>	<u>831,536,202</u>	<u>793,821,508</u>
Total assets		<u>654,195,886</u>	<u>528,484,852</u>	<u>831,536,202</u>	<u>793,821,508</u>
Liabilities					
Current liabilities					
Derivative financial instruments	12	(52,271)	(1,174,480)	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss		(3,714,649)	-	(3,815,457)	-
Amounts payable on redemption		(533,385)	(804,067)	(878,755)	(1,089,279)
Amounts payable on funds switching		(4,261,601)	(2,965,435)	(2,476,803)	(2,691,277)
Amounts payable to derivative counterparties		-	-	-	-
Accruals and other payables		(521,013)	(415,934)	(652,322)	(602,494)
		<u>(9,082,919)</u>	<u>(5,359,916)</u>	<u>(7,823,337)</u>	<u>(4,383,050)</u>
Total liabilities		<u>(9,082,919)</u>	<u>(5,359,916)</u>	<u>(7,823,337)</u>	<u>(4,383,050)</u>
Net assets attributable to members		<u>645,112,967</u>	<u>523,124,936</u>	<u>823,712,865</u>	<u>789,438,458</u>
Units in issue		<u>416,544,417</u>	<u>305,382,482</u>	<u>566,190,345</u>	<u>487,471,652</u>
Net asset value per unit		1.5487	1.7130	1.4548	1.6195

On behalf of the Trustee
Bank Consortium Trust Company Limited

Director


Director

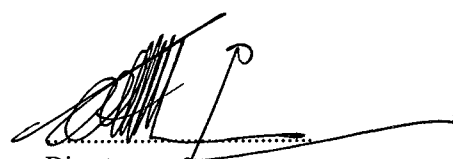
The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2018

		BCT (Pro)		BCT (Pro)	
		RMB Bond Fund		Core Accumulation Fund	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	569,594,478	415,486,382	558,924,132	305,170,021
Derivative financial instruments	12	5,884,066	-	-	-
Amounts receivable on sale of financial assets at fair value through profit or loss		2,349,497	2,321,607	3,238,567	2,443,210
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		1,310,378	4,944,783	2,762,136	1,089,315
Amounts receivable on subscription		383,017	637,354	860,402	1,039,465
Other receivables		85,210	60,925	-	-
Bank balances	11	742,116	597,575	556,131	322,023
Total assets		580,348,762	424,048,626	566,341,368	310,064,034
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	(2,078,269)	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss		-	-	-	-
Amounts payable on redemption		(820,149)	(709,070)	(452,713)	(547,829)
Amounts payable on funds switching		(2,033,526)	(2,166,515)	(3,132,504)	(1,883,722)
Amounts payable to derivative counterparties		-	-	-	-
Accruals and other payables		(678,825)	(484,138)	(336,959)	(149,099)
Total liabilities		(3,532,500)	(5,437,992)	(3,922,176)	(2,580,650)
Net assets attributable to members		576,816,262	418,610,634	562,419,192	307,483,384
Units in issue		596,677,416	431,457,144	551,775,796	281,952,273
Net asset value per unit		0.9667	0.9702	1.0193	1.0906

On behalf of the Trustee
Bank Consortium Trust Company Limited


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Director


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Director

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF NET ASSETS - CONSTITUENT FUNDS
AS AT 31 DECEMBER 2018

		BCT (Pro)		Total	
		Age 65 Plus Fund			
	Note	2018	2017	2018	2017
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	229,009,064	94,689,635	43,941,794,729	44,522,220,325
Derivative financial instruments	12	-	-	32,161,038	1,130,710
Amounts receivable on sale of financial assets at fair value through profit or loss		1,064,296	884,471	87,121,869	85,846,898
Dividends receivable		-	-	2,024,539	4,544,711
Interest receivable from fixed deposits	11	-	-	13,865,932	5,996,617
Amounts receivable on funds switching		3,771,166	1,423,553	136,074,822	156,292,682
Amounts receivable on subscription		181,093	169,885	19,763,561	32,471,773
Other receivables		-	-	1,104,029	3,432,252
Bank balances	11	230,823	102,569	171,886,543	656,131,859
Total assets		234,256,442	97,270,113	44,405,797,062	45,468,067,827
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	(7,280,754)	(12,676,547)
Amounts payable on purchase of financial assets at fair value through profit or loss		-	-	(25,498,203)	(50,956,349)
Amounts payable on redemption		(142,120)	(252,261)	(42,027,445)	(54,623,676)
Amounts payable on funds switching		(1,744,084)	(728,619)	(136,074,822)	(156,292,682)
Amounts payable to derivative counterparties		-	-	(30,400,000)	-
Accruals and other payables		(138,414)	(46,554)	(49,709,720)	(51,129,437)
Total liabilities		(2,024,618)	(1,027,434)	(290,990,944)	(325,678,691)
Net assets attributable to members		232,231,824	96,242,679	44,114,806,118	45,142,389,136
Units in issue		229,142,248	93,440,035		
Net asset value per unit		1.0135	1.0300		

On behalf of the Trustee
Bank Consortium Trust Company Limited

Director

Director

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

		BCT (Pro) MPF Conservative Fund		BCT (Pro) E30 Mixed Asset Fund		BCT (Pro) E50 Mixed Asset Fund	
	Note	2018 (HK\$)	2017 (HK\$)	2018 (HK\$)	2017 (HK\$)	2018 (HK\$)	2017 (HK\$)
Investment income							
Dividends from equities	11	-	-	5,879,907	23,232,060	10,586,989	40,653,053
Bank interest	11	169,975	15,866	148,904	49,342	121,565	32,237
Interest income from fixed deposits	11	87,558,427	39,663,545	-	-	-	-
Other income	11	-	332,197	703,150	2,239,394	804,420	2,506,758
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		12,110,249	15,257,851	267,589,546	98,973,754	465,986,383	152,386,165
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		16,143,921	(5,120,898)	(387,482,807)	262,365,189	(683,914,303)	388,670,619
Change in unrealised gain/loss on foreign exchange		-	-	1,731,534	4,010,569	1,449,098	2,818,584
Total investment income/(loss)		115,982,572	50,148,561	(111,429,766)	390,870,308	(204,965,848)	587,067,416
Expenses							
Investment management fees	4(a)	(20,735,605)	(15,581,465)	(15,994,578)	(17,920,383)	(18,062,558)	(19,560,391)
Trustee and administration fees	4(b)	(40,088,837)	(30,560,482)	(24,961,756)	(28,672,612)	(28,190,148)	(31,296,626)
Sub-custodian fees		(17,301)	(18,169)	(509,009)	(1,179,461)	(506,515)	(1,251,908)
Safe custody and bank charges		(232,413)	(293,982)	(154,979)	(471,429)	(179,612)	(540,562)
Legal and other professional fees		(12,296)	-	(16,108)	(27,197)	(16,699)	(27,197)
Auditor's remuneration		(260,515)	(268,758)	(114,990)	(152,301)	(130,168)	(166,868)
Professional indemnity insurance		(53,778)	(43,230)	(23,046)	(24,818)	(26,022)	(27,039)
Miscellaneous expenses		(1,423,369)	(1,070,786)	(612,930)	(622,316)	(689,341)	(676,267)
Total operating expenses		(62,824,114)	(47,836,872)	(42,387,396)	(49,070,517)	(47,801,063)	(53,546,858)
Profit/(loss) before tax		53,158,458	2,311,689	(153,817,162)	341,799,791	(252,766,911)	533,520,558
Withholding tax		-	-	(449,878)	(3,249,823)	(801,772)	(5,482,411)
Total comprehensive income		53,158,458	2,311,689	(154,267,040)	338,549,968	(253,568,683)	528,038,147

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

		BCT (Pro) E70 Mixed Asset Fund		BCT (Pro) Global Bond Fund		BCT (Pro) Global Equity Fund	
	Note	2018 (HK\$)	2017 (HK\$)	2018 (HK\$)	2017 (HK\$)	2018 (HK\$)	2017 (HK\$)
Investment income							
Dividends from equities	11	26,662,668	101,596,630	-	-	528,631	-
Bank interest	11	132,737	25,185	45,050	119	71,518	198
Interest income from fixed deposits	11	-	-	-	-	-	-
Other income	11	1,487,032	4,672,495	1,345,237	3,325,956	2,554,564	6,416,472
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		1,178,353,825	349,664,222	10,638,535	(2,479,288)	459,908,794	79,889,159
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(1,708,261,980)	889,340,191	(8,384,078)	38,883,406	(822,235,785)	202,736,012
Change in unrealised gain/loss on foreign exchange		1,539,975	3,385,656	-	-	(7,196)	-
Total investment (loss)/income		(500,085,743)	1,348,684,379	3,644,744	39,730,193	(359,179,474)	289,041,841
Expenses							
Investment management fees	4(a)	(32,657,976)	(35,598,493)	(3,966,926)	-	(10,118,359)	-
Trustee and administration fees	4(b)	(50,979,135)	(56,957,589)	(9,404,790)	(8,044,146)	(21,073,925)	(16,311,227)
Sub-custodian fees		(559,376)	(1,467,142)	(3,481)	-	(3,904)	-
Safe custody and bank charges		(330,743)	(997,487)	(11,107)	(5,906)	(18,103)	(6,204)
Legal and other professional fees		(20,820)	(27,197)	(2,008)	-	(4,720)	-
Auditor's remuneration		(236,235)	(304,161)	(46,063)	(53,551)	(101,648)	(97,077)
Professional indemnity insurance		(47,001)	(49,174)	(9,382)	(8,697)	(20,439)	(15,637)
Miscellaneous expenses		(1,229,989)	(1,216,942)	(256,108)	(223,238)	(542,344)	(394,950)
Total operating expenses		(86,061,275)	(96,618,185)	(13,699,865)	(8,335,538)	(31,883,442)	(16,825,095)
Profit/(loss) before tax		(586,147,018)	1,252,066,194	(10,055,121)	31,394,655	(391,062,916)	272,216,746
Withholding tax		(1,925,712)	(13,312,750)	-	-	(85,682)	-
Total comprehensive income		(588,072,730)	1,238,753,444	(10,055,121)	31,394,655	(391,148,598)	272,216,746

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

		BCT (Pro) Hong Kong Equity Fund*		BCT (Pro) Asian Equity Fund		BCT (Pro) Flexi Mixed Asset Fund**	
		<u>For the period</u> <u>from 1 January</u> <u>2018 to 21</u> <u>September</u> <u>2018 (date of</u> <u>approval for</u> <u>termination)</u>		<u>For the year</u> <u>ended 31</u> <u>December</u> <u>2017</u>		<u>2018</u> <u>2017</u>	
	<u>Note</u>	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income							
Dividends from equities	11	-	-	910,741	-	-	-
Bank interest	11	484	1,043	4,797	214	1,139	96
Interest income from fixed deposits	11	-	-	-	-	-	-
Other income	11	3,830,009	10,823,536	-	-	-	-
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		1,101,784,368	271,643,240	1,321,482,944	180,963,013	24,202,849	18,276,489
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(1,031,916,224)	963,749,032	(1,766,591,591)	944,956,494	(73,531,893)	47,254,929
Change in unrealised gain/loss on foreign exchange		-	-	-	-	-	-
Total investment income/(loss)		73,698,637	1,246,216,851	(444,193,109)	1,125,919,721	(49,327,905)	65,531,514
Expenses							
Investment management fees	4(a)	-	-	(14,415,298)	-	-	-
Trustee and administration fees	4(b)	(11,349,786)	(31,987,754)	(30,751,436)	(30,754,728)	(9,102,704)	(7,439,915)
Sub-custodian fees		-	-	(941)	-	-	-
Safe custody and bank charges		(1,597)	(5,007)	(5,801)	(9,253)	(8,459)	(8,331)
Legal and other professional fees		-	-	(5,693)	-	(1,928)	-
Auditor's remuneration		(55,936)	(191,406)	(148,110)	(183,777)	(44,901)	(49,968)
Professional indemnity insurance		(9,935)	(30,580)	(29,447)	(29,398)	(9,080)	(8,023)
Miscellaneous expenses		(245,716)	(761,254)	(772,111)	(728,450)	(247,010)	(206,703)
Total operating expenses		(11,662,970)	(32,976,001)	(46,128,837)	(31,705,606)	(9,414,082)	(7,712,940)
Profit/(loss) before tax		62,035,667	1,213,240,850	(490,321,946)	1,094,214,115	(58,741,987)	57,818,574
Withholding tax		-	-	(91,074)	-	-	-
Total comprehensive income		62,035,667	1,213,240,850	(490,413,020)	1,094,214,115	(58,741,987)	57,818,574

*The fund was approved for termination on 21 September 2018

**Formerly known as BCT (Pro) Absolute Return Fund

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

		BCT (Pro) China and Hong Kong Equity Fund		BCT (Pro) European Equity Fund		BCT (Pro) E90 Mixed Asset Fund	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income							
Dividends from equities	11	736,120	-	-	-	78,953	-
Bank interest	11	4,596	338	48,939	73	12,852	93
Interest income from fixed deposits	11	-	-	-	-	-	-
Other income	11	-	-	-	-	568,788	1,471,095
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		1,427,585,326	279,645,851	105,666,701	10,551,449	146,824,658	15,865,807
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(2,743,813,231)	1,394,618,085	(193,790,586)	87,171,908	(234,275,423)	120,712,508
Change in unrealised gain/loss on foreign exchange		-	-	-	-	-	-
Total investment (loss)/income		(1,315,487,189)	1,674,264,274	(88,074,946)	97,723,430	(86,790,172)	138,049,503
Expenses							
Investment management fees	4(a)	(38,653,398)	(24,960,012)	(3,467,671)	(2,970,187)	(2,446,078)	-
Trustee and administration fees	4(b)	(61,249,189)	(40,843,657)	(5,056,465)	(4,860,306)	(5,668,270)	(4,908,298)
Sub-custodian fees		(941)	-	(3,387)	-	(1,270)	-
Safe custody and bank charges		(5,870)	(5,913)	(15,468)	(4,722)	(3,538)	(3,874)
Legal and other professional fees		(13,140)	-	(992)	-	(1,121)	-
Auditor's remuneration		(294,114)	(244,143)	(24,482)	(29,060)	(27,252)	(29,583)
Professional indemnity insurance		(59,499)	(39,042)	(4,849)	(4,648)	(5,442)	(4,686)
Miscellaneous expenses		(1,560,934)	(964,165)	(141,013)	(129,324)	(152,428)	(126,175)
Total operating expenses		(101,837,085)	(67,056,932)	(8,714,327)	(7,998,247)	(8,305,399)	(5,072,616)
Profit/(loss) before tax		(1,417,324,274)	1,607,207,342	(96,789,273)	89,725,183	(95,095,571)	132,976,887
Withholding tax		-	-	-	-	(16,735)	-
Total comprehensive income		(1,417,324,274)	1,607,207,342	(96,789,273)	89,725,183	(95,112,306)	132,976,887

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

		BCT (Pro) International Equity Fund*		BCT (Pro) SaveEasy 2020 Fund		BCT (Pro) SaveEasy 2025 Fund	
		<u>For the period</u> <u>from 1 January</u> <u>2018 to</u> <u>21 September</u> <u>2018 (date of</u> <u>approval for</u> <u>termination)</u>		<u>For the year</u> <u>ended 31</u> <u>December</u>			
	<u>Note</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>
		(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income							
Dividends from equities	11	124,497	-	-	-	-	-
Bank interest	11	81	173	708	66	557	43
Interest income from fixed deposits	11	-	-	-	-	-	-
Other income	11	833,933	2,292,370	1,115,576	940,916	1,156,343	929,189
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		163,638,341	28,563,184	20,712,548	13,172,536	16,860,624	9,372,774
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(159,942,001)	114,989,518	(47,028,196)	55,964,495	(64,695,541)	70,491,831
Change in unrealised gain/loss on foreign exchange		-	-	-	-	-	-
Total investment income/(loss)		4,654,851	145,845,245	(25,199,364)	70,078,013	(46,678,017)	80,793,837
Expenses							
Investment management fees	4(a)	-	-	-	-	-	-
Trustee and administration fees	4(b)	(2,599,656)	(7,120,541)	(3,471,822)	(2,922,501)	(3,598,730)	(2,886,247)
Sub-custodian fees		-	-	-	-	-	-
Safe custody and bank charges		(1,251)	(3,964)	(4,174)	(3,795)	(4,179)	(3,791)
Legal and other professional fees		-	-	(646)	-	(666)	-
Auditor's remuneration		(12,819)	(42,871)	(15,250)	(17,508)	(15,903)	(17,383)
Professional indemnity insurance		(2,277)	(6,798)	(3,078)	(2,795)	(3,191)	(2,755)
Miscellaneous expenses		(59,021)	(179,284)	(91,055)	(79,389)	(93,790)	(78,638)
Total operating expenses		(2,675,024)	(7,353,458)	(3,586,025)	(3,025,988)	(3,716,459)	(2,988,814)
Profit/(loss) before tax		1,979,827	138,491,787	(28,785,389)	67,052,025	(50,394,476)	77,805,023
Withholding tax		(28,782)	-	-	-	-	-
Total comprehensive income		1,951,045	138,491,787	(28,785,389)	67,052,025	(50,394,476)	77,805,023

*The fund was approved for termination on 21 September 2018

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

		BCT (Pro) SaveEasy 2030 Fund		BCT (Pro) SaveEasy 2035 Fund		BCT (Pro) SaveEasy 2040 Fund	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income							
Dividends from equities	11	-	-	-	-	-	-
Bank interest	11	762	44	678	51	1,845	121
Interest income from fixed deposits	11	-	-	-	-	-	-
Other income	11	1,367,595	1,043,768	1,272,507	958,055	2,855,987	2,069,819
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		18,998,442	9,841,017	15,207,760	10,477,497	41,836,894	22,033,594
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(79,838,603)	83,600,701	(74,711,530)	75,939,530	(177,316,755)	165,485,050
Change in unrealised gain/loss on foreign exchange		-	-	-	-	-	-
Total investment (loss)/income		(59,471,804)	94,485,530	(58,230,585)	87,375,133	(132,622,029)	189,588,584
Expenses							
Investment management fees	4(a)	-	-	-	-	-	-
Trustee and administration fees	4(b)	(4,256,205)	(3,242,333)	(3,960,210)	(2,976,080)	(8,888,100)	(6,429,819)
Sub-custodian fees		-	-	-	-	-	-
Safe custody and bank charges		(4,203)	(3,804)	(4,193)	(3,794)	(4,369)	(3,932)
Legal and other professional fees		(786)	-	(739)	-	(1,674)	-
Auditor's remuneration		(18,863)	(19,657)	(17,513)	(18,015)	(39,275)	(39,064)
Professional indemnity insurance		(3,774)	(3,089)	(3,512)	(2,836)	(7,883)	(6,122)
Miscellaneous expenses		(108,770)	(87,126)	(102,070)	(81,055)	(215,343)	(162,311)
Total operating expenses		(4,392,601)	(3,356,009)	(4,088,237)	(3,081,780)	(9,156,644)	(6,641,248)
Profit/(loss) before tax		(63,864,405)	91,129,521	(62,318,822)	84,293,353	(141,778,673)	182,947,336
Withholding tax		-	-	-	-	-	-
Total comprehensive income		(63,864,405)	91,129,521	(62,318,822)	84,293,353	(141,778,673)	182,947,336

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

		BCT (Pro)		BCT (Pro)		BCT (Pro)	
		Hang Seng Index Tracking Fund		Hong Kong Dollar Bond Fund		World Equity Fund	
	Note	2018	2017	2018	2017	2018	2017
		(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income							
Dividends from equities	11	74,679,490	61,084,637	-	-	15,888,886	9,998,982
Bank interest	11	10,061	948	2,970	238	5,258	344
Interest income from fixed deposits	11	-	-	-	-	-	-
Other income	11	-	-	1,214,405	895,084	-	-
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		57,844,498	12,625,731	3,106,189	6,885,038	6,984,363	(2,468,072)
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(368,542,747)	497,104,950	16,934,135	18,489,178	(86,758,515)	68,819,953
Change in unrealised gain/loss on foreign exchange		-	-	-	-	(54,848)	(54,376)
Total investment (loss)/income		(236,008,698)	570,816,266	21,257,699	26,269,538	(63,934,856)	76,296,831
Expenses							
Investment management fees	4(a)	-	-	(3,736,631)	(2,754,105)	-	-
Trustee and administration fees	4(b)	(15,455,891)	(12,042,436)	(6,539,105)	(4,819,684)	(4,866,934)	(2,955,296)
Sub-custodian fees		(87,416)	(66,848)	-	-	(41,882)	(63,416)
Safe custody and bank charges		(50,111)	(42,689)	(8,389)	(8,239)	(54,552)	(43,163)
Legal and other professional fees		(3,620)	-	(1,661)	-	(1,158)	-
Auditor's remuneration		(86,870)	(93,326)	(36,221)	(37,030)	(23,869)	(20,571)
Professional indemnity insurance		(17,617)	(14,771)	(7,458)	(5,932)	(4,863)	(3,147)
Miscellaneous expenses		(1,021,723)	(808,049)	(206,154)	(157,761)	(143,201)	(96,087)
Total operating expenses		(16,723,248)	(13,068,119)	(10,535,619)	(7,782,751)	(5,136,459)	(3,181,680)
Profit/(loss) before tax		(252,731,946)	557,748,147	10,722,080	18,486,787	(69,071,315)	73,115,151
Withholding tax		-	-	-	-	(2,898,538)	(1,888,087)
Total comprehensive income		(252,731,946)	557,748,147	10,722,080	18,486,787	(71,969,853)	71,227,064

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

		BCT (Pro) Greater China Equity Fund		BCT (Pro) RMB Bond Fund		BCT (Pro) Core Accumulation Fund	
	Note	2018 (HK\$)	2017 (HK\$)	2018 (HK\$)	2017 (HK\$)	2018 (HK\$)	2017* (HK\$)
Investment income							
Dividends from equities	11	5,629,425	4,601,244	-	-	-	-
Bank interest	11	3,524	355	758	48	601	17
Interest income from fixed deposits	11	-	-	-	-	-	-
Other income	11	681,756	491,997	1,004,639	585,586	-	-
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		5,664,847	3,392,623	16,284,245	(6,639,942)	4,396,858	1,789,076
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(100,609,567)	181,628,167	(16,004,060)	29,344,848	(41,722,227)	15,145,224
Change in unrealised gain/loss on foreign exchange		-	-	-	-	-	-
Total investment (loss)/income		(88,630,015)	190,114,386	1,285,582	23,290,540	(37,324,768)	16,934,317
Expenses							
Investment management fees	4(a)	-	-	(2,578,467)	(1,505,794)	-	-
Trustee and administration fees	4(b)	(6,817,559)	(4,919,970)	(4,583,942)	(2,676,966)	(2,716,649)	(802,980)
Sub-custodian fees		(34,790)	(39,611)	-	-	-	-
Safe custody and bank charges		(32,379)	(26,997)	(5,209)	(5,481)	(4,723)	-
Legal and other professional fees		(1,355)	-	(960)	-	(934)	-
Auditor's remuneration		(33,713)	(33,601)	(22,477)	(18,264)	(17,516)	-
Professional indemnity insurance		(6,797)	(5,259)	(4,571)	(2,877)	(3,700)	-
Miscellaneous expenses		(192,079)	(145,694)	(134,502)	(85,668)	(108,403)	-
Total operating expenses		(7,118,672)	(5,171,132)	(7,330,128)	(4,295,050)	(2,851,925)	(802,980)
Profit/(loss) before tax		(95,748,687)	184,943,254	(6,044,546)	18,995,490	(40,176,693)	16,131,337
Withholding tax		-	-	-	-	-	-
Total comprehensive income		(95,748,687)	184,943,254	(6,044,546)	18,995,490	(40,176,693)	16,131,337

*For the period from 1 April 2017 (date of commencement of operation) to 31 December 2017

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

	<u>Note</u>	BCT (Pro)		Total	
		Age 65 Plus Fund			
		<u>2018</u>	<u>2017*</u>	<u>2018</u>	<u>2017</u>
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income					
Dividends from equities	11	-	-	141,706,307	241,166,606
Bank interest	11	257	6	790,616	127,258
Interest income from fixed deposits	11	-	-	87,558,427	39,663,545
Other income	11	-	-	22,795,941	41,994,687
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		265,908	306,965	6,893,935,695	1,579,989,733
Change in unrealised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		(2,690,678)	1,466,060	(10,840,980,265)	6,713,806,980
Change in unrealised gain/(loss) on foreign exchange		-	-	4,658,563	10,160,433
Total investment (loss)/income		(2,424,513)	1,773,031	(3,689,534,716)	8,626,909,242
Expenses					
Investment management fees	4(a)	-	-	(166,833,545)	(120,850,830)
Trustee and administration fees	4(b)	(1,060,823)	(236,655)	(366,692,067)	(346,668,848)
Sub-custodian fees		-	-	(1,770,213)	(4,086,555)
Safe custody and bank charges		(4,648)	-	(1,150,070)	(2,502,319)
Legal and other professional fees		(372)	-	(110,096)	(81,591)
Auditor's remuneration		(6,748)	-	(1,831,451)	(2,127,943)
Professional indemnity insurance		(1,442)	-	(368,083)	(341,353)
Miscellaneous expenses		(49,201)	-	(10,398,605)	(9,081,632)
Total operating expenses		(1,123,234)	(236,655)	(549,154,130)	(485,741,071)
Profit/(loss) before tax		(3,547,747)	1,536,376	(4,238,688,846)	8,141,168,171
Withholding tax		-	-	(6,298,173)	(23,933,071)
Total comprehensive income		(3,547,747)	1,536,376	(4,244,987,019)	8,117,235,100

*For the period from 1 April 2017 (date of commencement of operation) to 31 December 2017

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
- CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

	BCT (Pro) MPF Conservative Fund		BCT (Pro) E30 Mixed Asset Fund		BCT (Pro) E50 Mixed Asset Fund	
	2018	2017	2018	2017	2018	2017
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year	5,564,928,251	4,430,975,751	2,964,032,147	2,716,885,848	3,340,398,385	2,860,138,007
Proceeds on units issued	6,167,223,972	3,658,445,762	428,842,226	429,335,484	392,081,703	330,454,351
Payments on units redeemed	(4,270,002,233)	(2,526,804,951)	(523,060,553)	(520,739,153)	(461,936,279)	(378,232,120)
	1,897,221,739	1,131,640,811	(94,218,327)	(91,403,669)	(69,854,576)	(47,777,769)
Total comprehensive income	53,158,458	2,311,689	(154,267,040)	338,549,968	(253,568,683)	528,038,147
Balance at the end of the year	7,515,308,448	5,564,928,251	2,715,546,780	2,964,032,147	3,016,975,126	3,340,398,385
Units outstanding at the beginning of the year	4,964,129,100	3,954,474,452	1,599,832,891	1,650,858,922	1,610,539,943	1,634,773,008
Units issued	5,488,336,854	3,264,011,777	233,226,110	245,015,338	190,607,663	171,723,270
Units redeemed	(3,799,354,658)	(2,254,357,129)	(285,470,981)	(296,041,369)	(225,464,592)	(195,956,335)
Units outstanding at the end of the year	6,653,111,296	4,964,129,100	1,547,588,020	1,599,832,891	1,575,683,014	1,610,539,943

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
- CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

	BCT (Pro) E70 Mixed Asset Fund		BCT (Pro) Global Bond Fund		BCT (Pro) Global Equity Fund	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year	6,151,545,910	5,125,583,596	1,058,536,013	937,362,618	1,993,217,434	1,559,900,029
Proceeds on units issued	447,358,115	394,153,825	590,106,488	338,126,687	1,554,262,925	512,004,629
Payments on units redeemed	(731,326,070)	(606,944,955)	(418,573,906)	(248,347,947)	(625,357,784)	(350,903,970)
	(283,967,955)	(212,791,130)	171,532,582	89,778,740	928,905,141	161,100,659
Total comprehensive income	(588,072,730)	1,238,753,444	(10,055,121)	31,394,655	(391,148,598)	272,216,746
Balance at the end of the year	5,279,505,225	6,151,545,910	1,220,013,474	1,058,536,013	2,530,973,977	1,993,217,434
Units outstanding at the beginning of the year	2,803,001,818	2,908,600,609	678,255,744	620,551,731	668,212,085	609,469,515
Units issued	206,114,172	198,718,876	378,941,819	217,445,719	524,735,533	184,075,806
Units redeemed	(336,799,048)	(304,317,667)	(269,559,706)	(159,741,706)	(214,015,416)	(125,333,236)
Units outstanding at the end of the year	2,672,316,942	2,803,001,818	787,637,857	678,255,744	978,932,202	668,212,085

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
- CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

	BCT (Pro) Hong Kong Equity Fund*		BCT (Pro) Asian Equity Fund		BCT (Pro) Flexi Mixed Asset Fund**	
	<u>For the period</u> <u>from</u> <u>1 January 2018 to</u> <u>21 September</u> <u>2018 (date of</u> <u>approval for</u> <u>termination)</u>		<u>For the year</u> <u>ended 31</u> <u>December 2017</u>		<u>2018</u> <u>2017</u> <u>2018</u> <u>2017</u>	
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the period/year	4,109,813,731	2,965,852,380	3,924,776,873	2,741,210,763	1,043,855,241	821,453,411
Proceeds on units issued	616,482,572	1,396,420,653	753,254,072	734,702,414	523,325,650	372,774,877
Payments on units redeemed	(4,788,331,970)	(1,465,700,152)	(904,392,938)	(645,350,419)	(384,711,148)	(208,191,621)
	(4,171,849,398)	(69,279,499)	(151,138,866)	89,351,995	138,614,502	164,583,256
Total comprehensive income	62,035,667	1,213,240,850	(490,413,020)	1,094,214,115	(58,741,987)	57,818,574
Balance at the end of the period/year	-	4,109,813,731	3,283,224,987	3,924,776,873	1,123,727,756	1,043,855,241
Units outstanding at the beginning of the period/year	902,468,514	921,372,753	1,069,233,392	1,040,960,488	673,048,982	563,961,605
Units issued	129,935,860	353,820,484	210,225,114	227,401,889	341,461,811	247,002,144
Units redeemed	(1,032,404,374)	(372,724,723)	(252,623,807)	(199,128,985)	(252,462,118)	(137,914,767)
Units outstanding at the end of the period/year	-	902,468,514	1,026,834,699	1,069,233,392	762,048,675	673,048,982

*The fund was approved for termination on 21 September 2018

**Formerly known as BCT (Pro) Absolute Return Fund

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
- CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

	BCT (Pro) China and Hong Kong Equity Fund		BCT (Pro) European Equity Fund		BCT (Pro) E90 Mixed Asset Fund	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year	5,224,614,546	3,770,878,557	618,974,541	461,247,355	659,257,932	431,836,487
Proceeds on units issued	6,484,571,978	1,112,215,510	289,198,861	308,930,847	220,361,090	188,366,257
Payments on units redeemed	(2,672,158,921)	(1,265,686,863)	(288,820,122)	(240,928,844)	(158,750,791)	(93,921,699)
	3,812,413,057	(153,471,353)	378,739	68,002,003	61,610,299	94,444,558
Total comprehensive income	(1,417,324,274)	1,607,207,342	(96,789,273)	89,725,183	(95,112,306)	132,976,887
Balance at the end of the year	7,619,703,329	5,224,614,546	522,564,007	618,974,541	625,755,925	659,257,932
Units outstanding at the beginning of the year	4,363,760,422	4,511,153,130	459,798,611	406,943,776	284,111,171	238,557,227
Units issued	5,534,587,044	1,080,506,169	217,143,621	244,440,945	96,340,376	90,674,723
Units redeemed	(2,340,982,340)	(1,227,898,877)	(217,711,904)	(191,586,110)	(70,064,409)	(45,120,779)
Units outstanding at the end of the year	7,557,365,126	4,363,760,422	459,230,328	459,798,611	310,387,138	284,111,171

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
- CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

	BCT (Pro) International Equity Fund*		BCT (Pro) SaveEasy 2020 Fund		BCT (Pro) SaveEasy 2025 Fund	
	<u>For the period</u> <u>from</u> <u>1 January 2018 to</u> <u>21 September</u> <u>2018 (date of</u> <u>approval for</u> <u>termination)</u>		<u>For the year</u> <u>ended 31</u> <u>December 2017</u>		<u>2018</u> <u>2017</u> <u>2018</u> <u>2017</u>	
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the period/year	945,174,649	610,652,813	376,404,333	271,826,927	386,281,972	250,664,085
Proceeds on units issued	105,846,885	398,452,887	144,613,540	113,530,727	125,012,651	105,630,836
Payments on units redeemed	(1,052,972,579)	(202,422,838)	(111,809,787)	(76,005,346)	(80,439,200)	(47,817,972)
	(947,125,694)	196,030,049	32,803,753	37,525,381	44,573,451	57,812,864
Total comprehensive income	1,951,045	138,491,787	(28,785,389)	67,052,025	(50,394,476)	77,805,023
Balance at the end of the period/year	-	945,174,649	380,422,697	376,404,333	380,460,947	386,281,972
Units outstanding at the beginning of the period/year	389,038,379	300,671,541	162,780,830	145,086,998	159,047,074	132,179,640
Units issued	42,890,892	178,154,688	63,146,860	54,123,221	52,054,157	48,631,455
Units redeemed	(431,929,271)	(89,787,850)	(48,816,111)	(36,429,389)	(33,468,596)	(21,764,021)
Units outstanding at the end of the period/year	-	389,038,379	177,111,579	162,780,830	177,632,635	159,047,074

*The fund was approved for termination on 21 September 2018

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
– CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

	BCT (Pro) SaveEasy 2030 Fund		BCT (Pro) SaveEasy 2035 Fund		BCT (Pro) SaveEasy 2040 Fund	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year	452,307,348	269,347,124	411,998,816	250,007,598	911,169,108	525,216,956
Proceeds on units issued	150,062,855	142,977,985	145,487,350	132,306,262	414,271,299	325,147,978
Payments on units redeemed	(97,782,670)	(51,147,282)	(79,385,289)	(54,608,397)	(241,690,662)	(122,143,162)
	52,280,185	91,830,703	66,102,061	77,697,865	172,580,637	203,004,816
Total comprehensive income	(63,864,405)	91,129,521	(62,318,822)	84,293,353	(141,778,673)	182,947,336
Balance at the end of the year	440,723,128	452,307,348	415,782,055	411,998,816	941,971,072	911,169,108
Units outstanding at the beginning of the year	186,285,065	143,701,084	171,422,777	135,054,788	366,541,196	274,741,965
Units issued	62,585,110	66,074,905	61,293,400	61,734,214	169,112,327	146,809,916
Units redeemed	(41,069,050)	(23,490,924)	(33,710,163)	(25,366,225)	(99,281,838)	(55,010,685)
Units outstanding at the end of the year	207,801,125	186,285,065	199,006,014	171,422,777	436,371,685	366,541,196

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
– CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

	BCT (Pro) Hang Seng Index Tracking Fund		BCT (Pro) Hong Kong Dollar Bond Fund		BCT (Pro) World Equity Fund	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year	2,085,767,449	1,383,717,685	784,434,366	596,244,209	523,124,936	216,250,830
Proceeds on units issued	2,347,674,032	1,290,182,030	790,132,632	525,611,487	515,464,006	353,018,235
Payments on units redeemed	(1,952,820,852)	(1,145,880,413)	(551,323,686)	(355,908,117)	(321,506,122)	(117,371,193)
	394,853,180	144,301,617	238,808,946	169,703,370	193,957,884	235,647,042
Total comprehensive income	(252,731,946)	557,748,147	10,722,080	18,486,787	(71,969,853)	71,227,064
Balance at the end of the year	2,227,888,683	2,085,767,449	1,033,965,392	784,434,366	645,112,967	523,124,936
Units outstanding at the beginning of the year	1,248,893,596	1,154,444,139	678,104,214	532,196,630	305,382,482	154,417,829
Units issued	1,440,410,578	882,598,686	690,407,769	454,070,210	299,410,167	225,005,631
Units redeemed	(1,191,954,290)	(788,149,229)	(482,295,740)	(308,162,626)	(188,248,232)	(74,040,978)
Units outstanding at the end of the year	1,497,349,884	1,248,893,596	886,216,243	678,104,214	416,544,417	305,382,482

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
– CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

	BCT (Pro) Greater China Equity Fund		BCT (Pro) RMB Bond Fund		BCT (Pro) Core Accumulation Fund	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017*</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year/period	789,438,458	438,389,664	418,610,634	277,809,874	307,483,384	-
Proceeds on units issued	482,077,807	393,788,766	541,805,793	243,952,764	512,418,762	357,000,462
Payments on units redeemed	(352,054,713)	(227,683,226)	(377,555,619)	(122,147,494)	(217,306,261)	(65,648,415)
	130,023,094	166,105,540	164,250,174	121,805,270	295,112,501	291,352,047
Total comprehensive income	(95,748,687)	184,943,254	(6,044,546)	18,995,490	(40,176,693)	16,131,337
Balance at the end of the year/period	823,712,865	789,438,458	576,816,262	418,610,634	562,419,192	307,483,384
Units outstanding at the beginning of the year/period	487,471,652	371,655,108	431,457,144	302,959,713	281,952,273	-
Units issued	298,351,037	274,085,728	550,818,652	257,470,023	470,260,023	344,463,593
Units redeemed	(219,632,344)	(158,269,184)	(385,598,380)	(128,972,592)	(200,436,500)	(62,511,320)
Units outstanding at the end of the year/ period	566,190,345	487,471,652	596,677,416	431,457,144	551,775,796	281,952,273

*For the period from 1 April 2017 (date of commencement of operation) to 31 December 2017

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS
– CONSTITUENT FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

	BCT (Pro)		Total	
	Age 65 Plus Fund			
	<u>2018</u>	<u>2017*</u>	<u>2018</u>	<u>2017</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year/period	96,242,679	-	45,142,389,136	33,913,452,567
Proceeds on units issued	271,322,470	126,656,781	25,013,259,734	14,284,188,496
Payments on units redeemed	(131,785,578)	(31,950,478)	(21,795,855,733)	(11,172,487,027)
	139,536,892	94,706,303	3,217,404,001	3,111,701,469
Total comprehensive income	(3,547,747)	1,536,376	(4,244,987,019)	8,117,235,100
Balance at the end of the year/period	232,231,824	96,242,679	44,114,806,118	45,142,389,136
Units outstanding at the beginning of the year/period	93,440,035	-		
Units issued	264,509,324	124,808,405		
Units redeemed	(128,807,111)	(31,368,370)		
Units outstanding at the end of the year/ period	229,142,248	93,440,035		

*For the period from 1 April 2017 (date of commencement of operation) to 31 December 2017

The notes on pages 132 to 256 are an integral part of the financial statements.

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

1. The Plan

(a) Background information

BCT (MPF) Pro Choice (the “Plan”) was established and is governed by its Trust Deed dated 31 January 2000. The Trust Deed was subsequently amended and superseded by a deed of substitution and adherence dated 1 June 2011, which was further amended by first supplemental deed dated 24 November 2011, second supplemental deed dated 29 May 2012, third supplemental deed dated 1 November 2012, fourth supplemental deed dated 19 March 2014, fifth supplemental deed dated 21 December 2015, sixth supplemental deed dated 1 December 2016, seventh supplemental deed dated 22 June 2017 and eighth supplemental deed dated 1 April 2019. The Plan is registered under Section 21 of the Hong Kong Mandatory Provident Fund Schemes Ordinance (the “Ordinance”) and is required to comply with the Ordinance and the relevant regulations, guidelines and codes issued by the Mandatory Provident Fund Schemes Authority.

The financial information of the Plan comprises (i) the statement of net assets available for benefits as at 31 December 2018, and the statement of changes in net assets available for benefits and statement of cash flows for the year ended 31 December 2018 of the Plan on a standalone basis; and (ii) the statement of net assets as at 31 December 2018, and the statement of comprehensive income and statement of changes in net assets attributable to members for the year ended 31 December 2018 of each of its constituent funds except for the financial statements of BCT (Pro) Hong Kong Equity Fund and BCT (Pro) International Equity Fund which are prepared for the period from 1 January 2018 to 21 September 2018 (date of approval for termination of the two constituent funds).

As at 31 December 2018, the Plan offered the Default Investment Strategy and twenty-three constituent funds (2017: twenty-five), namely, BCT (Pro) MPF Conservative Fund, BCT (Pro) E30 Mixed Asset Fund, BCT (Pro) E50 Mixed Asset Fund, BCT (Pro) E70 Mixed Asset Fund, BCT (Pro) Global Bond Fund, BCT (Pro) Global Equity Fund, BCT (Pro) Asian Equity Fund, BCT (Pro) Flexi Mixed Asset Fund (formerly known as BCT (Pro) Absolute Return Fund)*, BCT (Pro) China and Hong Kong Equity Fund, BCT (Pro) European Equity Fund, BCT (Pro) E90 Mixed Asset Fund, BCT (Pro) SaveEasy 2020 Fund, BCT (Pro) SaveEasy 2025 Fund, BCT (Pro) SaveEasy 2030 Fund, BCT (Pro) SaveEasy 2035 Fund, BCT (Pro) SaveEasy 2040 Fund, BCT (Pro) Hang Seng Index Tracking Fund, BCT (Pro) Hong Kong Dollar Bond Fund, BCT (Pro) World Equity Fund, BCT (Pro) Greater China Equity Fund, BCT (Pro) RMB Bond Fund, BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund. BCT (Pro) Hong Kong Equity Fund and BCT (Pro) International Equity Fund were approved for termination on 21 September 2018.

* With effect from 30 November 2018, the name of the constituent fund “BCT (Pro) Absolute Return Fund” was changed to “BCT (Pro) Flexi Mixed Asset Fund” as a result of the name change of its underlying investment from “Allianz Choice Absolute Return Fund” to “Allianz Choice Flexi Balanced Fund” in order to align the name with its investment objective.

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

1. The Plan (continued)

(b) Scheme restructuring

Pursuant to the “Notice to Participating Employers and Members” of the Plan dated 20 December 2017, the Plan would commence its restructuring (the “Scheme Restructuring”) on 23 April 2018 (the “Effective Date”) by terminating two constituent funds, namely BCT (Pro) Hong Kong Equity Fund and BCT (Pro) International Equity Fund (collectively, the “Terminating Constituent Funds”), and changing the structure of nine constituent funds, namely BCT (Pro) Global Bond Fund, BCT (Pro) Global Equity Fund, BCT (Pro) Asian Equity Fund, BCT (Pro) China and Hong Kong Equity Fund, BCT (Pro) European Equity Fund, BCT (Pro) E90 Mixed Asset Fund, BCT (Pro) E70 Mixed Asset Fund, BCT (Pro) E50 Mixed Asset Fund and BCT (Pro) E30 Mixed Asset Fund (collectively, the “Relevant Constituent Funds”), into portfolio management funds (i.e. funds of funds), whereby each of them invested in a portfolio of approved pooled investment funds (“APIFs”) selected from the investment funds (the “Investment Funds”) of the BCT Pooled Investment Fund Series (the “BCT APIF Series”). BCT APIF Series commenced its operations on 26 April 2018.

The expenses, costs, fees and charges incurred in connection with the Scheme Restructuring would be borne by BCT Financial Limited, being the sponsor of the Plan. No other costs in relation to the Scheme Restructuring would be charged to the Investment Funds, Relevant Constituent Funds and the Plan and its members.

Termination consolidation

On the Effective Date, the remaining assets of BCT (Pro) Hong Kong Equity Fund and BCT (Pro) International Equity Fund were consolidated with BCT (Pro) China and Hong Kong Equity Fund and BCT (Pro) Global Equity Fund, respectively. In order to achieve the termination consolidation process, the Trustee redeemed all the units in the Terminating Constituent Funds and apply the redemption value to subscribe for units in BCT (Pro) China and Hong Kong Equity Fund and BCT (Pro) Global Equity Fund on Effective Date by way of “in-specie” transfers.

In-specie transfers refer to transfers of underlying assets of underlying external APIFs directly invested in by the Terminating Constituent Funds to the Investment Funds of the BCT APIF Series selected for investment by the specific Relevant Constituent Funds without the actual realisation of such asset for cash. Such in-specie transfers in the termination consolidation process represented non-cash transactions on the constituent funds layer of the Plan in connection with the Terminating Constituent Funds and the Relevant Constituent Funds. In addition, cash and cash equivalent in the investment portfolios of external APIFs and investments which were not applicable for in-specie transfer were transferred to the Relevant Constituent Funds in form of cash during the termination consolidation.

The termination and cancellation of approval status of the Terminating Constituent Funds was approved by the Mandatory Provident Fund Schemes Authority on 21 September 2018.

BCT (MPF) PRO CHOICE**NOTES TO THE FINANCIAL STATEMENTS****1. The Plan (continued)****(b) Scheme restructuring (continued)****Termination consolidation (continued)**

The following table shows the amount transferred from the Terminating Constituent Funds to BCT (Pro) China and Hong Kong Equity Fund and BCT (Pro) Global Equity Fund in the termination consolidation, categorised by cash and in-specie transfers.

Terminating Constituent Funds

	Cash	Investments	
	transferred out	transferred out	Total
		in-specie	
	HK\$	HK\$	HK\$
BCT (Pro) Hong Kong Equity Fund	323,470,254	3,517,329,652	3,840,799,906
BCT (Pro) International Equity Fund	228,974,468	665,963,174	894,937,642

The termination consolidation was considered as fund switching between the Terminating Constituent Funds, BCT (Pro) China and Hong Kong Equity Fund and BCT (Pro) Global Equity Fund. There was no non-cash transaction which impacted on the statement of cash flow of the Plan for the year ended 31 December 2018.

Restructuring transition

Before the Scheme Restructuring, the Relevant Constituent Funds were either feeder fund (constituent funds which invested in a single external APIF) or internal portfolio fund (constituent funds which invested directly in portfolio of equities and / or fixed income securities). The transition (the “Restructuring Transition”) of the Relevant Constituent Funds from feeder fund and internal portfolio fund to portfolio management fund with underlying APIFs selected from the Investment Funds of the BCT APIF Series took place after the Scheme Restructuring. From the Restructuring Transition, the Relevant Constituent Funds performed in-specie redemption of underlying external APIF units or direct investment holdings without the actual realisation of the same for cash and subscription of units of underlying APIFs selected from the Investment Funds of the BCT APIF Series. Such subscriptions in-specie were recognised as non-cash transactions between the Relevant Constituent Funds and the Investment Funds of BCT APIF Series in the relevant Investment Funds of BCT APIF Series. In addition, cash and cash equivalent and investments which were not applicable for in-species transfer in the investment portfolios of external APIFs were transferred to the Investment Funds of BCT APIF Series as cash subscription on the initial offering of the Investment Funds.

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

1. The Plan (continued)

(b) Scheme restructuring (continued)

Restructuring transition (continued)

The following table shows the subscriptions from each Relevant Constituent Fund to the Investment Funds of BCT APIF Series on 26 April 2018 (date of commencement of operations for BCT APIF Series), categorised by cash and in-specie subscriptions.

Relevant Constituent Fund	Cash subscription HK\$	In-specie subscription HK\$	Total HK\$
BCT (Pro) Global Bond Fund	468,562,809	715,253,478	1,183,816,287
BCT (Pro) China and Hong Kong Equity Fund*	420,408,037	8,606,639,695	9,027,047,732
BCT (Pro) Asian Equity Fund	1,598,390,009	2,242,970,903	3,841,360,912
BCT (Pro) European Equity Fund	84,464,469	540,058,002	624,522,471
BCT (Pro) Global Equity Fund*	806,033,052	2,035,840,935	2,841,873,987
BCT (Pro) E30 Mixed Asset Fund	530,272,049	2,448,064,817	2,978,336,866
BCT (Pro) E50 Mixed Asset Fund	501,949,403	2,852,909,681	3,354,859,084
BCT (Pro) E70 Mixed Asset Fund	738,571,585	5,349,643,989	6,088,215,574
BCT (Pro) E90 Mixed Asset Fund	260,213,292	428,650,776	688,864,068

* The amounts included the subscriptions from the termination consolidation in relation to the Terminating Constituent Funds.

The restructuring transition was considered as change in investment choices at the Relevant Constituent Funds. There was no non-cash transaction which impacted on the statement of cash flow of the Plan for the year ended 31 December 2018.

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 consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires the Trustee to exercise its judgment in the process of applying the Plan's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

All references to net assets throughout the financial statements refer to net assets attributable to members unless otherwise stated.

Standards and amendments to existing standards effective for the financial period beginning 1 January 2018

HKFRS 9 'Financial Instruments' became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in HKAS 39.

Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest ("SPPI"). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. HKFRS 9 also introduces a new expected credit loss ("ECL") impairment model.

HKFRS 9 has been applied by the Plan and its constituent funds and did not result in a change to the classification or measurement of financial instruments. The Plan and its constituent funds' investment portfolios continue to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

There are no other standards, amendments to standards or interpretations that are effective for the financial period beginning on 1 January 2018 that have a material effect on the financial statements of the Plan and its constituent funds.

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

New standards, amendments and interpretations effective after the financial period beginning 1 January 2018 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for the financial period beginning after 1 January 2018, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Plan and its constituent funds.

(b) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the year end date.

Foreign exchange gains and losses arising from translation are included in the statement of changes in net assets available for benefits for the Plan and its constituent funds and the statement of comprehensive income for the constituent funds.

Foreign exchange gains and losses relating to bank balances are presented in the statement of changes in net assets available for benefits for the Plan and its constituent funds and the statement of comprehensive income for the constituent funds within “change in unrealised gain/loss on foreign exchange”.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of changes in net assets available for benefits for the Plan and its constituent funds and the statement of comprehensive income for the constituent funds within “change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments” and “net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments”.

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

(c) Financial assets at fair value through profit or loss

(i) Classification

The Plan and its constituent funds classify their investments based on both the Plan's and its constituent funds' business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Plan and its constituent funds are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The Plan and its constituent funds have not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Plan's and its constituent funds' debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Plan's and its constituent funds' business model's objective. Consequently, all investments are measured at fair value through profit or loss.

As such, the Plan and its constituent funds classify all of their investment portfolio as financial assets as fair value through profit or loss.

The Plan's and its constituent funds' policy requires the investment managers and the Trustee to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

(ii) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Plan and its constituent funds commit to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Plan and its constituent funds have transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of changes in net assets available for benefits for the Plan and its constituent funds and statement of comprehensive income for the constituent funds within other net changes in fair value of financial assets and liabilities at fair value through profit or loss in the period in which they arise.

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

(c) Financial assets at fair value through profit or loss (continued)

(ii) Recognition, derecognition and measurement (continued)

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of changes in net assets available for benefits for the Plan and its constituent funds and statement of comprehensive income for the constituent funds within dividend income when the Plan's and its constituent funds' right to receive payments is established.

Debt securities and certificates of deposit are fair valued based on quoted market price inclusive of accrued interest. Interest on debt securities and certificates of deposit at fair value through profit or loss is recognised in the statement of comprehensive income.

(iii) Fair value estimation

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. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date.

For the year ended 31 December 2017 and for the period from 1 January 2018 to 25 April 2018, the quoted market price used for financial assets and liabilities held by the Plan and its constituent funds is the current bid price and the current asking price respectively. Pursuant to the seventh supplemental deed of the Trust Deed of BCT (MPF) Pro Choice dated on 22 June 2017, with effect from 26 April 2018, the Plan and its constituent funds utilise the last traded price for both financial assets and financial liabilities where the last traded price falls within the bid-offer spread. In circumstances where the last traded price is not within the bid-offer spread, investment managers of the constituent funds will determine the point within the bid-offer spread that is most representative of fair value. The Trustee considered that the effect of the above mentioned accounting policy change in the fair value estimation had no material impact on the statement of net assets available for benefits of the Plan and its constituent funds as at 31 December 2017 and did not have a material impact on the opening balance of the financial statements of the Plan and its constituent funds for the year ended 31 December 2017. As a result, the opening balance of the financial statements of the Plan and its constituent funds during the year ended 31 December 2017 has not been restated.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Plan and its constituent funds use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent ordinary transactions between market participants, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Investments in approved pooled investment funds are valued at their respective closing net asset value per unit as provided by their respective fund administrators.

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

(c) Financial assets at fair value through profit or loss (continued)

(iv) Transfer between levels

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

(d) Derivative financial instruments

Derivative financial instruments represent outstanding forward foreign exchange contracts. Derivatives are recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value.

Outstanding forward foreign exchange contracts are fair valued at the year end date by reference to the forward rate of exchange applicable to the outstanding term of the contract. Unrealised gains or losses on outstanding contracts and realised gains and losses on closed contracts are included under the headings “change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments” and “net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments” respectively in the statement of changes in net assets available for benefits for the Plan and its constituent funds and the statement of comprehensive income for the constituent funds. Derivative financial instruments are carried as assets when fair value is positive and as liabilities when fair value is negative.

(e) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of net assets available for benefits for the Plan and its constituent funds and statement of net assets for the constituent funds when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(f) Income and expenses

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents.

Dividend income is recognised when the right to receive payment is established and the corresponding foreign withholding taxes are recorded as withholding tax in the statement of comprehensive income.

Other income and expenses are accounted for on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS

(g) Subscription and redemption of units

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

(h) Cash and cash equivalents

Cash comprises bank balances. Cash equivalents comprise fixed deposits which were within three months of maturity at the time of placement, and short term, highly liquid investments which are readily converted into known amounts of cash without notice and which were within three months of maturity when acquired.

(i) Amounts receivable on sale/payable on purchase of financial assets at fair value through profit or loss

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Plan and its constituent funds shall measure the loss allowance on amounts due from counterparties at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Plan and its constituent funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparties, probability that the counterparties will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. A significant increase in credit risk is defined by the Trustee as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

Amounts receivable on sale and payable on purchase of financial assets at fair value through profit or loss represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled by the end of the year.

Accounts receivable on sale and payable on purchase of financial assets at fair value through profit or loss are classified as current assets or liabilities if the collection of receivable or payment is due within one year or less. If not, they are presented as non-current assets or liabilities.

(j) Amounts payable to derivative counterparties

Certain constituent funds invest in forward foreign exchange contracts which require them to have an obligation to pay the loss return derived from these derivatives to the relevant derivative counterparties and the derivative counterparties will have an obligation to pay the gain return derived from these derivatives to each of the constituent funds. The movement of the derivatives will be marked to market daily, which will determine whether the relevant constituent funds receive from or pay cash to the derivative counterparties on a daily basis.

NOTES TO THE FINANCIAL STATEMENTS

(k) Contributions and benefits

Contributions and benefits are accounted for on an accrual basis.

(l) Transfers in and transfers out

Transfers in amounts are accounted for when the right to receive payment is established. Transfers out amounts are accounted for when the obligation to make payment is established.

(m) Forfeitures

If a member ceases to be a member, the part of the employer's voluntary balance not otherwise disposed of in accordance with the rules of the Plan may be applied in reducing the future contributions of the employer, or in such other manner as the Trustee may determine, having consulted the employers (including payment to the employers). Forfeitures arising from such cases which have not been designated for the benefit of existing members and which have not been returned to the employers would be treated as liabilities of the Plan.

(n) Redeemable units

The constituent funds issue redeemable units, which are redeemable at the members' option represents puttable financial instruments of the constituent funds. The puttable financial instruments are classified as equity in accordance with HKAS 32 (Amendment), "Financial instruments: Presentation" as those puttable financial instruments meet all the following criteria:

- (i) The puttable instruments entitle the holder to a pro-rata share of net assets
- (ii) The puttable instruments are the most subordinated unit in issue and unit features are identical
- (iii) There are no contractual obligations to deliver cash or another financial assets
- (iv) The total expected cash flows from the puttable instrument over its life are based substantially on the profit or loss of these constituent funds.

The BCT (Pro) MPF Conservative Fund, BCT (Pro) E30 Mixed Asset Fund, BCT (Pro) E50 Mixed Asset Fund, BCT (Pro) E70 Mixed Asset Fund, BCT (Pro) Global Bond Fund, BCT (Pro) Global Equity Fund, BCT (Pro) Hong Kong Equity Fund ((approved for termination on 21 September 2018), BCT (Pro) Asian Equity Fund, BCT (Pro) Flexi Mixed Asset Fund (formerly known as BCT (Pro) Absolute Return Fund), BCT (Pro) China and Hong Kong Equity Fund, BCT (Pro) European Equity Fund, BCT (Pro) E90 Mixed Asset Fund, BCT (Pro) International Equity Fund (approved for termination on 21 September 2018), BCT (Pro) SaveEasy 2020 Fund, BCT (Pro) SaveEasy 2025 Fund, BCT (Pro) SaveEasy 2030 Fund, BCT (Pro) SaveEasy 2035 Fund, BCT (Pro) SaveEasy 2040 Fund, BCT (Pro) Hang Seng Index Tracking Fund, BCT (Pro) Hong Kong Dollar Bond Fund, BCT (Pro) World Equity Fund, BCT (Pro) Greater China Equity Fund, BCT (Pro) RMB Bond Fund, BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund issue one class of redeemable units, which are redeemable at the member's option and are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS

(n) Redeemable units (continued)

Redeemable units can be put back to the constituent funds at any time for cash equal to a proportionate share of each constituent fund's net asset value attributable to members in accordance with the Trust Deed and Principal Brochure.

Redeemable units are issued or redeemed at the members' option at prices based on the respective constituent funds' net asset value per unit as at the close of business on the relevant dealing day. The net asset value per unit of the respective constituent funds is calculated by dividing the net assets attributable to members with the total number of outstanding units of the respective constituent funds.

(o) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Plan and its constituent funds consider all of their investments in Approved Pooled Investment Funds ("APIFs") and index tracking collective investment schemes ("ITCISs") to be investments in unconsolidated structured entities. The Plan and its constituent funds invest in APIFs and ITCISs whose objectives are specified in Note 7. The APIFs and ITCISs are managed by unrelated investment managers and apply various investment strategies to accomplish their respective investment objectives. The APIFs and ITCISs finance their operations by issuing redeemable units which are puttable at the holder's option and entitles the holder to a proportional stake in the respective fund's net assets. The Plan and its constituent funds hold redeemable units in each of its APIFs and ITCISs.

The change in fair value of each APIF and ITCIS is included under the heading "change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments" in the statement of changes in net assets available for benefits for the Plan and its constituent funds and the statement of comprehensive income for the constituent funds.

NOTES TO THE FINANCIAL STATEMENTS

3. Critical accounting estimates and assumptions

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 unlisted / quoted investments

The Plan and its constituent funds hold a number of unlisted/quoted investments, for example debt securities, and derivatives that are valued by reference to broker quotes or relevant available market information. In determining the fair value of such investments, the Trustee exercises judgments and estimates on the sources of brokers, the quantity and quality of quotes used and the relevant available market information. Such quotes or relevant available market information adopted to fair value the investments may be indicative and not executable or legally binding. As such, the fair values do not necessarily indicate the price at which the investments could actually be traded at as of 31 December 2018 and 2017. Actual transacted prices may differ from the quotes provided by the brokers or estimates made based on the relevant available market information. The Trustee considers that in the absence of any other reliable market sources, the broker quotes and the relevant market information available to them reflect the best estimate of fair value.

4. Fees**(a) Investment management fees**Prior to 23 April 2018

The investment managers, Allianz Global Investors Asia Pacific Limited, Invesco Hong Kong Limited, Schroder Investment Management (Hong Kong) Limited and JPMorgan Funds (Asia) Limited, are entitled to receive a fee calculated on the daily net asset value of the respective constituent funds of MPF Conservative Fund, E30 Mixed Asset Fund, E50 Mixed Asset Fund, E70 Mixed Asset Fund, China and Hong Kong Equity Fund, European Equity Fund, Hong Kong Dollar Bond Fund and RMB Bond Fund at an annual rate between 0.3% and 0.625% (2017: between 0.3% and 0.625%).

The investment management fees for the Global Bond Fund, Global Equity Fund, Hong Kong Equity Fund (approved for termination on 21 September 2018), Asian Equity Fund, Flexi Mixed Asset Fund (formerly known as Absolute Return Fund), E90 Mixed Asset Fund, International Equity Fund (approved for termination on 21 September 2018), SaveEasy 2020 Fund, SaveEasy 2025 Fund, SaveEasy 2030 Fund, SaveEasy 2035 Fund, SaveEasy 2040 Fund, Hang Seng Index Tracking Fund, World Equity Fund, Greater China Equity Fund, Core Accumulation Fund and Age 65 Plus Fund, managed by FIL Investment Management (Hong Kong) Limited, Franklin Templeton Investments (Asia) Limited, Schroder Investment Management (Hong Kong) Limited, Allianz Global Investors Asia Pacific Limited, State Street Global Advisors Asia Limited and Invesco Hong Kong Limited are charged at their respective underlying approved pooled investment funds or index tracking collective investment schemes.

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

From 23 April 2018

The investment managers, Amundi Hong Kong Limited, Invesco Hong Kong Limited and JPMorgan Funds (Asia) Limited, are entitled to receive a fee calculated at an annual rate between 0.3% and 0.58% on the daily net asset value of the respective constituent funds other than the Flexi Mixed Asset Fund (formerly known as Absolute Return Fund), SaveEasy 2020 Fund, SaveEasy 2025 Fund, SaveEasy 2030 Fund, SaveEasy 2035 Fund, SaveEasy 2040 Fund, Hang Seng Index Tracking Fund, World Equity Fund, Greater China Equity Fund, Core Accumulation Fund and Age 65 Plus Fund (the “other constituent funds”).

The investment management fees for other constituent funds, managed by FIL Investment Management (Hong Kong) Limited, Allianz Global Investors Asia Pacific Limited, State Street Global Advisors Asia Limited and Invesco Hong Kong Limited are charged at their respective underlying approved pooled investment funds or index tracking collective investment schemes.

The investment management fees payable as at year end were as follows:

	2018 HK\$	2017 HK\$
BCT (Pro) MPF Conservative Fund	1,910,793	1,476,037
BCT (Pro) E30 Mixed Asset Fund	1,198,844	1,565,530
BCT (Pro) E50 Mixed Asset Fund	1,337,516	1,758,005
BCT (Pro) E70 Mixed Asset Fund	2,350,675	3,235,338
BCT (Pro) Global Bond Fund	491,241	-
BCT (Pro) Global Equity Fund	1,140,951	-
BCT (Pro) Hong Kong Equity Fund*	-	-
BCT (Pro) Asian Equity Fund	1,626,547	-
BCT (Pro) Flexi Mixed Asset Fund (formerly known as BCT (Pro) Absolute Return Fund)	-	-
BCT (Pro) China and Hong Kong Equity Fund	3,332,802	2,390,871
BCT (Pro) European Equity Fund	261,031	285,640
BCT (Pro) E90 Mixed Asset Fund	279,632	-

*The fund was approved for termination on 21 September 2018

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

	2018 HK\$	2017 HK\$
BCT (Pro) International Equity Fund*	-	-
BCT (Pro) SaveEasy 2020 Fund	-	-
BCT (Pro) SaveEasy 2025 Fund	-	-
BCT (Pro) SaveEasy 2030 Fund	-	-
BCT (Pro) SaveEasy 2035 Fund	-	-
BCT (Pro) SaveEasy 2040 Fund	-	-
BCT (Pro) Hang Seng Index Tracking Fund	-	-
BCT (Pro) Hong Kong Dollar Bond Fund	1,005,587	778,685
BCT (Pro) World Equity Fund	-	-
BCT (Pro) Greater China Equity Fund	-	-
BCT (Pro) RMB Bond Fund	219,112	156,663
BCT (Pro) Core Accumulation Fund	-	-
BCT (Pro) Age 65 Plus Fund	-	-

*The fund was approved for termination on 21 September 2018

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

(b) Trustee and administration fees

Prior to 23 April 2018

The Trustee, Administrator and Sponsor, Bank Consortium Trust Company Limited/Bank Consortium Trust Financial Limited, is entitled to receive a fee calculated between 0.58% to 1% per annum (2017: between 0.58% to 1% per annum) of the daily net asset value of the respective constituent funds.

From 23 April 2018

After the Scheme Restructuring, the trustee and administration and sponsor fees of E30 Mixed Asset Fund, E50 Mixed Asset Fund and E70 Mixed Asset Fund has decreased from 1% per annum to 0.8% per annum. The trustee and administration and sponsor fees of Asian Equity Fund, European Equity Fund, China and Hong Kong Equity Fund and E90 Mixed Asset Fund has decreased from 0.9% per annum to 0.8% per annum. The trustee and administration and sponsor fees of other constituent fund remained between 0.58% to 0.9%.

The trustee, administration and sponsor fees payable as at year end were as follows:

	2018 HK\$	2017 HK\$
BCT (Pro) MPF Conservative Fund	3,694,200	2,853,671
BCT (Pro) E30 Mixed Asset Fund	1,844,376	2,504,848
BCT (Pro) E50 Mixed Asset Fund	2,057,717	2,812,808
BCT (Pro) E70 Mixed Asset Fund	3,616,424	5,176,541
BCT (Pro) Global Bond Fund	818,735	718,658
BCT (Pro) Global Equity Fund	1,755,310	1,506,667
BCT (Pro) Hong Kong Equity Fund*	-	3,065,063
BCT (Pro) Asian Equity Fund	2,243,513	2,945,295
BCT (Pro) Flexi Mixed Asset Fund (formerly known as BCT (Pro) Absolute Return Fund)	765,670	702,413
BCT (Pro) China and Hong Kong Equity Fund	5,227,925	3,912,334

*The fund was approved for termination on 21 September 2018

BCT (MPF) PRO CHOICE
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	2018 HK\$	2017 HK\$
BCT (Pro) European Equity Fund	360,043	467,411
BCT (Pro) E90 Mixed Asset Fund	430,202	492,765
BCT (Pro) International Equity Fund*	-	713,640
BCT (Pro) SaveEasy 2020 Fund	291,456	283,631
BCT (Pro) SaveEasy 2025 Fund	293,722	290,063
BCT (Pro) SaveEasy 2030 Fund	340,378	338,138
BCT (Pro) SaveEasy 2035 Fund	321,804	308,078
BCT (Pro) SaveEasy 2040 Fund	727,437	679,720
BCT (Pro) Hang Seng Index Tracking Fund	1,318,588	1,217,098
BCT (Pro) Hong Kong Dollar Bond Fund	605,615	463,901
BCT (Pro) World Equity Fund	443,650	348,680
BCT (Pro) Greater China Equity Fund	556,798	523,524
BCT (Pro) RMB Bond Fund	389,533	278,513
BCT (Pro) Core Accumulation Fund	279,473	149,099
BCT (Pro) Age 65 Plus Fund	114,152	46,553

*The fund was approved for termination on 21 September 2018

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5. Contributions received and receivable

Mandatory contributions for both the employers and employees are equal to 5% of the employees' relevant income up to HK\$30,000 per month (2017: HK\$30,000 per month) but in respect of employees earning less than HK\$7,100 per month (2017: HK\$7,100 per month), the employees' mandatory contribution is nil.

Self-employed persons must contribute 5% of their relevant income subject to a maximum contribution of HK\$1,500 per month (2017: HK\$1,500 per month) to the Plan unless their relevant income is less than HK\$7,100 per month (2017: HK\$7,100 per month).

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

6. Benefits paid and payable

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

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

7. Financial risk management

I. Financial risk factors

The activities of the Plan and its constituent funds expose them to a variety of financial risks: market risk (including price risk, interest rate risk, and currency risk), credit risk and liquidity risk. The constituent funds' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the constituent funds' financial performance.

The investment objectives of the constituent funds are as follows:

MPF Conservative Fund is to provide members with a rate of return which matches or exceeds Hong Kong dollar savings rate. It invests in Hong Kong dollar denominated bank deposits and short term debt securities.

Prior to Scheme Restructuring, E30 Mixed Asset Fund, E50 Mixed Asset Fund and E70 Mixed Asset Fund were primarily invested in bank deposits, global bonds and global equities. After scheme restructuring, the funds are investing through investments in a portfolio of APIFs.

The remaining constituent funds invest in APIFs or index-tracking collective investment schemes (the "ITCISs"). The investments in APIFs or ITCISs are to accomplish the respective investment objectives of the constituent funds.

E30 Mixed Asset Fund is to provide members with capital growth over the long term with a view to minimizing the risk of capital loss by investing indirectly in fixed income securities and maintaining a limited exposure to global equities.

E50 Mixed Asset Fund is to provide members with capital appreciation and a stable level of income over long term by investing indirectly in bank deposits, global bonds and global equities.

E70 Mixed Asset Fund is to provide members with capital appreciation over the long term through diversified investments in global equities where higher rates of returns are usually available. The Fund is subject to higher level of volatility of equity markets in the short to medium term.

Global Bond Fund is to provide members with total investment return over the medium to long term by investing indirectly in investment-grade global fixed income securities.

The objectives of Global Equity Fund, Hong Kong Equity Fund, Asian Equity Fund, China and Hong Kong Equity Fund, European Equity Fund and International Equity Fund are to provide members with long term capital growth appreciation by investing indirectly in different equity markets.

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Flexi Mixed Asset Fund (formerly known as Absolute Return Fund) is to provide members with long-term capital preservation not related to an index by indirectly investing primarily in diversified portfolio of global equities and fixed interest securities.

E90 Mixed Asset Fund is to provide members with capital appreciation over the long term by investing indirectly in global equities with the flexibility to invest in fixed income securities.

SaveEasy 2020 Fund, SaveEasy 2025 Fund, SaveEasy 2030 Fund, SaveEasy 2035 Fund and SaveEasy 2040 Fund are to provide members with capital growth over the long term by investing indirectly in a diversification of the asset allocation between equities, bond and cash approaching to the specific year as designed.

Hang Seng Index Tracking Fund is to provide members with long term capital appreciation by investing indirectly in the shares of constituent companies of the Hang Seng Index.

Hong Kong Dollar Bond Fund is to provide members with long term capital appreciation by investing indirectly in a portfolio consisting primarily of Hong Kong dollar denominated bonds (including government and corporate bonds).

The objectives of World Equity Fund and Greater China Equity Fund are to provide members with capital appreciation over the long term by investing in ITCISs which, in turn, invest in global and Greater China equity markets respectively.

RMB Bond Fund is to provide members with steady growth over the long term by indirectly investing primarily in RMB denominated debt instruments and money market instruments issued or distributed outside the mainland China.

Core Accumulation Fund and Age 65 Plus Fund are to provide members with capital growth and stable growth respectively by investing in a globally diversified manner.

The investments in APIFs and ITCISs are subject to the terms and conditions of the respective offering documents of the APIFs and ITCISs and are susceptible to market price risk arising from uncertainties about future values of those APIFs and ITCISs. The investment managers make investment decisions after extensive due diligence of the underlying APIFs and ITCISs, and their strategy. All of the APIFs and ITCISs in the investment portfolio are managed by portfolio managers who are compensated by the respective APIFs, ITCISs or constituent funds for their services. Such compensation generally consists of an asset based fee and is reflected in the valuation of the constituent funds' investments in each of the APIFs and ITCISs, or valuation of the constituent funds.

The right of the Plan and its constituent funds to request redemption of their investments in APIFs and ITCISs is on a daily basis.

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The exposure to investments in APIFs and ITCISs at fair value is disclosed in Note 7 I (a)(i). These investments are included in financial assets at fair value through profit or loss in the statement of net assets available for benefits for the Plan and its constituent funds and the statement of net assets for the constituent funds.

(a) Market risk

Refer to Notes 8 and 12 for the overall market exposures of the constituent funds.

(i) Price risk

The MPF Conservative Fund only invests in debt securities, certificates of deposit and fixed deposits with original maturity terms of not exceeding 12 months and the average portfolio remaining maturity period of not more than 90 days. Due to the short term in nature of the investments, the fund has no significant exposure to the market price risk. The investment manager of the fund considers that the fund has no significant exposure to market price fluctuations and therefore the price sensitivity analysis is not necessary. For the interest rate risk exposure, please refer to Note 7 I (a)(ii).

Other constituent funds of the Plan are subject to market price risk arising from uncertainties about future prices of the investments. All investments present a risk of loss of capital. The constituent funds' market price risk is managed through a careful selection of securities and diversification of the investment portfolio.

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The overall market exposures for the constituent funds were as follows:

E30 Mixed Asset Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u>					
(HK\$'000)					
Approved Pooled Investment Fund					
BCT Pooled Investment Fund Series (details refer to the table below)	2,708,190	99.73	Towers Watson MPF Benchmark Composition - Equity content 20% - 40%	5%	127,826
Total Investments	2,708,190	99.73			127,826
<u>As at 31 December 2017</u>					
(HK\$'000)					
Total investments	2,786,610	94.01	Towers Watson MPF Benchmark Composition - Equity content 20% - 40%	5%	123,601

E30 Mixed Asset Fund invests in the following funds of BCT Pooled Investment Fund Series (commenced operation on 26 April 2018)

	Fair value (HK\$'000)	% of net assets		Fair value (HK\$'000)	% of net assets
Dynamic Asian Equity Fund	80,394	2.96	Smart Asian Equity Fund	13,767	0.51
Dynamic China & Hong Kong Equity Fund	155,102	5.71	Smart China & Hong Kong Equity Fund	36,949	1.36
Dynamic European Equity Fund	101,873	3.75	Smart European Equity Fund	37,907	1.40
Dynamic Global Emerging Markets Equity Fund	67,226	2.48	Smart Global Bond Fund	377,274	13.89
Dynamic Global Bond Fund	1,573,776	57.95	Smart Japanese Equity Fund	107,641	3.96
			Smart North American Equity Fund	156,281	5.76

The market exposures of the constituent fund through its investments in the underlying APIFs was as follows:

	<u>% of net assets of underlying APIF</u>
	<u>2018</u>
Listed equities	27%
Bonds	70%
Cash and other net assets	3%
Net assets attributable to unitholders	100%

The following table shows the net market exposures of these underlying APIFs:

	<u>% of net assets of underlying APIF</u>
	<u>2018</u>
Hong Kong	30%
Japan	14%
Asia Pacific ex Japan ex Hong Kong	8%
North America	20%
Europe	20%
Other	5%
Total investments	97%
Cash and other net assets	3%
Net assets attributable to unitholders	100%

Refer the net asset value of these underlying APIFs to page 178.

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E50 Mixed Asset Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u> (HK\$'000)					
Approved Pooled Investment Fund					
BCT Pooled Investment Fund Series (details refer to the table below)	3,012,053	99.84	Towers Watson MPF Benchmark Composition - Equity content 40% - 60%	5%	150,290
	<u>3,012,053</u>	<u>99.84</u>			<u>150,290</u>
Total investments	<u><u>3,012,053</u></u>	<u><u>99.84</u></u>			<u><u>150,290</u></u>
<u>As at 31 December 2017</u> (HK\$'000)					
Total investments	3,190,678	95.52	Towers Watson MPF Benchmark Composition - Equity content 40% - 60%	5%	150,548
	<u><u>3,190,678</u></u>	<u><u>95.52</u></u>			<u><u>150,548</u></u>

E50 Mixed Asset Fund invests in the following funds of BCT Pooled Investment Fund Series (commenced operation on 26 April 2018)

	Fair value (HK\$'000)	% of net assets		Fair value (HK\$'000)	% of net assets
Dynamic Asian Equity Fund	145,125	4.81	Smart Asian Equity Fund	27,685	0.92
Dynamic China & Hong Kong Equity Fund	307,075	10.18	Smart China & Hong Kong Equity Fund	72,832	2.41
Dynamic European Equity Fund	195,064	6.47	Smart European Equity Fund	74,101	2.46
Dynamic Global Emerging Markets Equity Fund	119,905	3.97	Smart Global Bond Fund	319,940	10.60
Dynamic Global Bond Fund	1,261,269	41.81	Smart Japanese Equity Fund	189,820	6.29
			Smart North American Equity Fund	299,237	9.92

The market exposures of the constituent fund through its investments in the underlying APIFs was as follows:

	<u>% of net assets of underlying APIF</u> <u>2018</u>
Listed equities	46%
Bonds	51%
Cash and other net assets	3%
Net assets attributable to unitholders	<u><u>100%</u></u>

The following table shows the net market exposures of these underlying APIFs:

	<u>% of net assets of underlying APIF</u> <u>2018</u>
Hong Kong	32%
Japan	13%
Asia Pacific ex Japan ex Hong Kong	7%
North America	20%
Europe	20%
Other	5%
Total investments	<u>97%</u>
Cash and other net assets	<u>3%</u>
Net assets attributable to unitholders	<u><u>100%</u></u>

Refer the net asset value of these underlying APIFs to page 178.

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E70 Mixed Asset Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u> (HK\$'000)					
Approved Pooled Investment Fund					
BCT Pooled Investment Fund Series (details refer to the table below)	5,278,847	99.99	Towers Watson MPF Benchmark Composition - Equity content 60% - 80%	5%	271,760
	<u>5,278,847</u>	<u>99.99</u>			<u>271,760</u>
Total investments	<u><u>5,278,847</u></u>	<u><u>99.99</u></u>			<u><u>271,760</u></u>
<u>As at 31 December 2017</u> (HK\$'000)					
Total investments	6,004,428	97.61	Towers Watson MPF Benchmark Composition - Equity content 60% - 80%	5%	293,347
	<u>6,004,428</u>	<u>97.61</u>			<u>293,347</u>

E70 Mixed Asset Fund invests in the following funds of BCT Pooled Investment Fund Series (commenced operation on 26 April 2018)

	Fair value (HK\$'000)	% of net assets		Fair value (HK\$'000)	% of net assets
Dynamic Asian Equity Fund	351,932	6.67	Smart Asian Equity Fund	92,071	1.74
Dynamic China & Hong Kong Equity Fund	766,281	14.51	Smart China & Hong Kong Equity Fund	213,110	4.04
Dynamic European Equity Fund	490,946	9.30	Smart European Equity Fund	183,761	3.48
Dynamic Global Emerging Markets Equity Fund	283,768	5.37	Smart Global Bond Fund	344,865	6.53
Dynamic Global Bond Fund	1,351,724	25.61	Smart Japanese Equity Fund	462,859	8.77
			Smart North American Equity Fund	737,530	13.97

The market exposures of the constituent fund through its investments in the underlying APIFs was as follows:

	<u>% of net assets of underlying APIF</u> <u>2018</u>
Listed equities	66%
Bonds	31%
Cash and other net assets	3%
Net assets attributable to unitholders	<u>100%</u>

The following table shows the net market exposures of these underlying APIFs:

	<u>% of net assets of underlying APIF</u> <u>2018</u>
Hong Kong	32%
Japan	13%
Asia Pacific ex Japan ex Hong Kong	7%
North America	20%
Europe	20%
Other	5%
Total investments	<u>97%</u>
Cash and other net assets	3%
Net assets attributable to unitholders	<u>100%</u>

Refer the net asset value of these underlying APIFs to page 178.

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Global Bond Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u> (HK\$'000)					
Approved Pooled Investment Fund					
BCT Pooled Investment Fund Series (details refer to the table below)	1,212,231	99.36	FTSE World Government Bond Index (formerly known as Citigroup World Government Bond Index), HSBC HK Govt Bond Index	5%	32,651
Total investments	1,212,231	99.36			32,651

As at 31 December 2017
(HK\$'000)

Approved Pooled Investment Fund

Templeton MPF Global Bond Fund (Class A)	1,055,818	99.74	FTSE World Government Bond Index (formerly known as Citigroup World Government Bond Index), HSBC HK Govt Bond Index	5%	22,709
Total investments	1,055,818	99.74			22,709

Global Bond Fund invests in the following funds of BCT Pooled Investment Fund Series (commenced operation on 26 April 2018)

	Fair value (HK\$'000)	% of net assets		Fair value (HK\$'000)	% of net assets
Dynamic Global Bond Fund	969,558	79.47	Smart Global Bond Fund	242,673	19.89

Prior to 23 April 2018, the constituent fund invested in Templeton MPF Global Bond Fund (Class A).

The market exposures of the constituent fund through its investments in the underlying APIFs was as follows:

	% of net assets of underlying APIFs	
	2018	2017
Bonds	96%	89%
Cash and other net assets	4%	11%
Net assets attributable to unitholders	100%	100%

The following table shows the net market exposures of these underlying APIFs:

	% of net assets of underlying APIFs	
	2018	2017
Hong Kong	2%	47%
Japan	8%	-
Asia Pacific ex Japan ex Hong Kong	3%	19%
North America	39%	1%
Europe	38%	-
Other	6%	22%
Total investments	96%	89%
Cash and other net assets	4%	11%
Net assets attributable to unitholders	100%	100%

Refer the net asset value of these underlying APIFs to page 178.

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Global Equity Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u>					
(HK\$'000)					
Approved Pooled Investment Fund					
BCT Pooled Investment Fund Series (details refer to the table below)	2,526,132	99.81	FTSE MPF All World Hedged TR	5%	132,045
Total investments	2,526,132	99.81			132,045
<u>As at 31 December 2017</u>					
(HK\$'000)					
Approved Pooled Investment Fund					
Templeton MPF Global Equity Fund (Class A)	1,988,192	99.74	FTSE MPF All World Hedged TR	5%	108,003
Total investments	1,988,192	99.74			108,003

Global Equity Fund invests in the following funds of BCT Pooled Investment Fund Series (commenced operation on 26 April 2018)

	Fair value (HK\$'000)	% of net assets		Fair value (HK\$'000)	% of net assets
Dynamic Asian Equity Fund	170,040	6.72	Smart Japanese Equity Fund	227,609	8.99
Dynamic European Equity Fund	560,541	22.15	Smart North American Equity Fund	1,376,305	54.38
Dynamic Global Emerging Markets Equity Fund	191,637	7.57			

Prior to 23 April 2018, the constituent fund invested in Templeton MPF Global Equity Fund (Class A).

The market exposures of the constituent fund through its investments in the underlying APIFs was as follows:

	% of net assets of underlying APIFs	
	2018	2017
Listed equities	98%	97%
Cash and other net assets	2%	3%
Net assets attributable to unitholders	100%	100%

The following table shows the net market exposures of these underlying APIFs:

	% of net assets of underlying APIFs	
	2018	2017
Hong Kong	5%	1%
Japan	9%	9%
Asia Pacific ex Japan ex Hong Kong	5%	10%
North America	54%	38%
Europe	22%	38%
Other	3%	1%
Total investments	98%	97%
Cash and other net assets	2%	3%
Net assets attributable to unitholders	100%	100%

Refer the net asset value of these underlying APIFs to page 178.

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Hong Kong Equity Fund

(Approved for termination on 21 September 2018)

As at 21 September 2018 (date of approval for termination), Hong Kong Equity Fund was not exposed to price risk as there was no investment held by the constituent fund. Refer to Note 1 for details.

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2017</u>					
(HK\$'000)					
Approved Pooled Investment Fund					
Fidelity Global Investment Fund – Hong Kong Equity Fund (Class A)	4,088,555	99.48	FTSE MPF Hong Kong	5%	200,297
Total investments	4,088,555	99.48			200,297

Hong Kong Equity Fund invested in Fidelity Global Investment Fund – Hong Kong Equity Fund (Class A) (the “underlying APIF”). The market exposures of the constituent fund through its investments in the underlying APIF was as follows:

	<u>% of net assets of underlying APIFs</u>
	<u>2017</u>
Listed equities	99%
Cash and other net assets	1%
Net assets attributable to unitholders	100%

The following table shows the net market exposures of the underlying APIFs:

	<u>% of net assets of underlying APIFs</u>
	<u>2017</u>
Hong Kong	99%
Total investments	99%
Cash and other net assets	1%
Net assets attributable to unitholders	100%

Refer the net asset value of the underlying APIF to page 178.

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Asian Equity Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u> (HK\$'000)					
Approved Pooled Investment Fund					
BCT Pooled Investment Fund Series (details refer to the table below)	3,287,792	100.14	FTSE MPF Asia Pacific excluding Japan, Australia and New Zealand	5%	149,387
Total investments	3,287,792	100.14			149,387

As at 31 December 2017
(HK\$'000)

Approved Pooled Investment Fund

Schroder MPF Asian Fund (Class A)	3,923,506	99.96	FTSE MPF Asia Pacific excluding Japan, Australia and New Zealand	5%	155,116
Total investments	3,923,506	99.96			155,116

Asian Equity Fund invests in the following funds of BCT Pooled Investment Fund Series (commenced operation on 26 April 2018)

	Fair value (HK\$'000)	% of net assets		Fair value (HK\$'000)	% of net assets
Dynamic Asian Equity Fund	2,631,038	80.14	Smart Asian Equity Fund	656,754	20.00

Prior to 23 April 2018, the constituent fund invested in Schroder MPF Asian Fund (Class A).

The market exposures of the constituent fund through its investments in the underlying APIFs was as follows:

	<u>% of net assets of underlying APIFs</u>	
	<u>2018</u>	<u>2017</u>
Listed equities	98%	99%
Cash and other net assets	2%	1%
Net assets attributable to unitholders	100%	100%

The following table shows the net market exposures of these underlying APIFs:

	<u>% of net assets of underlying APIFs</u>	
	<u>2018</u>	<u>2017</u>
Hong Kong	47%	48%
Asia Pacific ex Japan ex Hong Kong	51%	50%
Total investments	98%	98%
Cash and other net assets	2%	2%
Net assets attributable to unitholders	100%	100%

Refer the net asset value of these underlying APIFs to page 178.

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China and Hong Kong Equity Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u> (HK\$'000)					
Approved Pooled Investment Fund					
BCT Pooled Investment Fund Series (details refer to the table below)	7,613,416	99.92	FTSE MPF Hong Kong	5%	368,795
Total investments	<u>7,613,416</u>	<u>99.92</u>			<u>368,795</u>

<u>As at 31 December 2017</u> (HK\$'000)					
Approved Pooled Investment Fund					
Invesco Pooled Investment Fund – Hong Kong and China Fund	5,214,421	99.80	FTSE MPF Hong Kong	5%	255,994
Total investments	<u>5,214,421</u>	<u>99.80</u>			<u>255,994</u>

China and Hong Kong Equity Fund invests in the following funds of BCT Pooled Investment Fund Series (commenced operation on 26 April 2018)

	Fair value (HK\$'000)	% of net assets		Fair value (HK\$'000)	% of net assets
Dynamic China & Hong Kong Equity Fund	6,064,893	79.60	Smart China & Hong Kong Equity Fund	1,548,523	20.32

Prior to 23 April 2018, the constituent fund invested in Invesco Pooled Investment Fund – Hong Kong and China Fund.

The market exposures of the constituent fund through its investments in the underlying APIFs was as follows:

	<u>% of net assets of underlying APIFs</u>	
	<u>2018</u>	<u>2017</u>
Listed equities	97%	98%
Cash and other net assets	3%	2%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of these underlying APIFs:

	<u>% of net assets of underlying APIFs</u>	
	<u>2018</u>	<u>2017</u>
China	67%	22%
Hong Kong	23%	76%
Other	7%	-
Total investments	<u>97%</u>	<u>98%</u>
Cash and other net assets	3%	2%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

Refer the net asset value of these underlying APIFs to page 178.

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European Equity Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u> (HK\$'000)					
Approved Pooled Investment Fund					
BCT Pooled Investment Fund Series (details refer to the table below)	513,892	98.34	FTSE MPF Europe (35% HKD Hedged)	5%	27,605
Total investments	513,892	98.34			27,605

<u>As at 31 December 2017</u> (HK\$'000)					
Approved Pooled Investment Fund					
Invesco Pooled Investment Fund – Europe Fund	617,309	99.72	FTSE MPF Europe (35% HKD Hedged)	5%	30,772
Total investments	617,309	99.72			30,772

European Equity Fund invests in the following funds of BCT Pooled Investment Fund Series (commenced operation on 26 April 2018)

	Fair value (HK\$'000)	% of net assets		Fair value (HK\$'000)	% of net assets
Dynamic European Equity Fund	370,388	70.88	Smart European Equity Fund	143,504	27.46

Prior to 23 April 2018, the constituent fund invested in Invesco Pooled Investment Fund – Europe Fund.

The market exposures of the constituent fund through its investments in the underlying APIFs was as follows:

	% of net assets of underlying APIFs	
	2018	2017
Listed equities	97%	98%
Cash and other net assets	3%	2%
Net assets attributable to unitholders	100%	100%

The following table shows the net market exposures of these underlying APIFs:

	% of net assets of underlying APIFs	
	2018	2017
Europe	97%	98%
Total investments	97%	98%
Cash and other net assets	3%	2%
Net assets attributable to unitholders	100%	100%

Refer the net asset value of these underlying APIFs to page 178.

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E90 Mixed Asset Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u> (HK\$'000)					
Approved Pooled Investment Fund					
BCT Pooled Investment Fund Series (details refer to the table below)	623,617	99.66	Towers Watson MPF Benchmark Composition – Equity content Above 80%	5%	32,530
Total investments	623,617	99.66			32,530
<u>As at 31 December 2017</u> (HK\$'000)					
Approved Pooled Investment Fund					
Fidelity Global Investment Fund – Growth Fund	657,289	99.70	FTSE AW North America Index, FTSE AW Asia Pacific ex Japan ex Hong Kong Index, FTSE W Japan Index, FTSE MPF Hong Kong, FTSE AW Europe Index, FTSE World Government Bond Index*, 1 Month HIBOR	5%	33,294
Total investments	657,289	99.70			33,294

*formerly known as Citigroup World Government Bond Index

E90 Mixed Asset Fund invests in the following funds of BCT Pooled Investment Fund Series (commenced operation on 26 April 2018)

	Fair value (HK\$'000)	% of net assets		Fair value (HK\$'000)	% of net assets
Dynamic Asian Equity Fund	60,012	9.59	Smart Asian Equity Fund	12,090	1.93
Dynamic China & Hong Kong Equity Fund	114,263	18.27	Smart China & Hong Kong Equity Fund	31,557	5.04
Dynamic European Equity Fund	76,781	12.27	Smart European Equity Fund	30,178	4.82
Dynamic Global Emerging Markets Equity Fund	43,601	6.97	Smart Global Bond Fund	11,143	1.78
Dynamic Global Bond Fund	55,397	8.85	Smart Japanese Equity Fund	74,966	11.98
			Smart North American Equity Fund	113,629	18.16

Prior to 23 April 2018, the constituent fund invested in Fidelity Global Investment Fund – Growth Fund.

The market exposures of the constituent fund through its investments in the underlying APIFs was as follows:

	% of net assets of underlying APIFs	
	2018	2017
Listed equities	87%	95%
Bonds	10%	3%
Cash and other net assets	3%	2%
Net assets attributable to unitholders	100%	100%

The following table shows the net market exposures of these underlying APIFs:

	% of net assets of underlying APIFs	
	2018	2017
Hong Kong	30%	32%
Japan	13%	14%
Asia Pacific ex Japan ex Hong Kong	8%	14%
North America	20%	20%
Europe	21%	18%
Other	5%	-
Total investments	97%	98%
Cash and other net assets	3%	2%
Net assets attributable to unitholders	100%	100%

Refer the net asset value of these underlying APIFs to page 178.

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International Equity Fund

(Approved for termination on 21 September 2018)

As at 21 September 2018 (date of approval for termination), International Equity Fund was not exposed to price risk as there was no investment held by the constituent fund. Refer to Note 1 for details.

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2017</u>					
(HK\$'000)					
Approved Pooled Investment Fund					
Fidelity Global Investment Fund – Global Equity Fund	941,958	99.66	FTSE W World Index (35% HKD Hedged)	5%	46,794
Total investments	941,958	99.66			46,794

International Equity Fund invested in Fidelity Global Investment Fund – Global Equity Fund (the “underlying APIF”).

The market exposures of the constituent fund through its investments in the underlying APIF was as follows:

	<u>% of net assets of underlying APIF</u>
	<u>2017</u>
Listed equities	100%
Cash and other net assets	-
Net assets attributable to unitholders	100%

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>
	<u>2017</u>
Hong Kong	2%
Japan	10%
Asia Pacific ex Japan ex Hong Kong	7%
North America	59%
Europe	22%
Total investments	100%
Cash and other net assets	-
Net assets attributable to unitholders	100%

Refer the net asset value of the underlying APIF to page 178.

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SaveEasy 2020 Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u> (HK\$'000)					
Approved Pooled Investment Fund					
Fidelity Global Investment Fund – Fidelity SaveEasy 2020 Fund	379,512	99.76	FTSE AW North America Index, FTSE AW Asia Pacific ex Japan ex Hong Kong Index, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE W Japan Index, FTSE World Government Bond Index*	5%	19,830
Total investments	<u>379,512</u>	<u>99.76</u>			<u>19,830</u>

<u>As at 31 December 2017</u> (HK\$'000)					
Approved Pooled Investment Fund					
Fidelity Global Investment Fund – Fidelity SaveEasy 2020 Fund	375,354	99.72	FTSE AW North America Index, FTSE AW Asia Pacific ex Japan ex Hong Kong Index, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE W Japan Index, FTSE World Government Bond Index*	5%	19,209
Total investments	<u>375,354</u>	<u>99.72</u>			<u>19,209</u>

*formerly known as Citigroup World Government Bond Index

SaveEasy 2020 Fund invests in Fidelity Global Investment Fund – Fidelity SaveEasy 2020 Fund (the “underlying APIF”).

The market exposures of the constituent fund through its investments in the underlying APIF was as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Listed equities	48%	75%
Bonds	51%	25%
Cash and other net assets	1%	-
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Hong Kong	34%	33%
Japan	13%	14%
Asia Pacific ex Japan ex Hong Kong	12%	13%
North America	21%	21%
Europe	19%	19%
Total investments	<u>99%</u>	<u>100%</u>
Cash and other net assets	<u>1%</u>	<u>-</u>
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

Refer the net asset value of the underlying APIF to page 178.

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SaveEasy 2025 Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u>					
(HK\$'000)					
Approved Pooled Investment Fund					
Fidelity Global Investment Fund – Fidelity SaveEasy 2025 Fund	380,114	99.91	FTSE AW North America Index, FTSE AW Asia Pacific ex Japan ex Hong Kong Index, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE W Japan Index, FTSE World Government Bond Index*	5%	19,491
Total investments	<u>380,114</u>	<u>99.91</u>			<u>19,491</u>

<u>As at 31 December 2017</u>					
(HK\$'000)					
Approved Pooled Investment Fund					
Fidelity Global Investment Fund – Fidelity SaveEasy 2025 Fund	384,787	99.61	FTSE AW North America Index, FTSE AW Asia Pacific ex Japan ex Hong Kong Index, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE W Japan Index, FTSE World Government Bond Index*	5%	19,408
Total investments	<u>384,787</u>	<u>99.61</u>			<u>19,408</u>

*formerly known as Citigroup World Government Bond Index

SaveEasy 2025 Fund invests in Fidelity Global Investment Fund – Fidelity SaveEasy 2025 Fund (the “underlying APIF”).

The market exposures of the constituent fund through its investments in the underlying APIF was as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Listed equities	88%	94%
Bonds	12%	6%
Cash and other net assets	-	-
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Hong Kong	35%	34%
Japan	13%	14%
Asia Pacific ex Japan ex Hong Kong	13%	13%
North America	20%	20%
Europe	19%	19%
Total investments	<u>100%</u>	<u>100%</u>
Cash and other net assets	-	-
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

Refer the net asset value of the underlying APIF to page 178.

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SaveEasy 2030 Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u>					
(HK\$'000)					
Approved Pooled Investment Fund					
Fidelity Global Investment Fund – Fidelity SaveEasy 2030 Fund	439,639	99.75	FTSE AW North America Index, FTSE AW Asia Pacific ex Japan ex Hong Kong Index, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE W Japan Index, FTSE World Government Bond Index*	5%	22,543
Total investments	<u>439,639</u>	<u>99.75</u>			<u>22,543</u>

<u>As at 31 December 2017</u>					
(HK\$'000)					
Approved Pooled Investment Fund					
Fidelity Global Investment Fund – Fidelity SaveEasy 2030 Fund	451,305	99.77	FTSE AW North America Index, FTSE AW Asia Pacific ex Japan ex Hong Kong Index, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE W Japan Index, FTSE World Government Bond Index*	5%	22,482
Total investments	<u>451,305</u>	<u>99.77</u>			<u>22,482</u>

*formerly known as Citigroup World Government Bond Index

SaveEasy 2030 Fund invests in Fidelity Global Investment Fund – Fidelity SaveEasy 2030 Fund (the “underlying APIF”).

The market exposures of the constituent fund through its investments in the underlying APIF was as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Listed equities	94%	98%
Bonds	6%	2%
Cash and other net assets	-	-
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Hong Kong	35%	34%
Japan	13%	14%
Asia Pacific ex Japan ex Hong Kong	13%	13%
North America	20%	20%
Europe	19%	19%
Total investments	<u>100%</u>	<u>100%</u>
Cash and other net assets	-	-
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

Refer the net asset value of the underlying APIF to page 178.

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SaveEasy 2035 Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
As at 31 December 2018 (HK\$'000)					
Approved Pooled Investment Fund					
Fidelity Global Investment Fund – Fidelity SaveEasy 2035 Fund	415,339	99.89	FTSE AW North America Index, FTSE AW Asia Pacific ex Japan ex Hong Kong Index, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE W Japan Index, FTSE World Government Bond Index*	5%	20,900
Total investments	<u>415,339</u>	<u>99.89</u>			<u>20,900</u>

As at 31 December 2017 (HK\$'000)					
Approved Pooled Investment Fund					
Fidelity Global Investment Fund – Fidelity SaveEasy 2035 Fund	411,019	99.76	FTSE AW North America Index, FTSE AW Asia Pacific ex Japan ex Hong Kong Index, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE W Japan Index, FTSE World Government Bond Index*	5%	20,298
Total investments	<u>411,019</u>	<u>99.76</u>			<u>20,298</u>

*formerly known as Citigroup World Government Bond Index

SaveEasy 2035 Fund invests in Fidelity Global Investment Fund – Fidelity SaveEasy 2035 Fund (the “underlying APIF”).

The market exposures of the constituent fund through its investments in the underlying APIF was as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Listed equities	98%	99%
Bonds	2%	1%
Cash and other net assets	-	-
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Hong Kong	35%	35%
Japan	13%	13%
Asia Pacific ex Japan ex Hong Kong	13%	13%
North America	20%	20%
Europe	19%	19%
Total investments	<u>100%</u>	<u>100%</u>
Cash and other net assets	-	-
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

Refer the net asset value of the underlying APIF to page 178.

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SaveEasy 2040 Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u>					
(HK\$'000)					
Approved Pooled Investment Fund					
Fidelity Global Investment Fund – Fidelity SaveEasy 2040 Fund	939,598	99.75	FTSE AW North America Index, FTSE AW Asia Pacific ex Japan ex Hong Kong Index, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE W Japan Index, FTSE World Government Bond Index*	5%	46,913
Total investments	939,598	99.75			46,913

As at 31 December 2017

(HK\$'000)

Approved Pooled Investment Fund

Fidelity Global Investment Fund – Fidelity SaveEasy 2040 Fund	907,385	99.58	FTSE AW North America Index, FTSE AW Asia Pacific ex Japan ex Hong Kong Index, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE W Japan Index, FTSE World Government Bond Index*	5%	44,432
Total investments	907,385	99.58			44,432

*formerly known as Citigroup World Government Bond Index

SaveEasy 2040 Fund invests in Fidelity Global Investment Fund – Fidelity SaveEasy 2040 Fund (the “underlying APIF”).

The market exposures of the constituent fund through its investments in the underlying APIF was as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Listed equities	99%	100%
Bonds	1%	-
Cash and other net assets	-	-
Net assets attributable to unitholders	100%	100%

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Hong Kong	35%	35%
Japan	13%	13%
Asia Pacific ex Japan ex Hong Kong	13%	13%
North America	20%	21%
Europe	19%	18%
Total investments	100%	100%
Cash and other net assets	-	-
Net assets attributable to unitholders	100%	100%

Refer the net asset value of the underlying APIF to page 178.

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Hang Seng Index Tracking Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u>					
(HK\$'000)					
Index Tracking Collective Investment Scheme ("ITCIS")					
Tracker Fund of Hong Kong	2,226,477	99.94	Hang Seng Index Net Total Return index	5%	111,508
Total investments	<u>2,226,477</u>	<u>99.94</u>			<u>111,508</u>

As at 31 December 2017

(HK\$'000)

Index Tracking Collective Investment Scheme ("ITCIS")

Tracker Fund of Hong Kong	2,089,633	100.18	Hang Seng Index Net Total Return index	5%	103,215
Total investments	<u>2,089,633</u>	<u>100.18</u>			<u>103,215</u>

Hang Seng Index Tracking Fund invests in the Tracker Fund of Hong Kong (the "underlying ITCIS").

The market exposures of the constituent fund through its investments in the underlying ITCIS was as follows:

	<u>% of net assets of underlying ITCIS</u>	
	<u>2018</u>	<u>2017</u>
Listed equities	100%	100%
Cash and other net assets	-	-
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying ITCIS:

	<u>% of net assets of underlying ITCIS</u>	
	<u>2018</u>	<u>2017</u>
Hong Kong	100%	100%
Total investments	<u>100%</u>	<u>100%</u>
Cash and other net assets	-	-
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

Refer the net asset value of the underlying ITCIS to page 178.

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Hong Kong Dollar Bond Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u>					
(HK\$'000)					
Approved Pooled Investment Fund					
JPMorgan SAR HK\$ Bond Fund (Class B)	1,027,325	99.36	Markit iBoxx Asian Local Bond Index	5%	51,658
Total investments	<u>1,027,325</u>	<u>99.36</u>			<u>51,658</u>

As at 31 December 2017

(HK\$'000)

Approved Pooled Investment Fund

JPMorgan SAR HK\$ Bond Fund (Class B)	775,637	98.87	Markit iBoxx Asian Local Bond Index	5%	38,759
Total investments	<u>775,637</u>	<u>98.87</u>			<u>38,759</u>

Hong Kong Dollar Bond Fund invests in JPMorgan SAR HK\$ Bond Fund (Class B) (the "underlying APIF").

The market exposures of the constituent fund through its investments in the underlying APIF was as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Bonds	99%	98%
Cash and other net assets	1%	2%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Hong Kong	51%	56%
Asia Pacific ex Japan ex Hong Kong	44%	39%
North America	2%	2%
Europe	1%	1%
Others	1%	-
Total investments	<u>99%</u>	<u>98%</u>
Cash and other net assets	1%	2%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

Refer the net asset value of the underlying APIF to page 178.

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World Equity Fund

				% of reasonable possible change of the relevant index	Change in net asset value
	Fair value	% of net assets	Relevant index for the investments (Note 1)	(Note 2)	(Note 3)
<u>As at 31 December 2018</u>					
(HK\$'000)					
Index Tracking Collective Investment Schemes ("ITCISs")					
Total investments	643,380	99.73	Hang Seng Index Net Total Return Index, S&P 500 Total Return Index, MSCI Daily TR Net Japan USD, FTSE Developed Europe Index, MSCI Pacific ex Japan	5%	31,882

As at 31 December 2017

(HK\$'000)

Index Tracking Collective Investment Schemes ("ITCISs")

Total investments	522,307	99.84	Hang Seng Index Net Total Return Index, S&P 500 Total Return Index, MSCI Daily TR Net Japan USD, FTSE Developed Europe Index, MSCI Pacific ex Japan	5%	25,496
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World Equity Fund invests in Tracker Fund of Hong Kong, SPDR S&P 500 ETF Trust, iShares MSCI Pacific Ex Japan ETF, iShares MSCI Japan ETF and Vanguard FTSE Developed Europe UCITS ETF (the "underlying ITCISs").

The market exposures of the constituent fund through its investments in the underlying ITCISs was as follows:

	% of net assets of underlying ITCISs	
	2018	2017
Listed equities	100%	100%
Cash and other net assets	-	-
Net assets attributable to unitholders	100%	100%

The following table shows the net market exposures of the underlying ITCISs:

	% of net assets of underlying ITCISs	
	2018	2017
Hong Kong	5%	5%
Japan	8%	8%
Asia Pacific ex Japan ex Hong Kong	10%	10%
North America	51%	51%
Europe	26%	26%
Total investments	100%	100%
Cash and other net assets	-	-
Net assets attributable to unitholders	100%	100%

Refer the net asset value of these underlying ITCISs to page 178

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Greater China Equity Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u>					
(HK\$'000)					
Index Tracking Collective Investment Schemes ("ITCISs")					
Total investments	822,951	99.91	FTSE Greater China HKD Index, Hang Seng Index Net Total Return index	5%	43,012
	=====	=====			=====
<u>As at 31 December 2017</u>					
(HK\$'000)					
Index Tracking Collective Investment Schemes ("ITCISs")					
Total investments	789,326	99.98	FTSE Greater China HKD Index, Hang Seng Index Net Total Return index	5%	40,506
	=====	=====			=====

Greater China Equity Fund invests in SPDR FTSE Greater China ETF and Tracker Fund of Hong Kong (the "underlying ITCISs").
The market exposures of the constituent fund through its investments in the underlying ITCISs was as follows:

	<u>% of net assets of underlying ITCISs</u>	
	<u>2018</u>	<u>2017</u>
Listed equities	100%	100%
Cash and other net assets	-	-
	=====	=====
Net assets attributable to unitholders	100%	100%

The following table shows the net market exposures of the underlying ITCISs:

	<u>% of net assets of underlying ITCISs</u>	
	<u>2018</u>	<u>2017</u>
Hong Kong	29%	29%
China	51%	51%
Taiwan	20%	20%
	=====	=====
Total investments	100%	100%
Cash and other net assets	-	-
	=====	=====
Net assets attributable to unitholders	100%	100%

Refer the net asset value of these underlying ITCISs to page 178.

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NOTES TO THE FINANCIAL STATEMENTS

RMB Bond Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u> (HK\$'000)					
Approved Pooled Investment Fund					
Invesco Pooled Investment Fund – RMB Bond Fund (Class B)	569,594	98.75	Markit iBoxx ALBI China Offshore Non-Government	5%	22,578
Total investments	<u>569,594</u>	<u>98.75</u>			<u>22,578</u>

<u>As at 31 December 2017</u> (HK\$'000)					
Approved Pooled Investment Fund					
Invesco Pooled Investment Fund – RMB Bond Fund (Class B)	415,486	99.25	Markit iBoxx ALBI China Offshore Non-Government	5%	16,219
Total investments	<u>415,486</u>	<u>99.25</u>			<u>16,219</u>

RMB Bond Fund invests in Invesco Pooled Investment Fund – RMB Bond Fund (Class B) (This investment fund is denominated in HKD only and not in RMB) (the “underlying APIF”).

The market exposures of the constituent fund through its investments in the underlying APIF was as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Bonds	93%	92%
Cash and other net assets	7%	8%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Asia Pacific ex Japan ex Hong Kong	93%	91%
North America	-	1%
Total investments	<u>93%</u>	<u>92%</u>
Cash and other net assets	<u>7%</u>	<u>8%</u>
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

Refer the net asset value of the underlying APIF to page 178.

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Core Accumulation Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u>					
(HK\$'000)					
Approved Pooled Investment Fund					
Invesco Pooled Investment Fund – Core Accumulation Fund (Class A)	558,924	99.38	FTSE MPF All-World Index (Unhedged Total Return), FTSE MPF World Government Bond Index* (HKD Hedged Total Return), MPFA Prescribed Savings Rate	5%	27,121
Total investments	<u>558,924</u>	<u>99.38</u>			<u>27,121</u>

As at 31 December 2017
(HK\$'000)

Approved Pooled Investment Fund

Invesco Pooled Investment Fund – Core Accumulation Fund (Class A)	305,170	99.24	FTSE MPF All-World Index (Unhedged Total Return), FTSE MPF World Government Bond Index* (HKD Hedged Total Return), MPFA Prescribed Savings Rate	5%	8,295
Total investments	<u>305,170</u>	<u>99.24</u>			<u>8,295</u>

*formerly known as Citi MPF World Government Bond Index

Core Accumulation Fund invests in Invesco Pooled Investment Fund – Core Accumulation Fund (Class A) (the “underlying APIF”) which in turns invests in two approved pooled investment funds as allowed under the Mandatory Provident Fund Schemes (General) Regulation.

The market exposures of the constituent fund through its investments in the underlying APIF was as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Listed equities	58%	62%
Bonds	39%	34%
Cash and other net assets	3%	4%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Hong Kong	2%	2%
Japan	9%	9%
Asia Pacific ex Japan ex Hong Kong	8%	9%
North America	45%	45%
Europe	30%	29%
Other	3%	2%
Total investments	<u>97%</u>	<u>96%</u>
Cash and other net assets	<u>3%</u>	<u>4%</u>
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

Refer the net asset value of the underlying APIF to page 178.

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NOTES TO THE FINANCIAL STATEMENTS

Age 65 Plus Fund

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u> (HK\$'000)					
Approved Pooled Investment Fund					
Invesco Pooled Investment Fund - Age 65 Plus Fund (Class A)	229,009	98.61	FTSE MPF All-World Index (Unhedged Total Return), FTSE MPF World Government Bond Index* (HKD Hedged Total Return), MPFA Prescribed Savings Rate	5%	10,786
Total investments	<u>229,009</u>	<u>98.61</u>			<u>10,786</u>

As at 31 December 2017

(HK\$'000)

Approved Pooled Investment Fund

Invesco Pooled Investment Fund - Age 65 Plus Fund (Class A)	94,690	98.38	FTSE MPF All-World Index (Unhedged Total Return), FTSE MPF World Government Bond Index* (HKD Hedged Total Return), MPFA Prescribed Savings Rate	5%	3,593
Total investments	<u>94,690</u>	<u>98.38</u>			<u>3,593</u>

*formerly known as Citi MPF World Government Bond Index

Age 65 Plus Fund invests in Invesco Pooled Investment Fund – Age 65 Plus Fund (Class A) (the “underlying APIF”) which in turns invests in two approved pooled investment funds as allowed under the Mandatory Provident Fund Schemes (General) Regulation.

The market exposures of the constituent fund through its investments in the underlying APIF was as follows:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Listed equities	19%	21%
Bonds	76%	73%
Cash and other net assets	5%	6%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Hong Kong	1%	1%
Japan	9%	9%
Asia Pacific ex Japan ex Hong Kong	10%	9%
North America	32%	37%
Europe	39%	35%
Other	4%	3%
Total investments	<u>95%</u>	<u>94%</u>
Cash and other net assets	<u>5%</u>	<u>6%</u>
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

Refer the net asset value of the underlying APIF to page 178.

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Flexi Mixed Asset Fund
(formerly known as Absolute Return Fund)

	Fair value	% of net assets	Relevant index for the investments (Note 1)	% of reasonable possible change of the relevant index (Note 2)	Change in net asset value (Note 3)
<u>As at 31 December 2018</u> (HK\$'000)					
Approved Pooled Investment Fund					
Allianz Global Investors Choice Fund – Allianz Choice Flexi Balanced Fund (Class A) (formerly known as Allianz Choice Absolute Return Fund (Class A))	1,123,214	99.95	FTSE All World	5%	58,969
Total investments	<u>1,123,214</u>	<u>99.95</u>			<u>58,969</u>
<u>As at 31 December 2017</u> (HK\$'000)					
Approved Pooled Investment Fund					
Allianz Global Investors Choice Fund – Allianz Choice Flexi Balanced Fund (Class A) (formerly known as Allianz Choice Absolute Return Fund (Class A))	1,040,018	99.63	FTSE All World	5%	13,799
Total investments	<u>1,040,018</u>	<u>99.63</u>			<u>13,799</u>

The objective of the Flexi Mixed Asset Fund (formerly known as Absolute Return Fund) is to provide members with long-term capital preservation not related to an index by investing solely in Allianz Global Investors Choice Fund – Allianz Choice Flexi Balanced Fund (formerly known as Allianz Choice Absolute Return Fund) which is an approved pooled investment fund which in turn invests primarily in a diversified portfolio of global equities and fixed-interest securities.

The underlying APIF adopts a dynamic asset allocation strategy. In strong equity market, the underlying APIF may invest up to 50% of its assets in equities. In weaker equity market conditions, the underlying APIF may be rebalanced to preserve capital through the holding of fixed-interest securities which satisfy the minimum credit rating requirements set out by the Mandatory Provident Fund Schemes Authority. If market conditions so require, the underlying APIF may hold no equities and invest fully in fixed-interest securities and cash only. It is expected that under normal circumstances, at least 75% of the assets of the underlying APIF will be invested in fixed-interest securities and cash in order to minimize short term volatility.

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Flexi Mixed Asset Fund (Continued) (formerly known as Absolute Return Fund)

In order to align the name of the underlying APIF with its investment objective, the name of the underlying APIF was changed from “Allianz Choice Absolute Return Fund” to “Allianz Choice Flexi Balanced Fund” with effect from 30 November 2018. The investment policy of the underlying APIF was also revised to clarify that up to 100% of the assets may be held in deposits, cash and/or invested directly in money market instruments and/or (up to 10% of the assets) in money market funds on a temporary basis for liquidity management and/or defensive purpose and/or any other exceptional circumstances, and if the manager considers it in the best interest of the underlying APIF.

As at 31 December 2018, if the total investments of Flexi Mixed Asset Fund (formerly known as Absolute Return Fund) increased/decreased by 5%, with all other variables held constant, the net asset value of Flexi Mixed Asset Fund (formerly known as Absolute Return Fund) would have been increased/decreased by HK\$56,161,000 (2017: HK\$52,001,000).

Flexi Mixed Asset Fund (formerly known as Absolute Return Fund) invests in Allianz Global Investors Choice Fund – Allianz Choice Flexi Balanced Fund (formerly known as Allianz Choice Absolute Return Fund (Class A)) (the “underlying APIF”).

The market exposures of the constituent fund through its investments in the underlying APIF was as follows:

	<u>% of net assets underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Listed equities	19%	27%
Bonds	78%	69%
Cash and other net assets	3%	4%
	<u>100%</u>	<u>100%</u>

The following table shows the net market exposures of the underlying APIF:

	<u>% of net assets of underlying APIF</u>	
	<u>2018</u>	<u>2017</u>
Hong Kong	14%	14%
Japan	1%	3%
Asia Pacific ex Japan ex Hong Kong	2%	6%
North America	79%	71%
Europe	1%	2%
	<u>97%</u>	<u>96%</u>
Total investments	97%	96%
Cash and other net assets	3%	4%
	<u>100%</u>	<u>100%</u>

Refer the net asset value of the underlying APIF to page 178.

Notes

- ¹ Relevant index for the investments represents the relevant market index which has similar investment portfolio composition as the underlying investments.
- ² The analysis is based on the assumption that the relevant index increased/decreased by 5% (2017: 5%), with all other variables held constant and that the fair value of the constituent funds’ investments moved according to the historical correlation with the index. The investment managers have used their view of what would be a “reasonable shift” in each key market to estimate the change for use in the market sensitivity analysis. Changes in market index % are revised annually depending on investment managers’ current view of market volatility and other relevant factors.
- ³ Change in net asset value of the constituent funds is calculated based on the fair value of investments multiplied by the estimated % of reasonable possible change of the relevant index and the historical correlation of the constituent funds’ investments with the index. Disclosures above are shown in absolute terms, changes and impacts could be positive or negative.

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Notes (Continued)

- ⁴ The net asset value of the underlying APIFs and ITCISs invested by the constituent funds as at 31 December 2018 and 31 December 2017 are as follow:

	2018 HK\$ million	2017 HK\$ million
Allianz Global Investors Choice Fund – Allianz Choice Flexi Balanced Fund	2,074	2,199
Invesco Pooled Investment Fund – Age 65 Plus Fund	663	421
Invesco Pooled Investment Fund – Core Accumulation Fund	1,282	776
Invesco Pooled Investment Fund – Europe Fund	N/A	3,031
Invesco Pooled Investment Fund – Hong Kong and China Fund	N/A	16,055
Invesco Pooled Investment Fund – RMB Bond Fund	903	689
Fidelity Global Investment Fund – Growth Fund	N/A	16,608
Fidelity Global Investment Fund – Global Equity Fund	N/A	6,762
Fidelity Global Investment Fund – Hong Kong Equity Fund	N/A	35,504
Fidelity Global Investment Fund – Fidelity SaveEasy 2020 Fund	736	734
Fidelity Global Investment Fund – Fidelity SaveEasy 2025 Fund	678	709
Fidelity Global Investment Fund – Fidelity SaveEasy 2030 Fund	802	830
Fidelity Global Investment Fund – Fidelity SaveEasy 2035 Fund	775	806
Fidelity Global Investment Fund – Fidelity SaveEasy 2040 Fund	1,963	2,049
JPMorgan SAR HK\$ Bond Fund (Class B)	1,554	1,149
Schroder MPF Asian Fund (Class A)	N/A	7,050
Templeton MPF Global Bond Fund (Class A)	N/A	3,119
Templeton MPF Global Equity Fund (Class A)	N/A	2,854
Tracker Fund of Hong Kong	82,171	99,465
SPDR S&P 500 ETF Trust	1,904,681	2,120,240
iShares MSCI Pacific Ex Japan ETF	16,206	25,729
iShares MSCI Japan ETF	119,370	149,288
Vanguard FTSE Developed Europe UCITS ETF	12,903	14,600
SPDR FTSE Greater China ETF	653	649
Dynamic Asian Equity Fund (Class A)	3,439	N/A
Dynamic China & Hong Kong Equity Fund (Class A)	7,408	N/A
Dynamic European Equity Fund (Class A)	1,796	N/A
Dynamic Global Emerging Markets Equity Fund (Class A)	706	N/A
Dynamic Global Bond Fund (Class A)	5,212	N/A
Smart Asian Equity Fund (Class A)	802	N/A
Smart China & Hong Kong Equity Fund (Class A)	1,903	N/A
Smart European Equity Fund (Class A)	469	N/A
Smart Global Bond Fund (Class A)	1,296	N/A
Smart Japanese Equity Fund (Class A)	1,063	N/A
Smart North American Equity Fund (Class A)	2,683	N/A

Note: N/A above represents the constituent funds have not made investment in such underlying APIFs as at year end.

The constituent funds' maximum exposure to loss from their interests in APIFs and ITCISs is equal to the total fair value of their investments in the APIFs and ITCISs.

Once the constituent funds have disposed of their units in APIFs or ITCISs, the constituent funds cease to be exposed to any risk from the APIFs or ITCISs.

The constituent funds' investment strategies entail trading on other funds on a regular basis. As at 31 December 2018 and 2017 the constituent funds had no capital commitment obligations and no amounts due to APIFs or ITCISs for unsettled purchases.

The net gain/(loss) incurred on investments in APIFs and ITCISs during the year ended 31 December 2018 and 2017 are stated in the respective constituent funds' statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

(ii) Interest rate risk

The constituent funds of the Plan which invested in interest bearing financial assets are subject to interest rate risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash of the constituent funds are invested in short-term commercial papers or deposits.

The majority of the financial assets and liabilities of Global Bond Fund, Global Equity Fund, Asian Equity Fund, Flexi Mixed Asset Fund (formerly known as Absolute Return Fund), China and Hong Kong Equity Fund, European Equity Fund, E90 Mixed Asset Fund, SaveEasy 2020 Fund, SaveEasy 2025 Fund, SaveEasy 2030 Fund, SaveEasy 2035 Fund, SaveEasy 2040 Fund, Hang Seng Index Tracking Fund, Hong Kong Dollar Bond Fund, World Equity Fund, Greater China Equity Fund, RMB Bond Fund, Core Accumulation Fund, Age 65 Plus Fund, E30 Mixed Asset Fund, E50 Mixed Asset Fund and E70 Mixed Asset Fund are non-interest bearing as at 31 December 2018. Their interest bearing financial assets comprise bank balances. The investment managers consider that these funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. As a result, no sensitivity analysis on interest rate movements is required.

E30 Mixed Asset Fund, E50 Mixed Asset Fund and E70 Mixed Asset Fund held direct investments which were subject to interest rate risk as at 31 December 2017 and before the Scheme Restructuring. For sensitivity analysis on interest rate risk of E30 Mixed Asset Fund, E50 Mixed Asset Fund and E70 Mixed Asset Fund, please refer to the below section.

The majority of the financial assets and liabilities of the Plan are non-interest bearing. The only interest bearing financial assets comprise bank balances. Any excess cash and cash equivalents of the Plan are invested at short-term market interest rates and have no significant exposure to interest rate risk. As such, no interest rate risk sensitivity is disclosed.

As at 21 September 2018 (date of approval for termination), Hong Kong Equity Fund and International Equity Fund were not exposed to interest rate risk as there was no investment held by the constituent funds. No interest rate risk sensitivity is disclosed.

The table below summarised the exposure to bank balances of E30 Mixed Asset Fund, E50 Mixed Asset Fund, E70 Mixed Asset Fund, Global Bond Fund, Global Equity Fund, Hong Kong Equity Fund (approved for termination on 21 September 2018), Asian Equity Fund, Flexi Mixed Asset Fund (formerly known as Absolute Return Fund), China and Hong Kong Equity Fund, European Equity Fund, E90 Mixed Asset Fund, International Equity Fund (approved for termination on 21 September 2018), SaveEasy 2020 Fund, SaveEasy 2025 Fund, SaveEasy 2030 Fund, SaveEasy 2035 Fund, SaveEasy 2040 Fund, Hang Seng Index Tracking Fund, Hong Kong Dollar Bond Fund, World Equity Fund, Greater China Equity Fund, RMB Bond Fund, Core Accumulation Fund and Age 65 Plus Fund as at 31 December 2018 and 2017:

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

	As at 31 December 2018		As at 31 December 2017	
	Fair value HK\$	% of net assets	Fair value HK\$	% of net assets
E30 Mixed Asset Fund				
- Bank balances	11,608,163	0.43	203,739,539	6.87
E50 Mixed Asset Fund				
- Bank balances	11,306,063	0.37	169,277,410	5.07
E70 Mixed Asset Fund				
- Bank balances	10,300,231	0.20	179,190,384	2.91
Global Bond Fund				
- Bank balances	9,254,684	0.76	1,238,041	0.12
Global Equity Fund				
- Bank balances	8,533,779	0.34	2,079,738	0.10
Hong Kong Equity Fund*				
- Bank balances	-	-	11,821,370	0.29
Asian Equity Fund				
- Bank balances	44,535	-	2,709,875	0.07
Flexi Mixed Asset Fund (formerly known as Absolute Return Fund)				
- Bank balances	1,123,993	0.10	1,076,489	0.10
China and Hong Kong Equity Fund				
- Bank balances	61,169	-	4,536,508	0.09
European Equity Fund				
- Bank balances	8,170,729	1.56	788,155	0.13
E90 Mixed Asset Fund				
- Bank balances	2,180,344	0.35	711,883	0.11
International Equity Fund*				
- Bank balances	-	-	1,884,969	0.20

*The fund was approved for termination on 21 September 2018

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

	As at 31 December 2018		As at 31 December 2017	
	Fair value HK\$	% of net assets	Fair value HK\$	% of net assets
SaveEasy 2020 Fund				
- Bank balances	595,932	0.16	402,546	0.11
SaveEasy 2025 Fund				
- Bank balances	459,693	0.12	1,099,459	0.28
SaveEasy 2030 Fund				
- Bank balances	525,021	0.12	487,728	0.11
SaveEasy 2035 Fund				
- Bank balances	421,547	0.10	697,415	0.17
SaveEasy 2040 Fund				
- Bank balances	1,106,803	0.12	1,153,283	0.13
Hang Seng Index Tracking Fund				
- Bank balances	14,668,563	0.66	3,995,509	0.19
Hong Kong Dollar Bond Fund				
- Bank balances	2,193,075	0.21	1,079,685	0.14
World Equity Fund				
- Bank balances	2,910,424	0.45	1,119,018	0.21
Greater China Equity Fund				
- Bank balances	4,543,854	0.55	2,002,180	0.25
RMB Bond Fund				
- Bank balances	742,116	0.13	597,575	0.14
Core Accumulation Fund				
- Bank balances	556,131	0.10	322,023	0.10
Age 65 Plus Fund				
- Bank balances	230,823	0.10	102,569	0.11

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

The table below summarised the constituent funds' exposure to interest rate risk, categorised by remaining maturity period for the constituent funds investing in interest bearing financial assets:

MPF Conservative Fund

At 31 December 2018
(HK\$'000)

	Up to 3 months	3-12 months	Over 12 months	Non-interest bearing	Total
Bank balances	80,349	-	-	-	80,349
Financial assets at fair value through profit or loss	6,063,607	1,346,944	-	-	7,410,551
Other assets	-	-	-	76,890	76,890
Total assets	6,143,956	1,346,944	-	76,890	7,567,790
Total liabilities	-	-	-	(52,482)	(52,482)
Total interest sensitivity gap	6,143,956	1,346,944	-		

At 31 December 2017
(HK\$'000)

	Up to 3 months	3-12 months	Over 12 months	Non-interest bearing	Total
Bank balances	64,019	-	-	-	64,019
Financial assets at fair value through profit or loss	4,452,441	1,038,897	-	-	5,491,338
Other assets	-	-	-	63,391	63,391
Total assets	4,516,460	1,038,897	-	63,391	5,618,748
Total liabilities	-	-	-	(53,819)	(53,819)
Total interest sensitivity gap	4,516,460	1,038,897	-		

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

E30 Mixed Asset Fund

At 31 December 2017
(HK\$'000)

	Up to 1 year	1-5 years	Over 5 years	Non-interest bearing	Total
Bank balances	203,740	-	-	-	203,740
Financial assets at fair value through profit or loss	207,634	553,192	981,418	1,044,366	2,786,610
Other assets	-	-	-	4,767	4,767
Total assets	411,374	553,192	981,418	1,049,133	2,955,117
Total liabilities	-	-	-	(31,084)	(31,084)
Total interest sensitivity gap	411,374	553,192	981,418		

E50 Mixed Asset Fund

At 31 December 2017
(HK\$'000)

	Up to 1 year	1-5 years	Over 5 years	Non-interest bearing	Total
Bank balances	169,277	-	-	-	169,277
Financial assets at fair value through profit or loss	140,997	433,286	768,760	1,847,635	3,190,678
Other assets	-	-	-	7,733	7,733
Total assets	310,274	433,286	768,760	1,855,368	3,367,688
Total liabilities	-	-	-	(27,290)	(27,290)
Total interest sensitivity gap	310,274	433,286	768,760		

E70 Mixed Asset Fund

At 31 December 2017
(HK\$'000)

	Up to 1 year	1-5 years	Over 5 years	Non-interest bearing	Total
Bank balances	179,190	-	-	-	179,190
Financial assets at fair value through profit or loss	132,882	444,567	770,790	4,656,189	6,004,428
Other assets	-	-	-	9,427	9,427
Total assets	312,072	444,567	770,790	4,665,616	6,193,045
Total liabilities	-	-	-	(41,500)	(41,500)
Total interest sensitivity gap	312,072	444,567	770,790		

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2018, should interest rates have changed by 1% (2017: 1%) with all other variables remaining constant, the change in net assets attributable to members would be as follows:

	As at 31 December 2018		As at 31 December 2017	
	Estimated % change in interest rate	Change in net assets attributable to members HK\$'000	Estimated % change in interest rate	Change in net assets attributable to members HK\$'000
MPF Conservative Fund	± 1%	74,909	± 1%	55,554
E30 Mixed Asset Fund	N/A		± 1%	115,114
E50 Mixed Asset Fund	N/A		± 1%	91,651
E70 Mixed Asset Fund	N/A		± 1%	92,443

The investment managers monitor the constituent funds' overall interest sensitivity on a daily/weekly basis.

(iii) Currency risk

At 31 December 2018 and 2017, the Plan did not have any assets or liabilities denominated in currencies other than its functional currency, Hong Kong dollar. As a result, the Plan is not subject to significant currency risk.

Certain constituent funds hold financial assets denominated in currencies other than their functional currency, Hong Kong dollars. These constituent funds are therefore exposed to currency risk, as the value of their financial assets denominated in other currencies will fluctuate due to changes in exchange rates.

Except for the MPF Conservative Fund of which its Hong Kong dollar effective currency exposure must be maintained at 100% as required by the General Regulation, all other constituent funds are required to maintain their Hong Kong dollar effective currency exposure at a minimum of 30% as required by the General Regulation. The investment managers may enter into currency forward contracts from time to time to reduce currency exposure. Refer to Note 12 for details of outstanding currency forward contracts as at 31 December 2018 and 2017.

The table below summarises the relevant constituent funds' monetary and non-monetary exposure to currency risk and the impact on net assets should the currencies have strengthened or weakened by 5% against the Hong Kong dollar, with all other variables remaining constant, as at 31 December 2018 and 2017.

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

E30 Mixed Asset Fund

At 31 December 2018

Original currencies

Hong Kong dollar
equivalent (HK\$'000)

US\$ JPY EUR

Assets

Monetary assets 33 103 11

Non-monetary assets - - -

Liabilities

Monetary liabilities - (1,505) -

Non-monetary liabilities - - -

Estimated % change in the
relevant exchange rate of
the foreign currency
against Hong Kong dollar

±5% ±5%

Impact on net assets
attributable to members

Monetary ±70 ±1

Non-monetary - -

At 31 December 2017

Original currencies

Hong Kong dollar
equivalent (HK\$'000)

US\$ JPY EUR Asian
currencies* Other
currencies

Assets

Monetary assets 752,367 340,496 517,950 59,174 152,650

Non-monetary assets 224,669 149,579 84,258 144,952 89,332

Liabilities

Monetary liabilities (1,273) (10,216) (1,104) (594) (571)

Non-monetary liabilities - - - - -

Estimated % change in the
relevant exchange rate of
the foreign currency
against Hong Kong dollar

±5% ±5% ±5% ±5%

Impact on net assets
attributable to members

Monetary ±16,514 ±25,842 ±2,929 ±7,604

Non-monetary ±7,479 ±4,213 ±7,248 ±4,467

*2017: Asian currencies include AUD, IDR, CNY, KRW, NZD, MYR, PHP, SGD, THB and TWD.

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

E50 Mixed Asset Fund

At 31 December 2018

Original currencies

Hong Kong dollar

equivalent (HK\$'000)

US\$

JPY

EUR

Assets

Monetary assets

17

131

16

Non-monetary assets

-

-

-

Liabilities

Monetary liabilities

-

(1,403)

-

Non-monetary liabilities

-

-

-

Estimated % change in the
relevant exchange rate of
the foreign currency
against Hong Kong dollar

±5%

±5%

Impact on net assets

attributable to members

Monetary

±64

±1

Non-monetary

-

-

At 31 December 2017

Original currencies

Hong Kong dollar

equivalent (HK\$'000)

US\$

JPY

EUR

Asian
currencies*

Other
currencies

Assets

Monetary assets

593,597

285,759

405,137

45,895

127,687

Non-monetary assets

393,140

259,119

152,503

258,071

161,351

Liabilities

Monetary liabilities

(1,557)

(10,280)

(282)

(995)

(570)

Non-monetary liabilities

-

-

-

-

-

Estimated % change in the
relevant exchange rate of
the foreign currency
against Hong Kong dollar

±5%

±5%

±5%

±5%

Impact on net assets

attributable to members

Monetary

±13,774

±20,243

±2,245

±6,356

Non-monetary

±12,956

±7,625

±12,904

±8,068

*2017: Asian currencies include AUD, IDR, CNY, KRW, NZD, MYR, PHP, SGD, THB and TWD.

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

E70 Mixed Asset Fund

At 31 December 2018

Original currencies

Hong Kong dollar

equivalent (HK\$'000)

US\$

JPY

EUR

Assets

Monetary assets

44

335

32

Non-monetary assets

-

-

-

Liabilities

Monetary liabilities

-

(1,954)

-

Non-monetary liabilities

-

-

-

Estimated % change in the
relevant exchange rate of
the foreign currency
against Hong Kong dollar

±5%

±5%

Impact on net assets
attributable to members

Monetary

±81

±2

Non-monetary

-

-

At 31 December 2017

Original currencies

Hong Kong dollar

equivalent (HK\$'000)

US\$

JPY

EUR

Asian
currencies*

Other
currencies

Assets

Monetary assets

580,740

280,152

404,296

62,409

141,121

Non-monetary assets

992,642

633,124

392,145

647,771

404,030

Liabilities

Monetary liabilities

(2,121)

(7,907)

(463)

(2,470)

(447)

Non-monetary liabilities

-

-

-

-

-

Estimated % change in the
relevant exchange rate of
the foreign currency
against Hong Kong dollar

±5%

±5%

±5%

±5%

Impact on net assets
attributable to members

Monetary

±13,612

±20,192

±2,997

±7,034

Non-monetary

±31,656

±19,607

±32,389

±20,202

*2017: Asian currencies include AUD, IDR, CNY, KRW, NZD, MYR, PHP, SGD, THB and TWD.

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Global Bond Fund

At 31 December 2018

Original currencies

Hong Kong dollar

equivalent (HK\$'000) JPY

Assets

Monetary assets -

Non-monetary assets -

Liabilities

Monetary liabilities (666)

Non-monetary liabilities -

Estimated % change in the
relevant exchange rate of
the foreign currency
against Hong Kong dollar ±5%

Impact on net assets
attributable to members

Monetary ±33

Non-monetary -

The constituent fund was not exposed to significant currency risk as at 31 December 2017.

Global Equity Fund

At 31 December 2018

Original currencies

Hong Kong dollar

equivalent (HK\$'000) US\$ JPY EUR

Assets

Monetary assets 44 131 15

Non-monetary assets - - -

Liabilities

Monetary liabilities - (1,296) -

Non-monetary liabilities - - -

Estimated % change in the
relevant exchange rate of
the foreign currency
against Hong Kong dollar ±5% ±5%

Impact on net assets
attributable to members

Monetary ±58 ±1

Non-monetary - -

The constituent fund was not exposed to significant currency risk as at 31 December 2017.

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

European Equity Fund

At 31 December 2018

Original currencies

Hong Kong dollar equivalent (HK\$'000)	EUR	Other currencies
---	-----	---------------------

Assets

Monetary assets	17	5
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Non-monetary assets	-	-
---------------------	---	---

Liabilities

Monetary liabilities	(50)	(110)
----------------------	------	-------

Non-monetary liabilities	-	-
--------------------------	---	---

Estimated % change in the
relevant exchange rate of
the foreign currency
against Hong Kong dollar

	±5%	±5%
--	-----	-----

Impact on net assets
attributable to members

Monetary	±2	±5
----------	----	----

Non-monetary	-	-
--------------	---	---

At 31 December 2017

Original currencies

Hong Kong dollar equivalent (HK\$'000)	EUR	Other currencies
---	-----	---------------------

Assets

Monetary assets	-	-
-----------------	---	---

Non-monetary assets	-	-
---------------------	---	---

Liabilities

Monetary liabilities	(1,133)	(896)
----------------------	---------	-------

Non-monetary liabilities	-	-
--------------------------	---	---

Estimated % change in the
relevant exchange rate of
the foreign currency
against Hong Kong dollar

	±5%	±5%
--	-----	-----

Impact on net assets
attributable to members

Monetary	±57	±45
----------	-----	-----

Non-monetary	-	-
--------------	---	---

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

E90 Mixed Asset Fund

At 31 December 2018

Original currencies

Hong Kong dollar

equivalent (HK\$'000)

US\$

JPY

EUR

Assets

Monetary assets

6

58

4

Non-monetary assets

-

-

-

Liabilities

Monetary liabilities

-

(156)

-

Non-monetary liabilities

-

-

-

Estimated % change in the
relevant exchange rate of
the foreign currency
against Hong Kong dollar

±5%

±5%

Impact on net assets
attributable to members

Monetary

±5

-

Non-monetary

-

-

The constituent fund was not exposed to significant currency risk as at 31 December 2017.

RMB Bond Fund

At 31 December 2018

Original currencies

Hong Kong dollar

equivalent (HK\$'000)

RMB

Assets

Monetary assets

475

Non-monetary assets

-

Liabilities

Monetary liabilities

-

Non-monetary liabilities

-

Estimated % change in the
relevant exchange rate of
the foreign currency
against Hong Kong dollar

±5%

Impact on net assets
attributable to members

Monetary

±24

Non-monetary

-

The constituent fund was not exposed to significant currency risk as at 31 December 2017.

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

World Equity Fund

At 31 December 2018

Original currencies

Hong Kong dollar equivalent (HK\$'000)	US\$	Other currencies
---	------	---------------------

Assets

Monetary assets	1,640	1,759
-----------------	-------	-------

Non-monetary assets	440,259	168,996
---------------------	---------	---------

Liabilities

Monetary liabilities	(2,532)	(1,194)
----------------------	---------	---------

Non-monetary liabilities	-	-
--------------------------	---	---

Estimated % change in the relevant exchange rate of the foreign currency against Hong Kong dollar		±5%
--	--	-----

Impact on net assets
attributable to members

Monetary		±28
----------	--	-----

Non-monetary		±8,450
--------------	--	--------

At 31 December 2017

Original currencies

Hong Kong dollar equivalent (HK\$'000)	US\$	Other currencies
---	------	---------------------

Assets

Monetary assets	973	612
-----------------	-----	-----

Non-monetary assets	359,324	136,375
---------------------	---------	---------

Liabilities

Monetary liabilities	(332)	(838)
----------------------	-------	-------

Non-monetary liabilities	-	-
--------------------------	---	---

Estimated % change in the relevant exchange rate of the foreign currency against Hong Kong dollar		±5%
--	--	-----

Impact on net assets
attributable to members

Monetary		±11
----------	--	-----

Non-monetary		±6,819
--------------	--	--------

The investment managers do not consider there to be a change in the current Hong Kong dollar peg to the US dollar that would have a material impact on the above constituent funds, consequently no sensitivity analysis has been performed on the Hong Kong dollar to US dollar currency pair.

At 31 December 2018, the MPF Conservative Fund, Asian Equity Fund, Flexi Mixed Asset Fund (formerly known as Absolute Return Fund), China & Hong Kong Equity Fund, SaveEasy 2020 Fund, SaveEasy 2025 Fund, SaveEasy 2030 Fund, SaveEasy 2035 Fund, SaveEasy 2040 Fund, Hang Seng Index Tracking Fund, Hong Kong Dollar Bond Fund, Greater China Equity Fund, Core Accumulation Fund and Age 65 Plus Fund did not have any assets or liabilities denominated in currencies other than their functional currency, Hong Kong dollar. Hong Kong Equity Fund and International Equity Fund under the Plan was approved for termination on 21 September 2018. As a result, these constituent funds are not subject to significant currency risk.

At 31 December 2017, the MPF Conservative Fund, Global Bond Fund, Global Equity Fund, Hong Kong Equity Fund, Asian Equity Fund, Flexi Mixed Asset Fund (formerly known as Absolute Return Fund), China and Hong Kong Equity Fund, E90 Mixed Asset Fund, International Equity Fund, SaveEasy 2020 Fund, SaveEasy 2025 Fund, SaveEasy 2030 Fund, SaveEasy 2035 Fund, SaveEasy 2040 Fund, Hang Seng Index Tracking Fund, Hong Kong Dollar Bond Fund, Greater China Equity Fund, RMB Bond Fund, Core Accumulation Fund and Age 65 Plus Fund did not have any assets or liabilities denominated in currencies other than their functional currency, Hong Kong dollar. As a result, these constituent funds are not subject to significant currency risk.

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

(b) Credit risk

The Plan and its constituent funds are exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which the Plan and its constituent funds are exposed arises from the investments in debt securities. The Plan and its constituent funds are also exposed to counterparty credit risk on trading derivative products, bank balances, amounts receivables on sale of financial assets at fair value through profit or loss, dividends receivable, interest receivable, and other receivable balances.

MPF Conservative Fund may also invest in certificates of deposit and fixed deposits and is therefore exposed to credit risk if the issuers default and will not repay the principal amount at maturity and interest as scheduled. Investment transactions are settled upon delivery using approved brokers. The credit risk of default is considered minimal, and counterparty risk is mitigated as delivery of investments sold is only made to brokers against payment. In a purchase, payment is made when the securities have been received from the broker. The transaction will fail if either party fails to meet their respective obligations.

The credit risk is mitigated as the debt securities held are subject to the requirements of (i) minimum credit rating, and (ii) maximum holding of 10% of net asset value for any single issuer except for those issued or guaranteed by the government and other bodies permitted by the Mandatory Provident Fund Schemes Authority of Hong Kong.

As at 31 December 2018, MPF Conservative Fund and World Equity Fund's financial assets which were potentially subject to concentrations of credit risk consisted principally of investments held with the sub-custodian. As at 31 December 2018, the sub-custodian had a credit rating of P-1 (2017: P-1).

As at 31 December 2018 and 2017, the Plan and the following constituent funds held debt securities and bank balances with the following credit ratings, which are rated by well-known rating agencies and the table below set out credit rating as a percentage of total bank balances, debt securities and certificates of deposit, and bank balances and fixed deposits.

	<u>The Plan</u>	
	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances</u>		
A-1+/A-1/P-1	94%	98%
A-2/P-2	6%	2%
Total	100%	100%

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

	<u>MPF Conservative Fund</u>	
	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Debt Securities and Certificates of Deposit</u>		
A-1+/A-1/P-1	100%	100%
Total	100%	100%
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	66%	51%
A-2/P-2	34%	49%
Total	100%	100%
	<u>E30 Mixed Asset Fund</u>	
	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Debt Securities and Certificates of Deposit</u>		
<u>Long Term</u>		
AAA/Aaa	-	45%
AA/Aa	-	14%
A/A	-	25%
BBB/Baa	-	12%
<u>Short Term</u>		
A-1+/A-1/P-1	-	4%
Total	-	100%
<u>Bank Balances</u>		
A-1+/A-1/P-1	100%	100%

After the Scheme Restructuring, as at 31 December 2018, E30 Mixed Asset Fund no longer held direct investments.

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

	<u>E50 Mixed Asset Fund</u>	
	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Debt Securities and Certificates of Deposit</u>		
<u>Long Term</u>		
AAA/Aaa	-	44%
AA/Aa	-	14%
A/A	-	28%
BBB/Baa	-	12%
<u>Short Term</u>		
A-1+/A-1/P-1	-	2%
Total	-	100%
<u>Bank Balances</u>		
A-1+/A-1/P-1	100%	100%

After the Scheme Restructuring, as at 31 December 2018, E50 Mixed Asset Fund no longer held direct investments.

	<u>E70 Mixed Asset Fund</u>	
	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Debt Securities and Certificates of Deposit</u>		
<u>Long Term</u>		
AAA/Aaa	-	45%
AA/Aa	-	13%
A/A	-	28%
BBB/Baa	-	13%
<u>Short Term</u>		
A-1+/A-1/P-1	-	1%
Total	-	100%
<u>Bank Balances</u>		
A-1+/A-1/P-1	100%	100%

After the Scheme Restructuring, as at 31 December 2018, E70 Mixed Asset Fund no longer held direct investments.

	<u>Global Bond Fund</u>	
	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	100%	100%

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Global Equity Fund

	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

Hong Kong Equity Fund*

	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>-</u>	<u>100%</u>

Asian Equity Fund

	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

Flexi Mixed Asset Fund**

	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

*The fund was approved for termination on 21 September 2018

**Formerly known as Absolute Return Fund

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

	<u>China and Hong Kong Equity Fund</u>	
	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

	<u>European Equity Fund</u>	
	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

	<u>E90 Mixed Asset Fund</u>	
	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

	<u>International Equity Fund*</u>	
	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>-</u>	<u>100%</u>

*The fund was approved for termination on 21 September 2018

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

SaveEasy 2020 Fund

	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

SaveEasy 2025 Fund

	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

SaveEasy 2030 Fund

	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

SaveEasy 2035 Fund

	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

SaveEasy 2040 Fund

	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

Hang Seng Index Tracking Fund

	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

Hong Kong Dollar Bond Fund

	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

World Equity Fund

	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

Greater China Equity Fund

	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

RMB Bond Fund

	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

Core Accumulation Fund

	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

Age 65 Plus Fund

	2018	2017
Portfolio by rating category (Source of credit ratings: Moody's or Standard & Poor's)		
Rating		
<u>Bank Balances and Fixed Deposits</u>		
A-1+/A-1/P-1	<u>100%</u>	<u>100%</u>

The maximum exposure to credit risk at year end is the carrying amount of the financial assets as shown on the statement of net assets available for benefits for the Plan and its constituent funds and the statement of net assets for the constituent funds.

The Plan and its constituent funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Trustee considers both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2018 and 31 December 2017, bank balances and fixed deposits were held with counterparties with credit rating of A-2 or higher and the remaining balance of receivables mainly comprised amounts receivable on sales of financial assets at fair value through profit or loss, dividends receivable, interest receivable, contribution receivable, amounts receivable on funds switching, amounts receivable on subscription and other receivables which were due to be settled within 3 month. The Trustee 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. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Plan and its constituent funds.

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

(c) Liquidity risk

The constituent funds are exposed to daily cash redemptions of units. The constituent funds therefore invest the majority of their assets in investments that are traded in an active market and can be readily disposed of. All investments in approved pooled investments funds permit redemptions on a daily basis and with a short settlement period. The investment managers consider the liquidity risk is low.

The table below analyses the constituent funds' financial liabilities into relevant maturity groupings based on the remaining period at the year end date to the contractual maturity date. In addition, the derivative financial instruments as disclosed below are net settled and are analysed based on their contractual maturities which are considered to be essential to an understanding of the timing of cash flows based on the investment strategy of the respective constituent funds. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

The Plan

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Derivative financial instruments	7,230	51	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	25,498	-	-	-
Benefits and forfeitures payable	224,540	-	-	-
Amounts payable to derivative counterparties	30,400	-	-	-
Accruals and other payables	51,569	757	-	5,271
Total financial liabilities	339,237	808	-	5,271
	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Derivative financial instruments	11,502	1,174	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	50,956	-	-	-
Benefits and forfeitures payable	236,250	-	-	-
Accruals and other payables	56,233	1,547	-	5,105
Total financial liabilities	354,941	2,721	-	5,105

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

MPF Conservative Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	5,610	139	-	775
Amounts payable on redemption	9,649	-	-	-
Amounts payable on funds switching	36,309	-	-	-
Total financial liabilities	<u>51,568</u>	<u>139</u>	<u>-</u>	<u>775</u>
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	4,334	151	-	688
Amounts payable on redemption	10,050	-	-	-
Amounts payable on funds switching	38,596	-	-	-
Total financial liabilities	<u>52,980</u>	<u>151</u>	<u>-</u>	<u>688</u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

E30 Mixed Asset Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	3,045	53	-	412
Amounts payable to derivative counterparties	5,100	-	-	-
Amounts payable on redemption	3,370	-	-	-
Amounts payable on funds switching	2,049	-	-	-
Derivative financial instruments	1,505	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	807	-	-	-
Total financial liabilities	<u>15,876</u>	<u>53</u>	<u>-</u>	<u>412</u>
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	4,073	279	-	432
Amounts payable on redemption	4,757	-	-	-
Amounts payable on funds switching	2,150	-	-	-
Derivative financial instruments	16,337	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	3,056	-	-	-
Total financial liabilities	<u>30,373</u>	<u>279</u>	<u>-</u>	<u>432</u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

E50 Mixed Asset Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	3,397	56	-	473
Amounts payable to derivative counterparties	4,900	-	-	-
Amounts payable on redemption	3,095	-	-	-
Amounts payable on funds switching	1,768	-	-	-
Derivative financial instruments	1,403	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	259	-	-	-
Total financial liabilities	<u>14,822</u>	<u>56</u>	<u>-</u>	<u>473</u>
	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	4,573	304	-	490
Amounts payable on redemption	3,838	-	-	-
Amounts payable on funds switching	1,259	-	-	-
Derivative financial instruments	2,281	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	14,545	-	-	-
Total financial liabilities	<u>26,496</u>	<u>304</u>	<u>-</u>	<u>490</u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

E70 Mixed Asset Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	5,971	98	-	892
Amounts payable to derivative counterparties	6,300	-	-	-
Amounts payable on redemption	4,053	-	-	-
Amounts payable on funds switching	3,988	-	-	-
Derivative financial instruments	1,954	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	17	-	-	-
Total financial liabilities	<u>22,283</u>	<u>98</u>	<u>-</u>	<u>892</u>
	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	8,416	454	-	928
Amounts payable on redemption	5,355	-	-	-
Amounts payable on funds switching	4,216	-	-	-
Derivative financial instruments	2,057	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	20,074	-	-	-
Total financial liabilities	<u>40,118</u>	<u>454</u>	<u>-</u>	<u>928</u>

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Global Bond Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	1,311	22	-	117
Amounts payable to derivative counterparties	4,600	-	-	-
Amounts payable on redemption	1,059	-	-	-
Amounts payable on funds switching	1,951	-	-	-
Derivative financial instruments	666	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	3,064	-	-	-
Total financial liabilities	12,651	22	-	117
	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	719	19	-	110
Amounts payable on redemption	1,073	-	-	-
Amounts payable on funds switching	2,229	-	-	-
Total financial liabilities	4,021	19	-	110

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Global Equity Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	2,898	39	-	277
Amounts payable to derivative counterparties	5,200	-	-	-
Amounts payable on redemption	2,333	-	-	-
Amounts payable on funds switching	8,611	-	-	-
Derivative financial instruments	1,344	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	540	-	-	-
Total financial liabilities	20,926	39	-	277
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	1,508	24	-	216
Amounts payable on redemption	3,088	-	-	-
Amounts payable on funds switching	3,041	-	-	-
Total financial liabilities	7,637	24	-	216

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

Hong Kong Equity Fund*

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	3,067	45	-	438
Amounts payable on redemption	3,497	-	-	-
Amounts payable on funds switching	24,565	-	-	-
Total financial liabilities	31,129	45	-	438

Asian Equity Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	3,872	50	-	361
Amounts payable on redemption	2,897	-	-	-
Amounts payable on funds switching	6,767	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	701	-	-	-
Total financial liabilities	14,237	50	-	361

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	2,948	47	-	370
Amounts payable on redemption	3,530	-	-	-
Amounts payable on funds switching	8,279	-	-	-
Total financial liabilities	14,757	47	-	370

*The fund was approved for termination on 21 September 2018

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Flexi Mixed Asset Fund (formerly known as Absolute Return Fund)

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	767	17	-	97
Amounts payable on redemption	1,576	-	-	-
Amounts payable on funds switching	4,405	-	-	-
Total financial liabilities	6,748	17	-	97

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	703	14	-	90
Amounts payable on redemption	1,407	-	-	-
Amounts payable on funds switching	1,575	-	-	-
Total financial liabilities	3,685	14	-	90

China and Hong Kong Equity Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	8,566	112	-	866
Amounts payable on redemption	5,771	-	-	-
Amounts payable on funds switching	22,281	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	624	-	-	-
Total financial liabilities	37,242	112	-	866

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	6,307	62	-	451
Amounts payable on redemption	5,267	-	-	-
Amounts payable on funds switching	15,814	-	-	-
Total financial liabilities	27,388	62	-	451

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

European Equity Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	621	12	-	53
Amounts payable to derivative counterparties	4,300	-	-	-
Amounts payable on redemption	276	-	-	-
Amounts payable on funds switching	3,384	-	-	-
Derivative financial instruments	201	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	152	-	-	-
Total financial liabilities	8,934	12	-	53
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	753	9	-	55
Amounts payable on redemption	769	-	-	-
Amounts payable on funds switching	3,075	-	-	-
Derivative financial instruments	2,030	-	-	-
Total financial liabilities	6,627	9	-	55

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

E90 Mixed Asset Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	711	11	-	58
Amounts payable on redemption	650	-	-	-
Amounts payable on funds switching	1,324	-	-	-
Derivative financial instruments	156	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	546	-	-	-
Total financial liabilities	3,387	11	-	58
	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	493	9	-	54
Amounts payable on redemption	572	-	-	-
Amounts payable on funds switching	362	-	-	-
Total financial liabilities	1,427	9	-	54

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

International Equity Fund*

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	714	12	-	76
Amounts payable on redemption	1,324	-	-	-
Amounts payable on funds switching	3,407	-	-	-
Total financial liabilities	<u>5,445</u>	<u>12</u>	<u>-</u>	<u>76</u>

SaveEasy 2020 Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	292	8	-	32
Amounts payable on redemption	545	-	-	-
Amounts payable on funds switching	1,567	-	-	-
Total financial liabilities	<u>2,404</u>	<u>8</u>	<u>-</u>	<u>32</u>

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	284	7	-	31
Amounts payable on redemption	713	-	-	-
Amounts payable on funds switching	402	-	-	-
Total financial liabilities	<u>1,399</u>	<u>7</u>	<u>-</u>	<u>31</u>

*The fund was approved for termination on 21 September 2018

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

SaveEasy 2025 Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	294	8	-	34
Amounts payable on redemption	252	-	-	-
Amounts payable on funds switching	465	-	-	-
	<u>1,011</u>	<u>8</u>	<u>-</u>	<u>34</u>
Total financial liabilities	<u>1,011</u>	<u>8</u>	<u>-</u>	<u>34</u>

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	290	7	-	31
Amounts payable on redemption	187	-	-	-
Amounts payable on funds switching	1,337	-	-	-
	<u>1,814</u>	<u>7</u>	<u>-</u>	<u>31</u>
Total financial liabilities	<u>1,814</u>	<u>7</u>	<u>-</u>	<u>31</u>

SaveEasy 2030 Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	341	9	-	40
Amounts payable on redemption	303	-	-	-
Amounts payable on funds switching	1,263	-	-	-
	<u>1,907</u>	<u>9</u>	<u>-</u>	<u>40</u>
Total financial liabilities	<u>1,907</u>	<u>9</u>	<u>-</u>	<u>40</u>

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	338	7	-	36
Amounts payable on redemption	306	-	-	-
Amounts payable on funds switching	502	-	-	-
	<u>1,146</u>	<u>7</u>	<u>-</u>	<u>36</u>
Total financial liabilities	<u>1,146</u>	<u>7</u>	<u>-</u>	<u>36</u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

SaveEasy 2035 Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	322	8	-	37
Amounts payable on redemption	210	-	-	-
Amounts payable on funds switching	1,248	-	-	-
Total financial liabilities	1,780	8	-	37

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	308	7	-	32
Amounts payable on redemption	287	-	-	-
Amounts payable on funds switching	304	-	-	-
Total financial liabilities	899	7	-	32

SaveEasy 2040 Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	727	14	-	83
Amounts payable on redemption	865	-	-	-
Amounts payable on funds switching	1,628	-	-	-
Total financial liabilities	3,220	14	-	83

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	680	11	-	71
Amounts payable on redemption	1,048	-	-	-
Amounts payable on funds switching	1,076	-	-	-
Total financial liabilities	2,804	11	-	71

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Hang Seng Index Tracking Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	1,320	25	-	325
Amounts payable on redemption	1,770	-	-	-
Amounts payable on funds switching	20,581	-	-	-
Amount payable on purchase of financial assets at fair value through profit or loss	11,255	-	-	-
Total financial liabilities	34,926	25	-	325
	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	1,219	22	-	291
Amounts payable on redemption	2,887	-	-	-
Amounts payable on funds switching	25,721	-	-	-
Total financial liabilities	29,827	22	-	291

Hong Kong Dollar Bond Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	1,612	12	-	80
Amounts payable on redemption	528	-	-	-
Amounts payable on funds switching	2,839	-	-	-
Total financial liabilities	4,979	12	-	80
	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	1,243	10	-	67
Amounts payable on redemption	1,267	-	-	-
Amounts payable on funds switching	7,951	-	-	-
Total financial liabilities	10,461	10	-	67

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

World Equity Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	444	28	-	49
Amounts payable on redemption	533	-	-	-
Amounts payable on funds switching	4,262	-	-	-
Derivative financial instruments	1	51	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	3,715	-	-	-
Total financial liabilities	8,955	79	-	49
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	350	27	-	39
Amounts payable on redemption	804	-	-	-
Amounts payable on funds switching	2,965	-	-	-
Derivative financial instruments	-	1,175	-	-
Total financial liabilities	4,119	1,202	-	39

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Greater China Equity Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	557	12	-	83
Amounts payable on redemption	879	-	-	-
Amounts payable on funds switching	2,477	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	3,815	-	-	-
Total financial liabilities	7,728	12	-	83

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	524	9	-	69
Amounts payable on redemption	1,090	-	-	-
Amounts payable on funds switching	2,691	-	-	-
Total financial liabilities	4,305	9	-	69

RMB Bond Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	609	10	-	60
Amounts payable on redemption	820	-	-	-
Amounts payable on funds switching	2,034	-	-	-
Total financial liabilities	3,463	10	-	60

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	435	8	-	41
Amounts payable on redemption	709	-	-	-
Amounts payable on funds switching	2,167	-	-	-
Derivative financial instruments	2,078	-	-	-
Total financial liabilities	5,389	8	-	41

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Core Accumulation Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	280	9	-	48
Amounts payable on redemption	452	-	-	-
Amounts payable on funds switching	3,133	-	-	-
Total financial liabilities	3,865	9	-	48

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	149	-	-	-
Amounts payable on redemption	548	-	-	-
Amounts payable on funds switching	1,884	-	-	-
Total financial liabilities	2,581	-	-	-

Age 65 Plus Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
Liabilities:				
Accruals and other payables	114	5	-	19
Amounts payable on redemption	143	-	-	-
Amounts payable on funds switching	1,744	-	-	-
Total financial liabilities	2,001	5	-	19

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2017 (HK\$'000)				
Liabilities:				
Accruals and other payables	47	-	-	-
Amounts payable on redemption	252	-	-	-
Amounts payable on funds switching	728	-	-	-
Total financial liabilities	1,027	-	-	-

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

The investment managers manage the liquidity risk of each constituent fund by investing predominantly in investments that they expect to be able to liquidate, normally within 7 days or less. The table below analyses the constituent funds' expected liquidity of financial assets held.

	Less than 1 month	1-3 months	Over 3 months
At 31 December 2018 (HK\$'000)			
MPF Conservative Fund	7,561,834	5,956	-
E30 Mixed Asset Fund	2,731,888	-	-
E50 Mixed Asset Fund	3,032,326	-	-
E70 Mixed Asset Fund	5,302,778	-	-
Global Bond Fund	1,232,803	-	-
Global Equity Fund	2,552,216	-	-
Hong Kong Equity Fund*	-	-	-
Asian Equity Fund	3,297,873	-	-
Flexi Mixed Asset Fund (formerly known as Absolute Return Fund)	1,130,590	-	-
China and Hong Kong Equity Fund	7,657,924	-	-
European Equity Fund	531,563	-	-
E90 Mixed Asset Fund	629,211	-	-
International Equity Fund*	-	-	-
SaveEasy 2020 Fund	382,867	-	-
SaveEasy 2025 Fund	381,514	-	-
SaveEasy 2030 Fund	442,679	-	-
SaveEasy 2035 Fund	417,607	-	-
SaveEasy 2040 Fund	945,288	-	-
Hang Seng Index Tracking Fund	2,263,165	-	-
Hong Kong Dollar Bond Fund	1,039,036	-	-
World Equity Fund	653,727	469	-
Greater China Equity Fund	831,536	-	-
RMB Bond Fund	580,349	-	-
Core Accumulation Fund	566,341	-	-
Age 65 Plus Fund	234,256	-	-

* The fund was approved for termination on 21 September 2018 with no financial assets held as at 21 September 2018.

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

	Less than 1 month	1-3 months	Over 3 months
At 31 December 2017 (HK\$'000)			
MPF Conservative Fund	5,615,173	2,564	1,010
E30 Mixed Asset Fund	2,994,875	242	-
E50 Mixed Asset Fund	3,367,280	409	-
E70 Mixed Asset Fund	6,192,050	995	-
Global Bond Fund	1,062,686	-	-
Global Equity Fund	2,001,094	-	-
Hong Kong Equity Fund	4,141,426	-	-
Asian Equity Fund	3,939,951	-	-
Flexi Mixed Asset Fund (formerly known as Absolute Return Fund)	1,047,644	-	-
China and Hong Kong Equity Fund	5,252,516	-	-
European Equity Fund	625,665	-	-
E90 Mixed Asset Fund	660,748	-	-
International Equity Fund	950,708	-	-
SaveEasy 2020 Fund	377,841	-	-
SaveEasy 2025 Fund	388,134	-	-
SaveEasy 2030 Fund	453,496	-	-
SaveEasy 2035 Fund	412,937	-	-
SaveEasy 2040 Fund	914,056	-	-
Hang Seng Index Tracking Fund	2,115,908	-	-
Hong Kong Dollar Bond Fund	794,972	-	-
World Equity Fund	528,479	5	-
Greater China Equity Fund	793,822	-	-
RMB Bond Fund	424,049	-	-
Core Accumulation Fund	310,064	-	-
Age 65 Plus Fund	97,270	-	-

At 31 December 2018 and 2017, no individual member held more than 10% of each constituent fund's units.

BCT (MPF) PRO CHOICE
NOTES TO THE FINANCIAL STATEMENTS

II. Capital risk management

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

In order to maintain or adjust the capital structure, the policy of the constituent funds is to perform the following:

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

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

III. Fair value estimation

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the year end date. The quoted market price used for financial assets held by the constituent funds is the last traded price (prior to 26 April 2018: current bid price); the quoted market price for financial liabilities is the current asking price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the constituent funds for similar financial instruments.

HKFRS 13 requires the constituent funds to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes ‘observable’ requires significant judgement by the constituent funds. The constituent funds consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the constituent funds’ investments (by class) measured at fair value at 31 December 2018 and 2017:

MPF Conservative Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Certificates of deposit	-	1,661,292,459	1,661,292,459
-Fixed deposits	5,749,257,952	-	5,749,257,952
	<u>5,749,257,952</u>	<u>1,661,292,459</u>	<u>7,410,550,411</u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Certificates of deposit	-	1,069,474,736	1,069,474,736
-Fixed deposits	4,421,863,415	-	4,421,863,415
	<u>4,421,863,415</u>	<u>1,069,474,736</u>	<u>5,491,338,151</u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

E30 Mixed Asset Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment funds	-	2,708,189,797	2,708,189,797
-Derivative financial instruments	-	5,085,489	5,085,489
	-	2,713,275,286	2,713,275,286
Liabilities			
Financial liabilities held for trading			
-Derivative financial instruments	-	(1,504,617)	(1,504,617)

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total balance HK\$
Assets				
Financial assets held for trading				
-Debt securities and certificates of deposit	-	1,753,692,687	-	1,753,692,687
-Equities, rights, warrants and investment funds	1,032,916,962	-	-	1,032,916,962
-Derivative financial instruments	-	456,574	-	456,574
	1,032,916,962	1,754,149,261	-	2,787,066,223
Liabilities				
Financial liabilities held for trading				
-Derivative financial instruments	-	(3,056,429)	-	(3,056,429)

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

E50 Mixed Asset Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment funds	-	3,012,053,223	3,012,053,223
-Derivative financial instruments	-	4,382,238	4,382,238
	-	3,016,435,461	3,016,435,461
Liabilities			
Financial liabilities held for trading			
-Derivative financial instruments	-	(1,402,940)	(1,402,940)

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total balance HK\$
Assets				
Financial assets held for trading				
-Debt securities and certificates of deposit	-	1,352,247,667	-	1,352,247,667
-Equities, rights, warrants and investment funds	1,838,430,516	-	-	1,838,430,516
-Derivative financial instruments	-	345,263	-	345,263
	1,838,430,516	1,352,592,930	-	3,191,023,446
Liabilities				
Financial liabilities held for trading				
-Derivative financial instruments	-	(2,281,069)	-	(2,281,069)

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

E70 Mixed Asset Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment funds	-	5,278,846,866	5,278,846,866
-Derivative financial instruments	-	5,223,943	5,223,943
	<u>-</u>	<u>5,284,070,809</u>	<u>5,284,070,809</u>
Liabilities			
Financial liabilities held for trading			
-Derivative financial instruments	-	(1,954,138)	(1,954,138)
	<u>-</u>	<u>(1,954,138)</u>	<u>(1,954,138)</u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Total balance HK\$
Assets				
Financial assets held for trading				
-Debt securities and certificates of deposit	-	1,357,478,974	-	1,357,478,974
-Equities, rights, warrants and investment funds	4,646,949,180	-	-	4,646,949,180
-Derivative financial instruments	-	323,359	-	323,359
	<u>4,646,949,180</u>	<u>1,357,802,333</u>	<u>-</u>	<u>6,004,751,513</u>
Liabilities				
Financial liabilities held for trading				
-Derivative financial instruments	-	(2,056,851)	-	(2,056,851)
	<u>-</u>	<u>(2,056,851)</u>	<u>-</u>	<u>(2,056,851)</u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Global Bond Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment funds	-	1,212,230,767	1,212,230,767
-Derivative financial instruments	-	2,898,956	2,898,956
	-	1,215,129,723	1,215,129,723
Liabilities			
Financial liabilities held for trading			
-Derivative financial instruments	-	(665,743)	(665,743)

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	1,055,818,326	-	1,055,818,326

Global Equity Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment funds	-	2,526,132,460	2,526,132,460
-Derivative financial instruments	-	4,361,312	4,361,312
	-	2,530,493,772	2,530,493,772
Liabilities			
Financial liabilities held for trading			
-Derivative financial instruments	-	(1,343,980)	(1,343,980)

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	1,988,191,776	-	1,988,191,776

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Hong Kong Equity Fund

(Approved for termination on 21 September 2018)

As at 21 September 2018 (date of approval for termination), no investment was held by the Constituent Fund.

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	4,088,554,696	-	4,088,554,696
	<u> </u>	<u> </u>	<u> </u>

Asian Equity Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment funds	-	3,287,791,805	3,287,791,805
	<u> </u>	<u> </u>	<u> </u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	3,923,505,684	-	3,923,505,684
	<u> </u>	<u> </u>	<u> </u>

Flexi Mixed Asset Fund (formerly known as Absolute Return Fund)

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	1,123,213,681	-	1,123,213,681
	<u> </u>	<u> </u>	<u> </u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	1,040,018,361	-	1,040,018,361
	<u> </u>	<u> </u>	<u> </u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

China and Hong Kong Equity Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment funds	-	7,613,415,718	7,613,415,718
	<u> </u>	<u> </u>	<u> </u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	5,214,421,474	-	5,214,421,474
	<u> </u>	<u> </u>	<u> </u>

European Equity Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment funds	-	513,891,929	513,891,929
-Derivative financial instruments	-	3,632,384	3,632,384
	<u> </u>	<u> </u>	<u> </u>
	-	517,524,313	517,524,313
	<u> </u>	<u> </u>	<u> </u>
Liabilities			
Financial liabilities held for trading			
-Derivative financial instruments	-	(200,649)	(200,649)
	<u> </u>	<u> </u>	<u> </u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	617,308,962	-	617,308,962
	<u> </u>	<u> </u>	<u> </u>
Liabilities			
Financial liabilities held for trading			
-Derivative financial instruments	-	(2,029,449)	(2,029,449)
	<u> </u>	<u> </u>	<u> </u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

E90 Mixed Asset Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment funds	-	623,616,589	623,616,589
-Derivative financial instruments	-	223,883	223,883
	<u>-</u>	<u>623,840,472</u>	<u>623,840,472</u>
Liabilities			
Financial liabilities held for trading			
-Derivative financial instruments	-	(156,416)	(156,416)
	<u>-</u>	<u>(156,416)</u>	<u>(156,416)</u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	657,289,152	-	657,289,152
	<u>657,289,152</u>	<u>-</u>	<u>657,289,152</u>

International Equity Fund

(Approved for termination on 21 September 2018)

As at 21 September 2018 (date of approval for termination), no investment was held by the Constituent Fund.

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	941,958,488	-	941,958,488
	<u>941,958,488</u>	<u>-</u>	<u>941,958,488</u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

SaveEasy 2020 Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	379,512,179	-	379,512,179
	<u> </u>	<u> </u>	<u> </u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	375,354,318	-	375,354,318
	<u> </u>	<u> </u>	<u> </u>

SaveEasy 2025 Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	380,113,979	-	380,113,979
	<u> </u>	<u> </u>	<u> </u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	384,786,811	-	384,786,811
	<u> </u>	<u> </u>	<u> </u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

SaveEasy 2030 Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	439,639,057	-	439,639,057
	<u> </u>	<u> </u>	<u> </u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	451,305,149	-	451,305,149
	<u> </u>	<u> </u>	<u> </u>

SaveEasy 2035 Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	415,338,509	-	415,338,509
	<u> </u>	<u> </u>	<u> </u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	411,018,591	-	411,018,591
	<u> </u>	<u> </u>	<u> </u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

SaveEasy 2040 Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	939,597,746	-	939,597,746
	<u> </u>	<u> </u>	<u> </u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	907,385,025	-	907,385,025
	<u> </u>	<u> </u>	<u> </u>

Hang Seng Index Tracking Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Index tracking collective investment scheme	2,226,476,568	-	2,226,476,568
	<u> </u>	<u> </u>	<u> </u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Index tracking collective investment scheme	2,089,633,428	-	2,089,633,428
	<u> </u>	<u> </u>	<u> </u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Hong Kong Dollar Bond Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	1,027,324,742	-	1,027,324,742
	<u>1,027,324,742</u>	<u>-</u>	<u>1,027,324,742</u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	775,636,864	-	775,636,864
	<u>775,636,864</u>	<u>-</u>	<u>775,636,864</u>

World Equity Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Index tracking collective investment schemes	643,380,294	-	643,380,294
-Derivative financial instruments	-	468,767	468,767
	<u>643,380,294</u>	<u>468,767</u>	<u>643,849,061</u>
Liabilities			
Financial liabilities held for trading			
-Derivative financial instruments	-	(52,271)	(52,271)
	<u>-</u>	<u>(52,271)</u>	<u>(52,271)</u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Index tracking collective investment schemes	522,307,410	-	522,307,410
-Derivative financial instruments	-	5,514	5,514
	<u>522,307,410</u>	<u>5,514</u>	<u>522,312,924</u>
Liabilities			
Financial liabilities held for trading			
-Derivative financial instruments	-	(1,174,480)	(1,174,480)
	<u>-</u>	<u>(1,174,480)</u>	<u>(1,174,480)</u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Greater China Equity Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Index tracking collective investment schemes	822,950,735	-	822,950,735
	<u>822,950,735</u>	<u>-</u>	<u>822,950,735</u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Index tracking collective investment schemes	789,325,635	-	789,325,635
	<u>789,325,635</u>	<u>-</u>	<u>789,325,635</u>

RMB Bond Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	569,594,478	-	569,594,478
-Derivative financial instruments	-	5,884,066	5,884,066
	<u>569,594,478</u>	<u>5,884,066</u>	<u>575,478,544</u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	415,486,382	-	415,486,382
	<u>415,486,382</u>	<u>-</u>	<u>415,486,382</u>
Liabilities			
Financial liabilities held for trading			
-Derivative financial instruments	-	(2,078,269)	(2,078,269)
	<u>-</u>	<u>(2,078,269)</u>	<u>(2,078,269)</u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Core Accumulation Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	558,924,132	-	558,924,132
	<u>558,924,132</u>	<u>-</u>	<u>558,924,132</u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	305,170,021	-	305,170,021
	<u>305,170,021</u>	<u>-</u>	<u>305,170,021</u>

Age 65 Plus Fund

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	229,009,064	-	229,009,064
	<u>229,009,064</u>	<u>-</u>	<u>229,009,064</u>

As at 31 December 2017

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
Assets			
Financial assets held for trading			
-Approved pooled investment fund	94,689,635	-	94,689,635
	<u>94,689,635</u>	<u>-</u>	<u>94,689,635</u>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1. The constituent funds do not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. E30 Mixed Asset Fund, E50 Mixed Asset Fund and E70 Mixed Asset Fund were entitled to three unlisted investments which have zero fair value since 2 August 2016. Two of these unlisted investments were written off during 2017 and the remaining one was classified as level 3 as of 31 December 2017. The remaining unlisted investment with zero fair value was held by E30 Mixed Asset Fund, E50 Mixed Asset Fund and E70 Mixed Asset Fund for the year ended 31 December 2017 and from 1 January 2018 to 23 April 2018 and such investment was transferred to the Investment Funds of the BCT APIF Series during the Scheme Restructuring. Refer to Note 1 for details. As of 31 December 2018, the constituent funds did not hold any investments classified within level 3.

There were no transfers between levels of investments held by the constituent funds for the years ended 31 December 2018 and 2017.

The assets and liabilities of the constituent funds in the statement of net assets, excluding financial assets at fair value through profit or loss and derivative financial instruments, at 31 December 2018 and 2017 are carried at amortised cost; their carrying values are a reasonable approximation of fair value. There are no other financial assets and liabilities not carrying at fair value but for which the fair value is disclosed.

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

8. Financial assets at fair value through profit or loss

	<u>2018</u> HK\$	<u>2017</u> HK\$
BCT (Pro) MPF Conservative Fund		
Certificates of deposit	1,661,292,459	1,069,474,736
Fixed deposits	5,749,257,952	4,421,863,415
	<hr/>	<hr/>
Investments, at fair value (at cost: 2018: HK\$7,392,351,787 ; 2017: HK\$5,489,283,448)	7,410,550,411	5,491,338,151
	<hr/>	<hr/>
BCT (Pro) E30 Mixed Asset Fund		
Approved pooled investment funds	2,708,189,797	-
Debt securities	-	1,698,984,688
Certificates of deposit	-	54,707,999
Equities, rights, warrants and investment funds	-	1,032,916,962
	<hr/>	<hr/>
Investments, at fair value (at cost: 2018: HK\$2,857,039,958 ; 2017: HK\$2,541,796,276) (Refer to Note 12 for the investment in derivative financial instruments)	2,708,189,797	2,786,609,649
	<hr/>	<hr/>
BCT (Pro) E50 Mixed Asset Fund		
Approved pooled investment funds	3,012,053,223	-
Debt securities	-	1,339,219,079
Certificates of deposit	-	13,028,588
Equities, rights, warrants and investment funds	-	1,838,430,516
	<hr/>	<hr/>
Investments, at fair value (at cost: 2018: HK\$3,262,721,803 ; 2017: HK\$2,752,517,356) (Refer to Note 12 for the investment in derivative financial instruments)	3,012,053,223	3,190,678,183
	<hr/>	<hr/>
BCT (Pro) E70 Mixed Asset Fund		
Approved pooled investment funds	5,278,846,866	-
Debt securities	-	1,357,478,974
Equities, rights, warrants and investment funds	-	4,646,949,180
	<hr/>	<hr/>
Investments, at fair value (at cost: 2018: HK\$5,885,157,313 ; 2017: HK\$4,897,473,324) (Refer to Note 12 for the investment in derivative financial instruments)	5,278,846,866	6,004,428,154
	<hr/>	<hr/>

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

	<u>2018</u> HK\$	<u>2017</u> HK\$
BCT (Pro) Global Bond Fund		
Approved pooled investment funds, at fair value (at cost: 2018: HK\$1,225,791,720 ; 2017: HK\$1,058,761,988) (Refer to Note 12 for the investment in derivative financial instruments)	1,212,230,767	1,055,818,326
BCT (Pro) Global Equity Fund		
Approved pooled investment funds, at fair value (at cost: 2018: HK\$2,872,119,385 ; 2017: HK\$1,508,925,584) (Refer to Note 12 for the investment in derivative financial instruments)	2,526,132,460	1,988,191,776
BCT (Pro) Hong Kong Equity Fund*		
Approved pooled investment fund, at fair value (at cost: 2018: Nil ; 2017: HK\$3,056,638,471)	-	4,088,554,696
BCT (Pro) Asian Equity Fund		
Approved pooled investment funds, at fair value (at cost: 2018: HK\$3,762,738,649 ; 2017: HK\$2,631,860,937)	3,287,791,805	3,923,505,684
BCT (Pro) Flexi Mixed Asset Fund (formerly known as BCT (Pro) Absolute Return Fund)		
Approved pooled investment fund, at fair value (at cost: 2018: HK\$1,098,197,966 ; 2017: HK\$941,470,753)	1,123,213,681	1,040,018,361
BCT (Pro) China and Hong Kong Equity Fund		
Approved pooled investment funds, at fair value (at cost: 2018: HK\$8,811,073,298 ; 2017: HK\$3,668,265,823)	7,613,415,718	5,214,421,474
BCT (Pro) European Equity Fund		
Approved pooled investment funds, at fair value (at cost: 2018: HK\$628,093,892 ; 2017: HK\$532,259,155) (Refer to Note 12 for the investment in derivative financial instruments)	513,891,929	617,308,962
BCT (Pro) E90 Mixed Asset Fund		
Approved pooled investment funds, at fair value (at cost: 2018: HK\$711,969,024 ; 2017: HK\$511,298,697) (Refer to Note 12 for the investment in derivative financial instruments)	623,616,589	657,289,152
BCT (Pro) International Equity Fund*		
Approved pooled investment fund, at fair value (at cost: 2018: Nil ; 2017: HK\$782,016,488)	-	941,958,488

*The fund was approved for termination on 21 September 2018

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

	<u>2018</u> HK\$	<u>2017</u> HK\$
BCT (Pro) SaveEasy 2020 Fund		
Approved pooled investment fund, at fair value (at cost: 2018: HK\$344,407,098 ; 2017: HK\$293,221,041)	379,512,179	375,354,318
	-----	-----
BCT (Pro) SaveEasy 2025 Fund		
Approved pooled investment fund, at fair value (at cost: 2018: HK\$352,369,795 ; 2017: HK\$292,347,086)	380,113,979	384,786,811
	-----	-----
BCT (Pro) SaveEasy 2030 Fund		
Approved pooled investment fund, at fair value (at cost: 2018: HK\$412,871,779 ; 2017: HK\$344,699,268)	439,639,057	451,305,149
	-----	-----
BCT (Pro) SaveEasy 2035 Fund		
Approved pooled investment fund, at fair value (at cost: 2018: HK\$393,054,137 ; 2017: HK\$314,022,689)	415,338,509	411,018,591
	-----	-----
BCT (Pro) SaveEasy 2040 Fund		
Approved pooled investment fund, at fair value (at cost: 2018: HK\$911,758,935 ; 2017: HK\$702,229,459)	939,597,746	907,385,025
	-----	-----
BCT (Pro) Hang Seng Index Tracking Fund		
Index tracking collective investment scheme, at fair value (at cost: 2018: HK\$2,154,363,874 ; 2017: HK\$1,648,977,987)	2,226,476,568	2,089,633,428
	-----	-----
BCT (Pro) Hong Kong Dollar Bond Fund		
Approved pooled investment fund, at fair value (at cost: 2018: HK\$998,056,151 ; 2017: HK\$763,302,408)	1,027,324,742	775,636,864
	-----	-----
BCT (Pro) World Equity Fund		
Index tracking collective investment schemes, at fair value (at cost: 2018: HK\$652,829,748 ; 2017: HK\$443,412,887) (Refer to Note 12 for the investment in derivative financial instruments)	643,380,294	522,307,410
	-----	-----
BCT (Pro) Greater China Equity Fund		
Index tracking collective investment schemes, at fair value (at cost: 2018: HK\$740,666,297 ; 2017: HK\$606,431,630)	822,950,735	789,325,635
	-----	-----

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NOTES TO THE FINANCIAL STATEMENTS

	<u>2018</u> HK\$	<u>2017</u> HK\$
BCT (Pro) RMB Bond Fund		
Approved pooled investment fund, at fair value (at cost: 2018: HK\$571,566,214 ; 2017: HK\$393,491,723) (Refer to Note 12 for the investment in derivative financial instruments)	569,594,478	415,486,382
	-----	-----
BCT (Pro) Core Accumulation Fund		
Approved pooled investment fund, at fair value (at cost: 2018: HK\$585,501,135 ; 2017: HK\$290,024,797)	558,924,132	305,170,021
	-----	-----
BCT (Pro) Age 65 Plus Fund		
Approved pooled investment fund, at fair value (at cost: 2018: HK\$230,233,682 ; 2017: HK\$93,223,575)	229,009,064	94,689,635
	-----	-----
Total investments, at fair value	<u>43,941,794,729</u>	<u>44,522,220,325</u>
Total investments, at cost	<u>46,854,933,640</u>	<u>36,557,952,850</u>

BCT (MPF) PRO CHOICE

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9. Accrued benefits

The total accrued benefits vested in the members' accounts amounted to HK\$43,423,652,053 as at 31 December 2018 (2017: HK\$44,470,738,085).

10. Taxation

The Plan is not subject to Hong Kong profits tax as it is not considered to be carrying on a business in Hong Kong.

China Tax

For the year ended 31 December 2017 and prior to 23 April 2018, E30 Mixed Asset Fund, E50 Mixed Asset Fund and E70 Mixed Asset Fund (the "Three Constituent Funds") invested in shares of companies in the People's Republic of China ("PRC") listed on overseas stock exchanges including the H-shares listed on the Hong Kong Stock Exchange ("H-shares"). Under the PRC Corporate Income Tax Law, these constituent funds may be liable to pay PRC tax on the capital gains realised in the trading of H-shares. However, no provision was made for taxation from such gains in the financial statements as the Trustee and the investment managers believe that the constituent funds can sustain a position for not filing a tax return based on the existing tax regulations and that the enforcement of PRC tax on capital gains is not probable.

Withholding tax was charged on dividend income received from H-shares during the year.

Australian Tax

For the year ended 31 December 2017 and prior to 23 April 2018, the Three Constituent Funds invested in securities listed on the stock exchange in Australia. Gains generated from disposal of Australian investment may be exposed to Australian tax at the rate of 30%. The Australia Government has introduced legislation ("Legislation") which exempts gains realised by a foreign managed fund provided that certain ownership conditions and other criteria are met. According to the Legislation, foreign investors such as a foreign investment funds are generally subject to Australia tax in relation to gains relating to "Taxable Australia Property" ("TAP"). In addition, interests of less than 10% in companies/trusts held by foreign investors are not subject to capital gain tax in Australian, whether or not the companies own any Australia real property. Further, the Investment Manage Regime ("IMR") provides a specific safe harbour for foreign investment funds in relation to gains arising from investments in Australian securities if certain conditions are met. The Trustee and the Manager are of the view that the Three Constituent Funds should meet the conditions and criteria under the IMR and should be eligible for the exemption of Australian tax for the relevant period. As such, the Trustee and the Manager consider it unlikely that any material liability for capital gains tax on Australia investments exist as at the date of approval of these financial statements. As at 31 December 2018 and 2017, no provision has been made for such taxes.

This assessment represents the best estimate of the Trustee, and the amount ultimately payable by the Plan and its constituent funds could differ significantly.

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NOTES TO THE FINANCIAL STATEMENTS

11. Transactions with related parties/associates

Certain constituent funds invest directly in the units of other unit trusts managed by the investment managers as disclosed in Note 4. Connected persons of the investment managers are those as defined in the Code on Unit Trust and Mutual Funds established by the Securities & Futures Commission of Hong Kong.

Except as disclosed in Note 4 and below, the Plan and its constituent funds did not have any transactions with related parties, including the Trustee, the investment managers and their associates or delegates during the years ended 31 December 2018 and 2017. All transactions were entered into in the ordinary course of business and on normal commercial terms.

- (a) At the year end date, the Plan and its constituent funds had bank balances with, and investments issued by the shareholders or associated entities of the Trustee as follows:

	<u>2018</u> HK\$	<u>2017</u> HK\$
Bank balances	193,141,543	393,684,512
Certificates of deposit and fixed deposits	2,606,880,978	1,654,839,887
Debt securities	-	7,066,544
Equities	-	126,228,145

- (b) At the 31 December 2018, the Plan and its constituent funds held investments in BCT APIF Series of HK\$26,776,169,153 (2017: Nil). BCT APIF Series, the Plan and its constituent funds were under the common trusteeship of the Trustee.

- (c) Forward foreign exchange contracts of the Plan and its constituent funds executed through the counterparty which is the associated entity of the Investment Manager at the year end date were as follows:

	<u>2018</u> HK\$	<u>2017</u> HK\$
Forward foreign exchange contracts	-	(1,417,312)

- (d) Income earned by the Plan and its constituent funds from the shareholders of the Trustee was as follows:

	<u>2018</u> HK\$	<u>2017</u> HK\$
Bank interest	230,779	46,086
Interest income from fixed deposits	35,367,998	17,681,043
Net gain from debt securities and certificates of deposit	491,763	5,486
Dividend income	-	3,362,820

- (e) Interest receivable from the shareholders of the Trustee at the year end date was as follows:

	<u>2018</u> HK\$	<u>2017</u> HK\$
Interest receivable	4,718,270	1,642,262

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- (f) For the years ended 31 December 2018 and 2017, the Plan and its constituent funds received rebate of fee expenses from the Trustee amounted to HK\$20,063,668 and HK\$34,095,153 respectively.
- (g) During the year, certain expenses of Core Accumulation Fund and Age 65 Plus Fund, the two constituent funds of Plan of which BCT Financial Limited acts as the sponsor, were borne by the BCT Financial Limited amounting to HK\$49,008 (2017: HK\$44,601).
- (h) During the year, BCT Financial Limited reimbursed certain expenses incurred/paid by Core Accumulation Fund and Age 65 Plus Fund, two constituent funds of Plan of which BCT Financial Limited acts as the sponsor, amounting to HK\$367 (2017: HK\$5,553).

12. Outstanding spot and forward foreign exchange contracts

Outstanding spot and forward foreign exchange contracts as at the year end were as follows:

E30 Mixed Asset Fund

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
2018			
Open forward contracts:			
EUR24,068,000	HK\$219,078,970	25 January 2019	3,159,988
GBP4,886,000	HK\$50,265,477	25 January 2019	1,689,387
HK\$11,651,757	EUR1,300,000	25 January 2019	10,811
HK\$5,932,734	JPY85,000,000	25 January 2019	102,960
HK\$14,052,838	US\$1,800,000	25 January 2019	33,137
US\$39,501,000	HK\$309,205,928	25 January 2019	89,206
		Total unrealised gain	5,085,489
2017			
Open forward contracts:			
JPY1,520,626,000	HK\$106,472,248	25 January 2019	(1,504,617)
		Total unrealised loss	(1,504,617)
		Net unrealised gain	3,580,872

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E30 Mixed Asset Fund (Continued)

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2017</u>			
Open forward contracts:			
JPY980,766,560	HK\$68,500,000	19 January 2018	456,574
		Total unrealised gain	456,574
Open forward contracts:			
EUR3,220,000	HK\$29,620,506	19 January 2018	(467,481)
EUR6,017,225	HK\$55,700,000	19 January 2018	(525,523)
GBP1,080,000	HK\$11,132,263	19 January 2018	(224,791)
JPY484,780,000	HK\$33,452,324	19 January 2018	(180,646)
US\$5,497,611	HK\$42,800,000	19 January 2018	(157,617)
US\$11,390,000	HK\$88,662,038	19 January 2018	(337,941)
EUR530,000	HK\$4,900,490	24 January 2018	(52,845)
EUR613,000	HK\$5,670,645	24 January 2018	(58,402)
GBP303,000	HK\$3,121,963	24 January 2018	(64,505)
GBP400,000	HK\$4,122,922	24 January 2018	(83,636)
JPY174,030,000	HK\$12,041,882	24 January 2018	(33,503)
JPY307,960,000	HK\$21,315,120	24 January 2018	(53,239)
US\$740,000	HK\$5,760,660	24 January 2018	(20,877)
US\$9,400,000	HK\$73,176,349	24 January 2018	(264,785)
AUD820,000	HK\$4,892,753	31 January 2018	(99,825)
GBP99,000	HK\$1,031,456	31 January 2018	(9,749)
GBP190,000	HK\$1,962,723	31 January 2018	(35,550)
GBP585,000	HK\$6,000,470	31 January 2018	(152,108)
US\$8,880,000	HK\$69,134,468	31 January 2018	(233,406)
		Total unrealised loss	(3,056,429)
		Net unrealised loss	(2,599,855)

E50 Mixed Asset Fund

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2018</u>			
Open forward contracts:			
EUR19,466,000	HK\$177,189,265	25 January 2019	2,555,772
GBP4,586,000	HK\$47,179,181	25 January 2019	1,585,657
HK\$11,646,648	EUR1,300,000	25 January 2019	15,920
HK\$6,259,824	JPY90,000,000	25 January 2019	130,911
HK\$13,286,807	US\$1,700,000	25 January 2019	16,614
US\$34,257,000	HK\$268,156,945	25 January 2019	77,364
		Total unrealised gain	4,382,238
Open forward contracts:			
JPY1,417,868,000	HK\$99,277,267	25 January 2019	(1,402,940)
		Total unrealised loss	(1,402,940)
		Net unrealised gain	2,979,298

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E50 Mixed Asset Fund (Continued)

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2017</u>			
Open forward contracts:			
JPY741,659,968	HK\$51,800,000	19 January 2018	345,263
		Total unrealised gain	345,263
Open forward contracts:			
EUR920,000	HK\$8,463,002	19 January 2018	(133,566)
EUR4,548,028	HK\$42,100,000	19 January 2018	(397,208)
GBP410,000	HK\$4,226,261	19 January 2018	(85,213)
JPY493,760,000	HK\$34,071,990	19 January 2018	(183,993)
US\$2,041,000	HK\$15,889,389	19 January 2018	(58,720)
US\$4,110,363	HK\$32,000,000	19 January 2018	(117,844)
US\$8,839,000	HK\$68,804,544	19 January 2018	(262,253)
EUR499,000	HK\$4,614,457	24 January 2018	(49,155)
EUR828,000	HK\$7,656,307	24 January 2018	(82,111)
JPY255,230,000	HK\$17,679,395	24 January 2018	(30,198)
JPY182,790,000	HK\$12,652,830	24 January 2018	(30,383)
GBP320,000	HK\$3,298,305	24 January 2018	(66,942)
GBP400,000	HK\$4,122,084	24 January 2018	(84,475)
US\$1,200,000	HK\$9,342,170	24 January 2018	(33,294)
US\$6,500,000	HK\$50,604,132	24 January 2018	(179,632)
AUD670,000	HK\$3,997,737	31 January 2018	(81,564)
GBP190,000	HK\$1,962,723	31 January 2018	(35,550)
GBP580,000	HK\$5,949,184	31 January 2018	(150,807)
US\$8,300,000	HK\$64,618,928	31 January 2018	(218,161)
		Total unrealised loss	(2,281,069)
		Net unrealised loss	(1,935,806)

E70 Mixed Asset Fund

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2018</u>			
Open forward contracts:			
EUR20,570,000	HK\$187,238,425	25 January 2019	2,700,721
GBP5,852,000	HK\$60,203,351	25 January 2019	2,023,391
HK\$23,293,296	EUR2,600,000	25 January 2019	31,839
HK\$15,997,329	JPY230,000,000	25 January 2019	334,549
HK\$35,170,959	US\$4,500,000	25 January 2019	43,979
US\$39,615,000	HK\$310,098,297	25 January 2019	89,464
		Total unrealised gain	5,223,943
Open forward contracts:			
JPY1,974,931,000	HK\$138,282,091	25 January 2019	(1,954,138)
		Total unrealised loss	(1,954,138)
		Net unrealised gain	3,269,805

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E70 Mixed Asset Fund (Continued)

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2017</u>			
Open forward contracts:			
JPY664,344,064	HK\$46,400,000	19 January 2018	309,270
JPY172,856,000	HK\$12,000,680	24 January 2018	6,756
JPY160,000,000	HK\$11,109,221	24 January 2018	7,333
		Total unrealised gain	323,359
Open forward contracts:			
EUR4,072,700	HK\$37,700,000	19 January 2018	(355,695)
JPY700,920,000	HK\$48,367,100	19 January 2018	(261,188)
US\$3,725,017	HK\$29,000,000	19 January 2018	(106,796)
US\$10,290,000	HK\$80,099,418	19 January 2018	(305,304)
EUR250,000	HK\$2,307,245	24 January 2018	(29,235)
EUR638,000	HK\$5,884,719	24 January 2018	(77,976)
GBP269,000	HK\$2,760,776	24 January 2018	(68,134)
GBP760,000	HK\$7,798,841	24 January 2018	(193,620)
US\$1,903,000	HK\$14,813,007	24 January 2018	(54,916)
US\$7,000,000	HK\$54,486,810	24 January 2018	(203,397)
AUD350,000	HK\$2,088,370	31 January 2018	(42,608)
GBP200,000	HK\$2,066,024	31 January 2018	(37,421)
GBP570,000	HK\$5,846,612	31 January 2018	(148,207)
US\$1,000,000	HK\$7,799,679	31 January 2018	(12,019)
US\$6,100,000	HK\$47,491,019	31 January 2018	(160,335)
		Total unrealised loss	(2,056,851)
		Net unrealised loss	(1,733,492)

Global Bond Fund

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2018</u>			
Open forward contracts:			
EUR14,917,000	HK\$135,781,993	25 January 2019	1,958,515
GBP2,573,000	HK\$26,470,134	25 January 2019	889,642
US\$22,494,000	HK\$176,078,533	25 January 2019	50,799
		Total unrealised gain	2,898,956
Open forward contracts:			
JPY672,827,000	HK\$47,110,469	25 January 2019	(665,743)
		Total unrealised loss	(665,743)
		Net unrealised gain	2,233,213

No outstanding spot or forward exchange contracts was held by Global Bond Fund as at 31 December 2017.

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Global Equity Fund

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2018</u>			
Open forward contracts:			
EUR14,778,000	HK\$134,516,745	25 January 2019	1,940,265
GBP6,005,000	HK\$61,777,362	25 January 2019	2,076,293
HK\$10,750,752	EUR1,200,000	25 January 2019	14,694
HK\$6,259,824	JPY90,000,000	25 January 2019	130,911
HK\$35,170,959	US\$4,500,000	25 January 2019	43,979
US\$68,710,000	HK\$537,848,138	25 January 2019	155,170
		Total unrealised gain	4,361,312
Open forward contracts:			
HK\$6,012,973	GBP600,000	25 January 2019	(47,837)
JPY1,309,934,000	HK\$91,719,869	25 January 2019	(1,296,143)
		Total unrealised loss	(1,343,980)
		Net unrealised gain	3,017,332

No outstanding spot or forward exchange contracts was held by Global Equity Fund as at 31 December 2017.

European Equity Fund

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2018</u>			
Open forward contracts:			
EUR12,987,000	HK\$118,214,168	25 January 2019	1,705,117
GBP5,509,000	HK\$56,674,686	25 January 2019	1,904,796
HK\$791,487	CHF100,000	25 January 2019	5,409
HK\$7,615,116	EUR850,000	25 January 2019	10,409
HK\$7,170,312	EUR800,000	25 January 2019	6,653
		Total unrealised gain	3,632,384
Open forward contracts:			
CHF1,981,000	HK\$15,706,537	25 January 2019	(79,980)
EUR700,000	HK\$6,229,521	25 January 2019	(50,324)
GBP500,000	HK\$4,940,907	25 January 2019	(30,040)
HK\$2,505,406	GBP250,000	25 January 2019	(19,932)
HK\$5,488,415	GBP550,000	25 January 2019	(20,373)
		Total unrealised loss	(200,649)
		Net unrealised gain	3,431,735
<u>2017</u>			
Open forward contracts:			
EUR12,974,303	HK\$120,100,000	19 January 2018	(1,133,129)
GBP7,521,671	HK\$78,200,000	19 January 2018	(896,320)
		Total unrealised loss	(2,029,449)
		Net unrealised loss	(2,029,449)

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E90 Mixed Asset Fund

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2018</u>			
Open forward contracts:			
EUR1,143,000	HK\$10,404,158	25 January 2019	150,069
HK\$2,750,401	EUR307,000	25 January 2019	3,760
HK\$2,782,144	JPY40,000,000	25 January 2019	58,182
HK\$5,033,355	US\$644,000	25 January 2019	6,294
US\$2,470,000	HK\$19,334,666	25 January 2019	5,578
		Total unrealised gain	223,883

Open forward contracts:			
JPY158,080,000	HK\$11,068,555	25 January 2019	(156,416)
		Total unrealised loss	(156,416)

		Net unrealised gain	67,467
			=====

No outstanding spot or forward exchange contracts was held by E90 Mixed Asset Fund as at 31 December 2017.

BCT (MPF) PRO CHOICE

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World Equity Fund

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2018</u>			
Open forward contracts:			
GBP915,936	HK\$9,162,007	8 February 2019	53,440
GBP915,936	HK\$9,160,835	8 February 2019	52,267
GBP915,936	HK\$9,160,043	8 February 2019	51,477
GBP915,936	HK\$9,160,001	8 February 2019	51,435
GBP915,936	HK\$9,159,858	8 February 2019	51,292
GBP915,941	HK\$9,159,188	8 February 2019	50,576
GBP56,118	HK\$576,000	8 February 2019	17,927
GBP33,508	HK\$342,000	8 February 2019	8,776
GBP77,067	HK\$774,229	8 February 2019	7,829
GBP74,880	HK\$749,000	8 February 2019	4,356
GBP39,083	HK\$391,000	8 February 2019	2,336
GBP12,933	HK\$129,923	8 February 2019	1,314
GBP38,816	HK\$387,000	8 February 2019	989
HK\$3,987,942	US\$510,000	8 February 2019	1,441
HK\$881,000	US\$112,787	8 February 2019	1,255
HK\$302,000	US\$38,700	8 February 2019	721
HK\$259,000	US\$33,196	8 February 2019	671
HK\$421,807	US\$54,000	8 February 2019	598
HK\$3,089,463	US\$395,000	8 February 2019	354
HK\$224,872	US\$28,750	8 February 2019	18
HK\$189,678	US\$24,250	8 February 2019	15
US\$3,103,099	HK\$24,292,235	8 February 2019	18,805
US\$3,103,093	HK\$24,292,098	8 February 2019	18,712
US\$3,103,093	HK\$24,291,943	8 February 2019	18,556
US\$3,103,093	HK\$24,291,943	8 February 2019	18,556
US\$3,103,093	HK\$24,291,012	8 February 2019	17,626
US\$3,103,093	HK\$24,290,702	8 February 2019	17,315
US\$28,750	HK\$225,000	8 February 2019	110
Total unrealised gain			<u>468,767</u>

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World Equity Fund (Continued)

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2018 (Continued)</u>			
Open forward contracts:			
GBP40,851	HK\$406,000	8 February 2019	(244)
GBP52,043	HK\$516,000	8 February 2019	(1,548)
HK\$358,000	GBP35,881	8 February 2019	(1,181)
HK\$323,105	GBP32,000	8 February 2019	(4,879)
HK\$1,556,851	GBP156,000	8 February 2019	(5,502)
HK\$772,000	GBP77,067	8 February 2019	(5,601)
HK\$1,212,031	GBP121,000	8 February 2019	(8,741)
HK\$1,790,488	GBP179,000	8 February 2019	(10,414)
HK\$156,455	US\$20,000	8 February 2019	(8)
HK\$2,465,306	US\$315,000	8 February 2019	(1,275)
HK\$3,913,139	US\$500,000	8 February 2019	(1,979)
US\$113,028	HK\$884,000	8 February 2019	(141)
US\$28,557	HK\$223,000	8 February 2019	(381)
US\$57,609	HK\$450,000	8 February 2019	(638)
US\$104,824	HK\$819,000	8 February 2019	(963)
US\$111,184	HK\$868,000	8 February 2019	(1,713)
US\$146,027	HK\$1,140,000	8 February 2019	(2,269)
US\$179,965	HK\$1,404,000	8 February 2019	(3,741)
			(51,218)

Open spot contracts:			
HK\$2,232,633	US\$285,000	3 January 2019	(469)
HK\$162,423	GBP16,300	3 January 2019	(584)
			(1,053)

		Total unrealised loss	(52,271)

		Net unrealised gain	416,496
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World Equity Fund (Continued)

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
2017			
Open forward contracts:			
GBP10,011	HK\$105,000	2 February 2018	708
GBP18,000	HK\$190,468	2 February 2018	1,154
GBP59,000	HK\$624,078	2 February 2018	3,548
US\$106,000	HK\$828,115	2 February 2018	104
		Total unrealised gain	5,514
Open forward contracts:			
GBP16,886	HK\$177,000	2 February 2018	(593)
GBP37,910	HK\$398,000	2 February 2018	(714)
GBP29,070	HK\$305,000	2 February 2018	(740)
GBP19,097	HK\$200,000	2 February 2018	(852)
GBP39,464	HK\$411,000	2 February 2018	(4,056)
GBP30,000	HK\$311,177	2 February 2018	(4,347)
GBP45,022	HK\$466,000	2 February 2018	(7,516)
GBP28,508	HK\$291,000	2 February 2018	(8,835)
GBP61,488	HK\$635,000	2 February 2018	(11,697)
GBP62,947	HK\$645,000	2 February 2018	(17,038)
GBP77,559	HK\$795,000	2 February 2018	(20,720)
GBP604,234	HK\$6,228,758	2 February 2018	(126,248)
GBP604,234	HK\$6,228,698	2 February 2018	(126,308)
GBP604,235	HK\$6,228,500	2 February 2018	(126,518)
GBP604,234	HK\$6,228,184	2 February 2018	(126,822)
GBP604,234	HK\$6,228,004	2 February 2018	(127,002)
GBP604,234	HK\$6,227,356	2 February 2018	(127,650)
HK\$709,408	GBP67,000	2 February 2018	(4,738)
US\$36,716	HK\$286,000	2 February 2018	(802)
US\$125,183	HK\$977,000	2 February 2018	(856)
US\$99,355	HK\$775,000	2 February 2018	(1,106)
US\$57,373	HK\$447,000	2 February 2018	(1,163)
US\$204,000	HK\$1,592,136	2 February 2018	(1,395)
US\$209,000	HK\$1,631,011	2 February 2018	(1,577)
US\$81,243	HK\$633,000	2 February 2018	(1,622)
US\$90,287	HK\$703,000	2 February 2018	(2,272)
US\$211,789	HK\$1,650,000	2 February 2018	(4,376)
US\$279,000	HK\$2,172,989	2 February 2018	(6,400)
US\$2,117,134	HK\$16,486,885	2 February 2018	(50,958)
US\$2,117,134	HK\$16,486,798	2 February 2018	(51,045)
US\$2,117,134	HK\$16,486,420	2 February 2018	(51,424)
US\$2,117,134	HK\$16,486,207	2 February 2018	(51,635)
US\$2,117,134	HK\$16,486,122	2 February 2018	(51,720)
US\$2,117,134	HK\$16,485,487	2 February 2018	(52,355)
US\$27,155	HK\$212,000	2 February 2018	(116)
US\$57,514	HK\$449,000	2 February 2018	(269)
US\$36,026	HK\$281,000	2 February 2018	(416)
US\$151,519	HK\$1,183,000	2 February 2018	(579)
		Total unrealised loss	(1,174,480)
		Net unrealised loss	(1,168,966)

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RMB Bond Fund

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2018</u>			
Open forward contracts:			
CNY173,000,000	HK\$201,320,100	17 January 2019	4,679,702
CNY74,000,000	HK\$84,841,000	17 January 2019	728,922
HK\$19,613,475	CNY17,500,000	17 January 2019	277,895
HK\$125,970,570	CNY111,000,000	17 January 2019	197,547
		Total unrealised gain	5,884,066
		Net unrealised gain	5,884,066
<u>2017</u>			
Open forward contracts:			
CNY96,250,000	HK\$113,085,088	19 January 2018	(2,078,269)
		Total unrealised loss	(2,078,269)
		Net unrealised loss	(2,078,269)

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13. Payments charged to default investments strategy (“DIS”) constituent funds or scheme or members who invest the constituent funds

In accordance with the Mandatory Provident Fund legislation, the aggregate of the payments for services of the BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund must not, in a single day, exceed a daily rate of 0.75% per annum of the net asset value of each of the BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund divided by the number of days in the year.

The above aggregate of the payments for services include, but are not limited to, the fees paid or payable for the services provided by the Trustee, the Administrator, the Investment Manager, the Custodian and the Sponsor and/or promoter (if any) of each of the BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund and its underlying investment fund(s), and any of the delegates from these parties and such fees are calculated as a percentage of the net asset value of each of the BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund and its underlying investment fund(s), but do not include any out-of-pocket expenses incurred by each of the BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund and their underlying investment fund(s).

In accordance with the Mandatory Provident Fund legislation, the total amount of all payments that are charged to or imposed on a DIS constituent fund or members who invest in a DIS constituent fund, for out-of-pocket expenses incurred by the Trustee on a recurrent basis in the discharge of the Trustee's duties to provide services in relation to a DIS constituent fund, shall not in a single year exceed 0.2% per annum of the net asset value (the sum of net asset value of the relevant DIS constituent fund as at the last dealing day of each month of the relevant period/year divided by the number of months) of each of the BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund.

For this purpose, out-of-pocket expenses include; for example; annual audit expenses, printing or postage expenses relating to recurrent activities (such as issuing annual benefit statements), recurrent legal and professional expenses, safe custody charges which are customarily not calculated as a percentage of the net asset value and transaction costs incurred by a DIS constituent fund in connection with recurrent acquisition of investments for the DIS constituent fund (including, for example, costs incurred in acquiring underlying investment funds) and annual statutory expenses (such as compensation fund levy where relevant) of the DIS constituent fund.

Out-of-pocket expenses that are not incurred on a recurrent basis may still be charged to or imposed on a DIS constituent fund and such out-of-pocket expenses are not subject to the above statutory limit.

Payment for services, out-of-pocket expenses and other payment charged to the BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund are disclosed below. Payments for services and out-of-pocket expenses are those defined in the MPF Ordinance.

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During the year ended 31 December 2018 and 31 December 2017

	BCT (Pro) Core Accumulation Fund ("DIS Fund")		BCT (Pro) Age 65 Plus Fund ("DIS Fund")	
	Period from 1 April 2017 to 31 December		Period from 1 April 2017 to 31 December	
	2018	2017	2018	2017
	HK\$	HK\$	HK\$	HK\$
Payment for services				
- Trustee and administration fees	2,716,649	802,980	1,060,823	236,655
Total payment for services of each DIS Fund	2,716,649	802,980	1,060,823	236,655
Total payment for services of each DIS Fund*	0.59%	0.59%	0.59%	0.59%
Proportionate of the underlying investment funds fee rate of the underlying investment funds of each DIS Fund**	0.16%	0.16%	0.16%	0.16%
Total Payment for Services expressed as a percentage of net asset value of the DIS funds	0.75%	0.75%	0.75%	0.75%
	HK\$	HK\$	HK\$	HK\$
Out-of-pocket expenses				
- Safe custody and bank charges	4,723	-	4,648	-
- Auditors' remuneration	17,516	-	6,748	-
- Professional indemnity insurance	3,700	-	1,442	-
- Miscellaneous expenses	108,403	-	49,201	-
Total payments for out-of-pocket expense	134,342	-	62,039	-
Other payments				
- Legal and other professional fees (non-recurring)	934	-	372	-
Total payments on each DIS Fund	2,851,925	-	1,123,234	-
Out-of-pocket expenses expressed as a percentage of average net asset value as at the last dealing day of each month of the DIS fund	0.03%	-	0.03%	-

*The payment for service fees of 0.59%, which represents daily payment for services of each DIS Fund as a percentage of daily NAV, is the maximum fee rate allowed to charge to each DIS Fund on a daily basis.

**The proportionate of the underlying investment fund fee rate paid to the specified person as disclosed in the prospectus of the underlying investment funds.

During the year/period 2018 and 2017, certain expenses of Core Accumulation Fund and Age 65 Plus Fund, two constituent funds of BCT (MPF) Pro Choice of which BCT Financial Limited acts as the sponsor, were borne by the BCT Financial Limited, see Note 11.

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

14. Reconciliation of movement in benefits, transfers out and forfeitures payable

	Benefits, transfers out and forfeitures payable HK\$
Balance as at 1 January 2017	281,061,588
Charged to statement of changes in net assets available for benefits	3,192,693,688
Cash outflow	(3,237,504,871)
Balance as at 31 December 2017 and 1 January 2018	236,250,405
Charged to statement of changes in net assets available for benefits	3,660,683,399
Cash outflow	(3,672,393,630)
Balance as at 31 December 2018	224,540,174

15. Financial instruments by category

For the year/period ended 31 December 2018, apart from derivative financial instruments and financial assets at fair value through profit or loss as disclosed in the Plan's statement of net assets available for benefits and its constituent funds' statement of net assets which are classified as "financial assets and liabilities at fair value through profit or loss" (2017: "financial assets and liabilities at fair value through profit or loss"), all other financial assets as disclosed in the Plan's statement of net assets available for benefits and its constituent funds' statement of net assets, including amounts receivable on sale of financial assets at fair value through profit or loss, dividends receivable, interest receivable, contributions receivable, other receivables and bank balances, are categorized as "financial assets at amortised cost" (2017: "loans and receivables").

In addition, all other financial liabilities as disclosed in the Plan's statement of net assets available for benefits and its constituent funds' statement of net assets, including amounts payable on purchase of financial assets at fair value through profit or loss, benefits and forfeitures payable and accruals and other payables, are categorized as "other financial liabilities" (2017: "other financial liabilities").

16. Soft commission arrangements

During the year, certain investment managers had entered into soft commission arrangements with brokers under which certain goods and services used to support investment decision making were received. These investment managers did not make direct payments for these services but transacted an agreed amount of business with the brokers on behalf of the funds under their management including the Plan and its constituent funds and commissions were paid on these transactions.

The goods and services received include research and advisory services, economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications.

BCT (MPF) PRO CHOICE

NOTES TO THE FINANCIAL STATEMENTS

17. Security lending arrangements

The Plan and its constituent funds had no security lending arrangements as at 31 December 2018 (2017: Nil).

18. Bank loans and other borrowings

As at 31 December 2018, the Plan and its constituent funds had no bank loans and other borrowings (2017: Nil).

19. Negotiability of assets

As at 31 December 2018, there were no statutory or contractual requirements restricting the negotiability of the assets of the Plan and its constituent funds (2017: Nil).

20. Commitments

The Plan and its constituent funds had no commitments as at 31 December 2018 (2017: Nil).

21. Contingent liabilities

The Plan and its constituent funds had no contingent liabilities as at 31 December 2018 (2017: Nil).

22. Marketing expenses

There have been no advertising expenses, promotional expenses or commissions or brokerage fees paid and payable to the MPF intermediaries deducted from the Plan or its constituent funds during the year ended 31 December 2018 (2017: Nil).

23. Approval of financial statements

The financial statements were approved for issue by the Trustee on 24 June 2019.

BCT (MPF) PRO CHOICE

INDEPENDENT AUDITOR'S ASSURANCE REPORT

FOR THE YEAR ENDED

31 DECEMBER 2018

INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE TRUSTEE OF BCT (MPF) PRO CHOICE (THE "PLAN")

We have audited the financial statements of the Plan 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 (the "HKICPA"), and have issued an unqualified auditor's report thereon dated 24 June 2019.

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

Trustee's Responsibility

The General Regulation requires the Trustee to ensure that:

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

Our Independence and Quality Control

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

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA 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 the Trustee, in accordance with section 102 of the General Regulation, on the Plan's compliance with the above requirements based on the results of the procedures performed by us, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

**INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE
TRUSTEE OF BCT (MPF) PRO CHOICE ("THE PLAN")
(CONTINUED)**

Auditor's Responsibility (Continued)

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

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

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

Opinion

Based on the foregoing:

- (a) in our opinion:
- (i) proper accounting and other records have been kept during the year ended 31 December 2018 in respect of the constituent funds of the Plan, the Plan assets and all financial transactions entered into in relation to the Plan; and
 - (ii) the requirements specified in the guidelines made by the MPFA under section 28 of the Ordinance with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part X of, and Schedule 1 to, the General Regulation have been complied with, in all material respects, as at 31 December 2018, 28 September 2018 and 28 February 2018; and
 - (iii) the requirements specified in the Ordinance under sections 34DB(1)(a), (b), (c) and (d), 34DC(1) and 34DD(1) and (4)(a) with respect to the investment of accrued benefits and control of payment for services relating to BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund have been complied with, in all material respects, as at 31 December 2018, 28 September 2018 and 28 February 2018; and
 - (iv) the requirements specified in section 34DD(4)(b) of the Ordinance with respect to the controls of out-of-pocket expenses of the BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund have been complied with, in all material respects, as at 31 December 2018.
- (b) as at 31 December 2018, the Plan assets were not subject to any encumbrance, otherwise than as permitted by the General Regulation.

**INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE
TRUSTEE OF BCT (MPF) PRO CHOICE ("THE PLAN")
(CONTINUED)**

Other Matter

The requirements specified in the Ordinance under sections 34DI(1) and (2) and 34DK(2) with respect to the transfer of accrued benefits to an account and specified notice, and sections 34DJ(2), (3), (4) and (5) with respect to locating scheme members relating to BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund are not applicable to the Trustee for the year ended 31 December 2018 as the Trustee has completed the relevant transitional provisions during the year ended 31 December 2017. Accordingly, there is no reporting on these sections.

Intended Users and Purpose

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



PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 June 2019