



BCT  
銀聯集團



## BCT (MPF) Pro Choice

# 2019

**Reports and Financial Statements**

(From 1 January to 31 December 2019)

**BCT (MPF) PRO CHOICE**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

## **BCT (MPF) PRO CHOICE**

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## **BCT (MPF) PRO CHOICE**

### **PLAN REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **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 The Deed was subsequently amended and superseded by a deed of substitution and adherence dated 1 June 2011, which was further amended by first supplemental deed dated 24 November 2011, second supplemental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, eighth supplemental deed dated 1 April 2019, ninth supplemental deed dated 15 October 2019 and tenth supplemental deed dated 10 January 2020.

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. The Plan has introduced Default Investment Strategy under the MPFSO. As at 31 December 2019, the Plan offered 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, 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 (2018: twenty-three constituent funds). 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 above.

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

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### PLAN REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

#### 2. Financial Highlights

During the year ended 31 December 2019, the total contributions received and receivable including transfers in from participating employers and members of the Plan amounted to HK\$6,188 million, while the total benefits paid and payable including transfers out and forfeitures amounted to HK\$3,961 million. As at 31 December 2019, the market values of the Plan's constituent funds were as follows:

	Market Value (HK\$)
BCT (Pro) MPF Conservative Fund	8,174,937,956
BCT (Pro) E30 Mixed Asset Fund	2,835,253,661
BCT (Pro) E50 Mixed Asset Fund	3,277,471,966
BCT (Pro) E70 Mixed Asset Fund	5,770,263,445
BCT (Pro) Global Bond Fund	1,567,296,646
BCT (Pro) Global Equity Fund	3,234,469,033
BCT (Pro) Asian Equity Fund	3,820,737,782
BCT (Pro) Flexi Mixed Asset Fund	1,237,959,727
BCT (Pro) China and Hong Kong Equity Fund	8,610,870,704
BCT (Pro) European Equity Fund	649,734,712
BCT (Pro) E90 Mixed Asset Fund	749,126,734
BCT (Pro) SaveEasy 2020 Fund	448,321,231
BCT (Pro) SaveEasy 2025 Fund	492,728,199
BCT (Pro) SaveEasy 2030 Fund	584,625,809
BCT (Pro) SaveEasy 2035 Fund	543,828,257
BCT (Pro) SaveEasy 2040 Fund	1,298,986,036
BCT (Pro) Hang Seng Index Tracking Fund	2,750,015,090
BCT (Pro) Hong Kong Dollar Bond Fund	1,308,128,217
BCT (Pro) World Equity Fund	1,172,252,556
BCT (Pro) Greater China Equity Fund	1,049,453,901
BCT (Pro) RMB Bond Fund	633,105,040
BCT (Pro) Core Accumulation Fund	944,118,954
BCT (Pro) Age 65 Plus Fund	393,887,949
Total	51,547,573,605

After taking into account the operating expenses of HK\$552.1 million, the net income of the Plan during the year ended 31 December 2019 was HK\$5,193 million.

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### **PLAN REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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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 clarifications and enhancement of disclosures on fees:
  - (i) clarification that the management fees payable out of each of BCT (Pro) SaveEasy 2040 Fund, BCT (Pro) SaveEasy 2035 Fund, BCT (Pro) SaveEasy 2030 Fund and BCT (Pro) SaveEasy 2025 Fund (including the management fees of its underlying fund) is up to 1.45% per annum of its net asset value and the fee shall be reduced to up to 1.2% per annum of its net asset value five years prior to reaching the beginning (i.e. 1 January) of the applicable target year;
  - (ii) clarification that the management fees payable out of BCT (Pro) SaveEasy 2020 Fund (including the management fees of its underlying fund) is up to 1.2% per annum of its net asset value;
  - (iii) clarification of the rebate arrangement in respect of BCT (Pro) SaveEasy Funds, BCT (Pro) Greater China Equity Fund, BCT (Pro) World Equity Fund, BCT (Pro) Hong Kong Dollar Bond Fund and BCT (Pro) RMB Bond Fund. It is clarified that the Trustee / Sponsor may, by way of certain rebates credited to BCT (Pro) Greater China Equity Fund and BCT (Pro) World Equity Fund, maintain the current level of Management Fees in respect of these constituent funds. It is also clarified that there are no more rebates in respect of BCT (Pro) SaveEasy Funds, BCT (Pro) Hong Kong Dollar Bond Fund and BCT (Pro) RMB Bond Fund. To provide better clarity to members, the disclosures on the current levels of trustee, administration and sponsor fees payable out of these constituent funds have been updated to reflect the actual current levels after factoring in the rebates by the Trustee / Sponsor;
  - (iv) enhancement of disclosures on fees by including a breakdown of the fees, expenses and charges payable by the relevant constituent funds and their underlying funds;
  - (v) clarification that the term “trustee and administration fee” includes custodian fee;
  - (vi) clarification that the costs and expenses borne by each constituent fund that are related to the operation and continuation of such constituent fund include sub-custodians’ fee (where applicable);

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### **PLAN REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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- (vii) clarification that the administrative expenses in respect of BCT (Pro) MPF Conservative Fund include the trustee, administration and custodian fee, sponsor fee and investment management fee; and
  - (viii) clarification that the Trustee / Sponsor have full discretion to waive joining fee payable by self-employed person.
- the change of the Chinese newspapers for publication of net asset value per unit, the issue price and the redemption price for each constituent fund from Hong Kong Economic Times to Sing Tao Daily;
  - the introduction of the tax deductible voluntary contributions; and
  - certain administrative changes to the Plan, including the update of Chinese translation of “Stock Connect” and the method of payment of accrued benefits.

After the end of the financial year ended, there have also been certain key changes to the governing rules/principal brochure of the Plan with effect from 1 January 2020 for:

- the restructuring of the special voluntary contribution account;
- changes relating to partial withdrawal of special voluntary contributions and TVC;
- changes to the investment policy of the BCT (Pro) Global Bond Fund and enhancement of related risk factors; and
- the removal of the reference of “Easy Gold Plan”.

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

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**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.

- 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.
- 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.

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



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- 4.8 The BCT website ([www.bcthk.com](http://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.
- 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

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**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  
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
- ◆ 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

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

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### **PLAN REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **5.6 Sub-custodian**

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

- ◆ The Bank of New York Mellon Corporation  
240 Greenwich Street, New York, NY 10286, United States of America  
(formerly 225 Liberty Street, New York, NY 10286, United States of America)

#### **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  
45 Des Voeux Road Central, Hong Kong

*(\* 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) (Ceased/Resigned on 31 January 2020)	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	Deputy Chairman, 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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### **PLAN REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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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	Director & Chief Executive Officer CMB Wing Lung Insurance Brokers Limited 1/F, CMB 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)  
(Ceased/Resigned on 31 January 2020)  
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 N 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.

## BCT (MPF) PRO CHOICE

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. Overview

##### Constituent Funds

The Plan has introduced Default Investment Strategy under the MPFSO. During the reporting year, the Plan offered twenty-three constituent funds (2018: twenty-three 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-three 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”)

## **BCT (MPF) PRO CHOICE**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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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.

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**

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 Hong Kong Limited 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. Allianz Global Investors Asia Pacific Limited has been appointed as the investment manager of the Flexi Mixed Asset Fund. Invesco Hong Kong Limited has been appointed as the investment manager of the RMB Bond Fund, Core Accumulation Fund and Age 65 Plus Fund. FIL Investment Management (Hong Kong) Limited 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. State Street Global Advisors Asia Limited has been appointed as the investment manager of the Hang Seng Index Tracking Fund, World Equity Fund and Greater China Equity Fund. JPMorgan Funds (Asia) Limited has been appointed as the investment manager of the Hong Kong Dollar Bond Fund.

MPF Conservative Fund is managed by Invesco Hong Kong Limited.

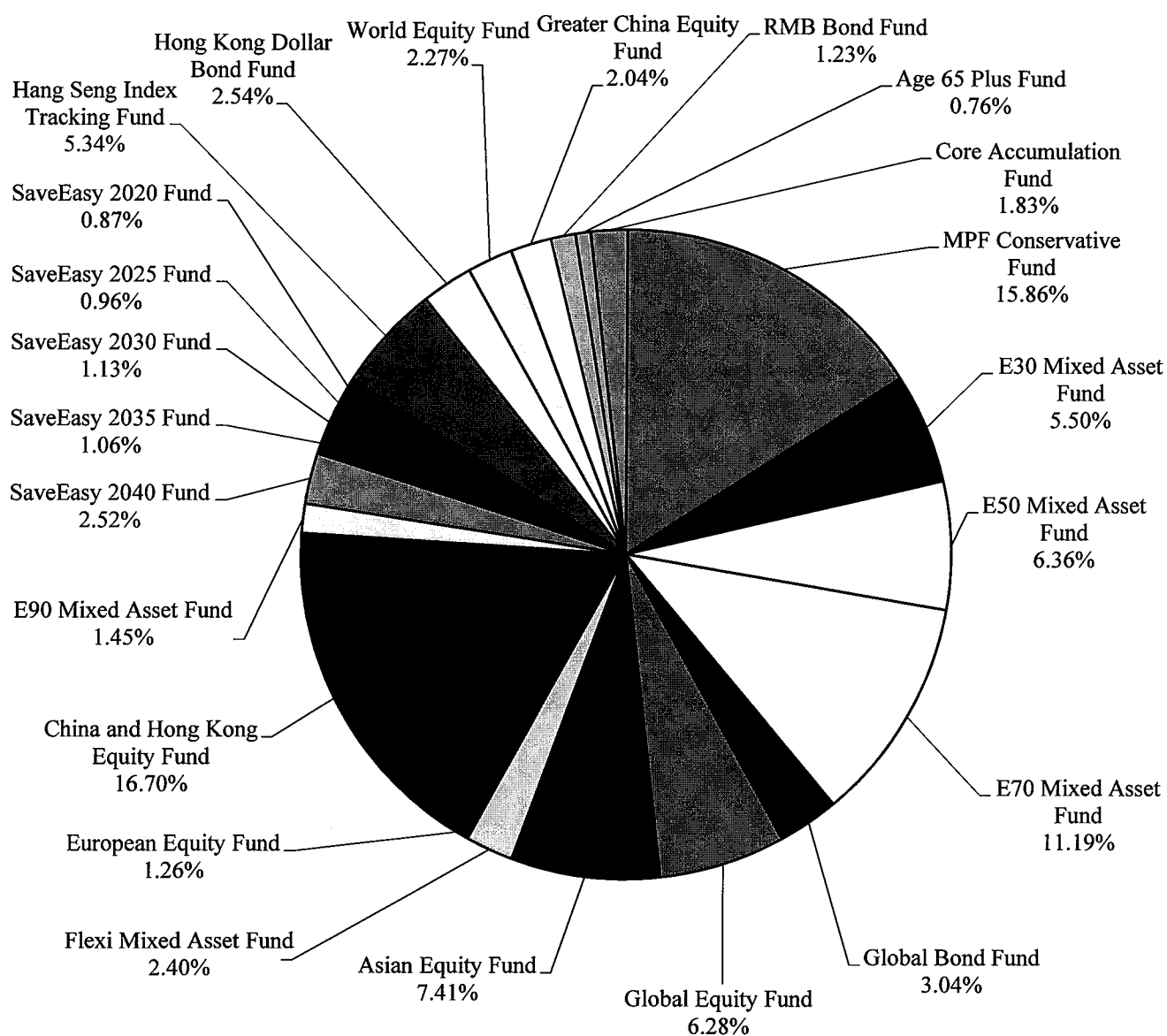


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### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

#### Distribution of Constituent Funds

As at 31 December 2019, the proportion of each constituent fund in compared with the total constituent funds is as follows:



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## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### 2. Investment Income and Performance

	<u>MPF Conservative Fund</u>			<u>E30 Mixed Asset Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Interest income	125,674	87,728	39,679	191	149	49
Dividend income	-	-	-	-	5,880	23,232
Other income	-	-	332	37	703	2,239
Total income	<u>125,674</u>	<u>87,728</u>	<u>40,011</u>	<u>228</u>	<u>6,732</u>	<u>25,520</u>
Net income/(loss) – excluding capital appreciation and depreciation	53,752	24,904	(7,825)	(37,663)	(34,374)	(22,789)
Net investment appreciation/(depreciation) – realised and unrealised	39,134	28,254	10,137	266,950	(119,893)	361,339

	<u>E50 Mixed Asset Fund</u>			<u>E70 Mixed Asset Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Interest income	165	122	32	179	133	25
Dividend income	-	10,587	40,653	-	26,663	101,597
Other income	76	804	2,507	154	1,487	4,672
Total income	<u>241</u>	<u>11,513</u>	<u>43,192</u>	<u>333</u>	<u>28,283</u>	<u>106,294</u>
Net income/(loss) – excluding capital appreciation and depreciation	(42,611)	(35,641)	(13,019)	(74,963)	(58,165)	(251)
Net investment appreciation/(depreciation) – realised and unrealised	374,055	(217,928)	541,057	785,063	(529,908)	1,239,004

	<u>Global Bond Fund</u>			<u>Global Equity Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Interest income	101	45	-	145	72	-
Dividend income	-	-	-	-	529	-
Other income	-	1,345	3,326	-	2,555	6,416
Total income	<u>101</u>	<u>1,390</u>	<u>3,326</u>	<u>145</u>	<u>3,156</u>	<u>6,416</u>
Net income/(loss) – excluding capital appreciation and depreciation	(18,332)	(12,309)	(5,009)	(38,589)	(28,822)	(10,408)
Net investment appreciation/(depreciation) – realised and unrealised	80,216	2,254	36,404	583,069	(362,327)	282,625

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	<u>Asian Equity Fund</u>			<u>Flexi Mixed Asset Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Interest income	-	5	-	3	1	-
Dividend income	-	911	-	-	-	-
Other income	-	-	-	-	-	-
Total income	-	916	-	3	1	-
Net income/(loss) – excluding capital appreciation and depreciation	(50,240)	(45,304)	(31,705)	(9,801)	(9,413)	(7,713)
Net investment appreciation/(depreciation) – realised and unrealised	504,216	(445,109)	1,125,920	106,746	(49,329)	65,531
	<u>China and Hong Kong Equity Fund</u>			<u>European Equity Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Interest income	-	5	-	97	49	-
Dividend income	-	736	-	-	-	-
Other income	-	-	-	-	-	-
Total income	-	741	-	97	49	-
Net income/(loss) – excluding capital appreciation and depreciation	(111,023)	(101,096)	(67,057)	(7,993)	(8,665)	(7,998)
Net investment appreciation/(depreciation) – realised and unrealised	1,300,675	(1,316,228)	1,674,264	99,928	(88,124)	97,723
	<u>E90 Mixed Asset Fund</u>			<u>SaveEasy 2020 Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Interest income	29	13	-	2	1	-
Dividend income	-	79	-	-	-	-
Other income	-	569	1,471	52	1,116	941
Total income	29	661	1,471	54	1,117	941
Net income/(loss) – excluding capital appreciation and depreciation	(9,340)	(7,661)	(3,601)	(2,658)	(2,469)	(2,085)
Net investment appreciation/(depreciation) – realised and unrealised	112,502	(87,451)	136,578	53,381	(26,316)	69,137

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	<u>SaveEasy 2025 Fund</u>			<u>SaveEasy 2030 Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Interest income	2	1	-	2	1	-
Dividend income	-	-	-	-	-	-
Other income	52	1,156	929	60	1,368	1,044
Total income	<u>54</u>	<u>1,157</u>	<u>929</u>	<u>62</u>	<u>1,369</u>	<u>1,044</u>
Net income/(loss) – excluding capital appreciation and depreciation	(2,759)	(2,559)	(2,060)	(3,232)	(3,024)	(2,312)
Net investment appreciation/(depreciation) – realised and unrealised	78,898	(47,835)	79,865	97,704	(60,840)	93,442

	<u>SaveEasy 2035 Fund</u>			<u>SaveEasy 2040 Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Interest income	2	1	-	5	2	-
Dividend income	-	-	-	-	-	-
Other income	57	1,273	958	130	2,856	2,070
Total income	<u>59</u>	<u>1,274</u>	<u>958</u>	<u>135</u>	<u>2,858</u>	<u>2,070</u>
Net income/(loss) – excluding capital appreciation and depreciation	(3,057)	(2,815)	(2,124)	(7,042)	(6,299)	(4,571)
Net investment appreciation/(depreciation) – realised and unrealised	94,222	(59,504)	86,417	219,668	(135,480)	187,519

	<u>Hang Seng Index Tracking Fund</u>			<u>Hong Kong Dollar Bond Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Interest income	29	10	1	9	3	-
Dividend income	85,764	74,679	61,085	-	-	-
Other income	-	-	-	63	1,214	895
Total income	<u>85,793</u>	<u>74,689</u>	<u>61,086</u>	<u>72</u>	<u>1,217</u>	<u>895</u>
Net income/(loss) – excluding capital appreciation and depreciation	66,598	57,966	48,017	(12,325)	(9,318)	(6,887)
Net investment appreciation/(depreciation) – realised and unrealised	218,423	(310,698)	509,731	46,395	20,040	25,374

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	<u>World Equity Fund</u>			<u>Greater China Equity Fund</u>		
	2019 (HK\$'000)	2018 (HK\$'000)	2017 (HK\$'000)	2019 (HK\$'000)	2018 (HK\$'000)	2017 (HK\$'000)
Interest income	14	5	-	11	4	-
Dividend income	23,800	15,889	9,999	6,288	5,629	4,601
Other income	-	-	-	30	682	492
Total income	23,814	15,894	9,999	6,329	6,315	5,093
Net income/(loss) – excluding capital appreciation and depreciation	12,056	7,804	4,875	(773)	(804)	(78)
Net investment appreciation/(depreciation) – realised and unrealised	163,327	(79,774)	66,352	133,379	(94,945)	185,021

	<u>RMB Bond Fund</u>			<u>Core Accumulation Fund</u>		
	2019 (HK\$'000)	2018 (HK\$'000)	2017 (HK\$'000)	2019 (HK\$'000)	2018 (HK\$'000)	2017 (HK\$'000)
Interest income	2	1	-	2	1	-
Dividend income	-	-	-	-	-	-
Other income	48	1,005	586	-	-	-
Total income	50	1,006	586	2	1	-
Net income/(loss) – excluding capital appreciation and depreciation	(6,806)	(6,325)	(3,709)	(4,524)	(2,852)	(803)
Net investment appreciation/(depreciation) – realised and unrealised	14,687	280	22,705	107,653	(37,325)	16,934

	<u>Age 65 Plus Fund</u>		
	2019 (HK\$'000)	2018 (HK\$'000)	2017 (HK\$'000)
Interest income	1	-	-
Dividend income	-	-	-
Other income	-	-	-
Total income	1	-	-
Net income/(loss) – excluding capital appreciation and depreciation	(1,927)	(1,123)	(237)
Net investment appreciation/(depreciation) – realised and unrealised	26,206	(2,425)	1,773

## **BCT (MPF) PRO CHOICE**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **Introduction**

Economic growth slowed down in 2019 in the US, the Eurozone or China. However, it still remained positive. In addition to specific difficulties for the automotive sector, the uncertainties generated by the US-China trade tensions and the lack of visibility about the Brexit played important roles in the deceleration. At the end of the year, the stepping back of these risks brought a hopeful note. The central banks started new easing monetary policies, which were very positive on equity markets. Fixed income returns decreased as of the end of Q3 before a rebound in Q4.

#### **United States**

The US economy witnessed a progressive deceleration. At the start of the year, the US suffered amid political uncertainties due to the longest government shutdown in history and a further escalation in the US-China trade tensions. Despite constant talks between the US and China, they were followed by abrupt stops and increases in tariffs. The Federal Reserve (The Fed) turned to a dovish stance and carried out three rate cuts, due to concerns of the risks posed by the trade war and its implications on the US economy. The current monetary policy is deemed appropriate to the Fed's goals and a material deterioration to the economic assessment would be needed to further adjust the rates. The economy decelerated gradually from the peak in Q2 2018 to 2.1% year-over-year in Q3 2019, as the effects of the fiscal stimulus of the previous year waned, the uncertainty on the trade mounted and investments retrenched.

#### **Europe**

In the Eurozone, after a good start of the year (0.4% in Q1), the economic growth decelerated over the next two quarters (0.2%). The main reasons of this slowdown were the US-China trade conflicts, uncertainties about the Brexit and sectorial difficulties, especially in the automotive sector. The European Central Bank implemented new monetary policies in response to these rising risks. At the end of Q4, the financial environment improved after a positive progress of the Brexit, the trade agreement between the US and China and the stabilization / rebound of short-term economic indicators. Globally, the difficulties remained concentrated in the industrial sector. The job creation rhythm decelerated while the unemployment rate decreased (7.5% in October, as opposed to 8% last year). Politically, the main events were the Brexit, the political regime change in Italy (decreasing risks between Italy and the EU) and uncertainties brought by the election in Spain.

#### **Japan**

Tokyo's equity market rebounded as fears of global economic downturn ebbed. China's surprise cut in required reserve ratio and its launch of sizable economic stimulus package, coupled with the hopes of easing US-China trade disputes accentuated the rally. The rally continued when the Chairman of the Fed, Jerome Powell, delivered a temperate message, suggesting a pause of credit tightening. The strong corporates' capital spending

## **BCT (MPF) PRO CHOICE**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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plan shown in the BOJ Bank of Japan Tankan survey (BOJ Tankan) sent the market to a four-and-half-month high in April. Japanese market recorded the largest gain among the developed countries in September, taking a cue from the official withdrawal of a controversial extradition bill by the Chief Executive of Hong Kong and the approval of Brexit delay bill in the UK Parliament. On the other hand, optimism on the US-China trade negotiations and the open stance of the BOJ to further credit easing also engineered equity rally. The market maintained its buoyancy until the end of the year in hopes of the US-China trade deal and the government's sizable economic stimulus. Equities skyrocketed in the middle of December with the agreement of a phase 1 trade deal between the US and China, a landslide victory of the ruling conservative party in the UK, and resiliency in the service sector illustrated by the BOJ Tankan.

#### **Asia ex Japan**

Asian equities ended in a high note in 2019. Trade related news dominated market performance over the year. Towards the end of the year, China and the US made substantial progress on trade and reached an agreement on the phase 1 deal, which exceeded market expectation and led to a risk-on sentiment. In terms of country performance, Taiwan market finished the year as the best performing market in Asia ex Japan region. The strong return delivered by the Information Technology sector was a key driver to its outperformance thanks to the new iPhone cycle and 5G rollout. India was behind its regional peers due to its cyclical economic slowdown. The Indian government has been taking decisive steps to engage industry stakeholders and has formulated targeted measures to address sector-specific issues in the economy, hence growth is likely to be bottoming out. In terms of sectors, Information Technology was the best performing sector in the region over the quarter thanks to easing trade tensions and strong corporate earnings growth. Consumer sector did very well too, especially in the Greater China.

#### **China and Hong Kong**

Trade related news dominated market performance over the year. China and the US held high-level trade talks in October, and both agreed to work towards the phase 1 trade agreement which included suspension of certain tariffs by the US and the increase in purchases of the US agricultural products by China. A trade deal was later confirmed in December which included terms to roll back some earlier tariffs. This exceeded market expectation and led to a risk-on sentiment. On the domestic front, the government continued to lend support to the economy. The People's Bank of China cut key market rates and the government brought forward RMB 1 trillion of the 2020 special purpose bond quota to support infrastructure spending. Hong Kong market delivered positive returns over the year. The ongoing social situation continued to negatively affect retail sales and tourism inflows, leading to rising unemployment. Hong Kong economy contracted and entered into a technical recession in Q3. We remained cautious towards its growth outlook given the uncertainty over the social situation.

## **BCT (MPF) PRO CHOICE**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **Global Bond**

Fixed income markets underwent two phases of development in 2019. At first, yields fell sharply to reach a low point at the end of August. The 10-year US Treasury bond yield was 2.7% at the start of the year and dropped to a low of 1.5%. The German 10-year bond yield fell from 0.2% to -0.7%, which was an all-time low record. The decline was due to the slowdown in the global economy and the change of central banks' policies. The Fed had three rate cuts this year, although the expectations were three rate hikes. Global economic growth for 2019 was revised to 3%. Two years ago, 75% of the economy accelerated. Then, long-term rates began to rebound on the back of a more positive expectation for global economic growth. The probability of a short-term recession dropped significantly. The US and German 10-year bond yields ended the year at levels close to 1.9% and -0.2% respectively.

#### **COVID-19**

The global spreading of COVID-19 in 2020 has heavily disrupted global economies and financial markets. The economic backdrop highlight a global recession with sequencing drawdown and diverging recovery path. The length of the weakness and the extent of permanent output loss and demand destruction will depend from lockdowns duration, only partially compensated by central banks and governments' actions. The recovery will lead to de-synchronized paths that identify 3 blocks: China/S-Asia, US/Europe and Developing countries leading to specific investment opportunities. Labour market will be the key assessing the final shock to internal demand. Unemployment is seen on the rise to levels not seen in the last 50 years, if policies and schemes to support reduced hours workers fail to produce their intended effects. Most vulnerable: Italy and Spain, where labour market is more exposed to temp workers, sectors at risk (tourism-related) and still has not fully recovered from 2012 crisis. Among emerging markets, the larger the informal sector, the more pronounced the shock. For China, policy has tilted towards further easing to cope with downside (exacerbated by weakening global demand). COVID-19 exacerbate emerging market fragilities on rising debts, increasing external vulnerability and oil dependency. The Investment Managers of the Constituent Funds will continue to closely monitor the market situation and will take further appropriate action where necessary.

Note: Index performance is expressed on a total return basis, in local currency terms for 2019 (from the closing price of the last trading day of December 2018 to the closing price of the last trading day of December 2019) unless otherwise stated.

*[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.]*



# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

<b>A. Trustee's commentary on analysis of the investments held by the scheme and supporting information of its commentary</b>				
	<b>Annualized return (in terms of %)</b>			
	<b>1 year*</b>	<b>5 years</b>	<b>10 years</b>	<b>Since Launch</b>
<b>BCT (Pro) MPF Conservative Fund</b> <i>Launch date: 01/12/2000</i>	1.18	0.40	0.27	0.70
<b>Performance Target</b> <i>[MPF Prescribed Savings Rates]</i>	0.10	0.03	0.02	0.45
<b>Deviation from the performance Target</b>	1.08	0.37	0.25	0.25
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to the overweight positions in 3-6 months tenor of term deposits / certificate of deposits on the back of HIBOR curve steepening.				
	<b>Annualized return (in terms of %)</b>			
	<b>1 year*</b>	<b>5 years</b>	<b>10 years</b>	<b>Since Launch</b>
<b>BCT (Pro) E30 Mixed Asset Fund</b> <i>Launch date: 01/12/2000</i>	8.55	2.33	2.31	3.43
<b>Performance Target</b> <i>[Willis Towers Watson MPF Benchmark (Equity 20% -40%) (FER adjusted^)]</i>	8.13	2.37	2.33	3.55
<b>Deviation from the performance target</b>	0.42	-0.04	-0.02	-0.12
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to selection in the global bond and Hong Kong / China equity. As of 31 December 2019, the fund's exposure in respect of those markets/asset class was as follows: <ul style="list-style-type: none"> <li>- Hong Kong / China: 9.5%</li> <li>- Global Bond: 69.0%</li> </ul>				

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) E50 Mixed Asset Fund</b> <i>Launch date: 01/12/2000</i>	11.09	3.43	3.43	4.03
<b>Performance Target</b> <i>[Willis Towers Watson MPF Benchmark (Equity 40% -60%) (FER adjusted^)]</i>	11.35	3.58	3.52	4.30
<b>Deviation from the performance target</b>	-0.26	-0.15	-0.09	-0.27
<b>Trustee's commentary</b> <p>According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to stock selection in the European, North American and Japanese markets, and asset allocation with, relative to the benchmark, overweight positions in the global bond and Hong Kong / China equity. As of 31 December 2019, the fund's exposure in respect of those markets/asset class was as follows:</p> <ul style="list-style-type: none"> <li>- Europe: 10.8%</li> <li>- North America: 9.8%</li> <li>- Japan: 6.4%</li> <li>- Hong Kong / China: 16.0%</li> <li>- Global Bond: 49.3%</li> </ul>				

## BCT (MPF) PRO CHOICE

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) E70 Mixed Asset Fund</b> <i>Launch date: 01/12/2000</i>	13.69	4.43	4.44	4.33
<b>Performance Target</b> <i>[Willis Towers Watson MPF Benchmark (Equity 60% -80%) (FER adjusted<sup>^</sup>)]</i>	14.25	4.60	4.51	4.73
<b>Deviation from the performance target</b>	-0.56	-0.17	-0.07	-0.40
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to the stock selection in the European, North American and Japanese markets, and asset allocation with, relative to the benchmark, overweight positions in the global bond and Hong Kong / China equity. As of 31 December 2019, the fund's exposure in respect of those markets/asset class was as follows: <ul style="list-style-type: none"> <li>- Europe: 15.1%</li> <li>- North America: 13.7%</li> <li>- Japan: 8.9%</li> <li>- Hong Kong / China: 22.8%</li> <li>- Global Bond: 29.4%</li> </ul>				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) Global Bond Fund</b> <i>Launch date: 01/10/2002</i>	4.96	-0.42	1.04	2.86
<b>Performance Target</b> <i>[FTSE World Government Bond Index TR USD 35% Hedged HKD (FER adjusted<sup>^</sup>)]</i>	4.85	0.92	1.04	2.50
<b>Deviation from the performance target</b>	0.11	-1.34	0.00	0.36
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to the long duration strategy in USD bonds as well as the selection of corporate bonds within the Financials and Industrials sectors.				

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) Global Equity Fund</b> <i>Launch date: 01/10/2002</i>	21.13	4.71	6.34	6.84
<b>Performance Target</b> <i>[FTSE MPF All World Hedged TR (FER adjusted^)]</i>	24.81	7.37	7.85	7.70
<b>Deviation from the performance target</b>	-3.68	-2.66	-1.51	-0.86
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to stock selection in the European, North American and Japanese markets.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) Asian Equity Fund</b> <i>Launch date: 01/05/2004</i>	13.75	5.51	5.72	8.58
<b>Performance Target</b> <i>[FTSE MPF Asia Pacific excluding Japan, Australia and New Zealand TR (FER adjusted^)]</i>	13.93	4.89	4.55	8.14
<b>Deviation from the performance target</b>	-0.18	0.62	1.17	0.44
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to stock selection in the Malaysia, Hong Kong, Thailand and Philippines markets.				

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) Flexi Mixed Asset Fund</b> <i>Launch date: 01/08/2005</i>	8.61	1.91	2.81	3.32
<b>Performance Target</b> <i>[Year End 5-Year Average Composite Consumer Price Index Hong Kong (FER adjusted<sup>^</sup>)]</i>	1.54	1.99	1.98	1.91
<b>Deviation from performance target</b>	7.07	-0.08	0.83	1.41
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was due to outperformance of the global bonds, as well as the exposure in Japanese, European and North American equities which rallied significantly over the period. Besides, the increase of global equity exposure from 18.6% (December 2018) to 20.1% (December 2019) also contributed to the fund's outperformance.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) China and Hong Kong Equity Fund</b> <i>Launch date: 01/01/2008</i>	15.77	5.37	3.85	1.30
<b>Performance Target</b> <i>[FTSE MPF Hong Kong TR (FER adjusted<sup>^</sup>)]</i>	12.87	5.27	4.47	1.79
<b>Deviation from the performance target</b>	2.90	0.10	-0.62	-0.49
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to stock selection in the Consumer Goods, Industrials and Healthcare sectors and sector allocation with an underweight in the Utilities sector.				

## BCT (MPF) PRO CHOICE

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) European Equity Fund</b> <i>Launch date: 01/01/2008</i>	17.05	2.82	5.18	2.42
<b>Performance Target</b> <i>[FTSE MPF Europe Hedged TR (FER adjusted<sup>^</sup>)]</i>	23.42	5.19	4.94	1.34
<b>Deviation from the performance target</b>	-6.37	-2.37	0.24	1.08
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to stock selection in the United Kingdom, Spain, Netherland and Italy; and country allocation with an underweight in Switzerland, which performed well in 2019.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) E90 Mixed Asset Fund</b> <i>Launch date: 27/10/2008</i>	16.27	5.04	5.32	7.91
<b>Performance Target</b> <i>[Willis Towers Watson MPF Benchmark (Equity &gt;80%) (FER adjusted<sup>^</sup>)]</i>	17.26	5.59	5.47	5.98
<b>Deviation from the performance target</b>	-0.99	-0.55	-0.15	1.93
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to stock selection in the European, North American and Japanese markets, and asset allocation with, relative to the benchmark, overweight positions in the global bond and Hong Kong / China equity. As of 31 December 2019, the fund's exposure in respect of those markets/asset class was as follows: <ul style="list-style-type: none"> <li>- Europe: 19.4%</li> <li>- North America: 17.7%</li> <li>- Japan: 11.8%</li> <li>- Hong Kong / China: 28.6%</li> <li>- Global Bond: 9.6%</li> </ul>				

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) SaveEasy 2020 Fund</b> <i>Launch date: 27/10/2008</i>	13.06	5.28	5.39	8.25
<b>Performance Target</b> <i>[55.00% of FTSE MPF World Government Bond Index, hedge to HK\$ + 14.45% of FTSE MPF Hong Kong + 8.50% of FTSE AW North America Index + 8.50% of FTSE AW Europe Index + 5.52% of FTSE AW Japan Index + 5.52% FTSE AW Asia Pacific Ex Jap Ex HK + 2.51% of 1 Month HIBOR (FER adjusted<sup>h</sup>)]</i>	12.27	5.34	5.73	9.86
<b>Deviation from the performance target</b>	0.79	-0.06	-0.34	-1.61
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to stock selection in the Hong Kong, European and North American markets. As of 31 December 2019, the fund's equity exposure through investment in underlying APIFs to these markets amounted to about 33.40%.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) SaveEasy 2025 Fund</b> <i>Launch date: 27/10/2008</i>	19.43	5.95	5.84	8.76
<b>Performance Target</b> <i>[14.70% of FTSE MPF World Government Bond Index, hedge to HK\$ + 29.00% of FTSE MPF Hong Kong + 17.06% of FTSE AW North America Index + 17.06% of FTSE AW Europe Index + 11.09% of FTSE AW Japan Index + 11.09% of FTSE AW Asia Pacific Ex Jap Ex HK (FER adjusted<sup>h</sup>)]</i>	17.71	6.03	6.02	10.25
<b>Deviation from the performance target</b>	1.72	-0.08	-0.18	-1.49
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to stock selection in the Hong Kong, European and North American markets. As of 31 December 2019, the fund's equity exposure through investment in underlying APIFs to these markets amounted to about 64.70%.				

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) SaveEasy 2030 Fund</b> <i>Launch date: 27/10/2008</i>	20.71	6.21	6.01	8.77
<b>Performance Target</b> <i>[6.20% of FTSE MPF World Government Bond Index, hedge to HK\$ + 31.90% of FTSE MPF Hong Kong + 18.76% of FTSE AW North America Index + 18.76% of FTSE AW Europe Index + 12.19% of FTSE AW Japan Index + 12.19% of FTSE AW Asia Pacific Ex Jap Ex HK (FER adjusted^)]</i>	18.65	6.24	6.15	10.45
<b>Deviation from the performance target</b>	2.06	-0.03	-0.14	-1.68
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to stock selection in the Hong Kong, European and North American markets. As of 31 December 2019, the fund's equity exposure through investment in underlying APIFs to these markets amounted to about 70.70%.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) SaveEasy 2035 Fund</b> <i>Launch date: 27/10/2008</i>	21.16	6.22	6.02	8.66
<b>Performance Target</b> <i>[2.90% of FTSE MPF World Government Bond Index, hedge to HK\$ + 33.02% of FTSE MPF Hong Kong + 19.42% of FTSE AW North America Index + 19.42% of FTSE AW Europe Index + 12.62% of FTSE AW Japan Index + 12.62% of FTSE AW Asia Pacific Ex Jap Ex HK (FER adjusted^)]</i>	19.09	6.33	6.18	10.56
<b>Deviation from the performance target</b>	2.07	-0.11	-0.16	-1.90
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to stock selection in the Hong Kong, European and North American markets. As of 31 December 2019, the fund's equity exposure through investment in underlying APIFs to these markets amounted to about 73.20%.				



## BCT (MPF) PRO CHOICE

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) SaveEasy 2040 Fund</b> <i>Launch date: 27/10/2008</i>	21.37	6.28	6.07	8.99
<b>Performance Target</b> <i>[1.20% of FTSE MPF World Government Bond Index, hedge to HK\$ + 33.60% of FTSE MPF Hong Kong + 19.76% of FTSE AW North America Index + 19.76% of FTSE AW Europe Index + 12.84% of FTSE AW Japan Index + 12.84% of FTSE AW Asia Pacific Ex Jap Ex HK (FER adjusted^)]</i>	19.27	6.40	6.22	10.61
<b>Deviation from the performance target</b>	2.10	-0.12	-0.15	-1.62
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to stock selection in the Hong Kong, European and North American markets. As of 31 December 2019, the fund's equity exposure through investment in underlying APIFs to these markets amounted to about 73.50%.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) Hang Seng Index Tracking Fund</b> <i>Launch date: 01/10/2009</i>	12.14	6.35	4.98	5.12
<b>Performance Target</b> <i>[Hang Seng Index TR Index (FER adjusted^)]</i>	12.19	6.59	5.44	5.75
<b>Deviation from the performance target</b>	-0.05	-0.24	-0.46	-0.63
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was generally regarded as "tracking difference" 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/subsription request and the calculation of performance of the constituent fund on an after-fee basis.				

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) Hong Kong Dollar Bond Fund</b> <i>Launch date: 01/10/2009</i>	2.97	1.52	1.88	1.80
<b>Performance Target</b> <i>[Markit iBoxx Asian Local Bond Index Hong Kong (FER adjusted^)]</i>	2.72	1.51	1.95	3.77
<b>Deviation from the performance target</b>	0.25	0.01	-0.07	-1.97
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to bond allocation and selection, relative to the benchmark, in general.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) World Equity Fund</b> <i>Launch date: 28/06/2012</i>	23.52	8.03	n/a	9.02
<b>Performance Target</b> <i>[FTSE MPF All World Hedged TR (FER adjusted^)]</i>	25.32	7.88	n/a	10.61
<b>Deviation from the performance target</b>	-1.80	0.15	n/a	-1.59
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 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.				

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) Greater China Equity Fund</b> <i>Launch date: 28/06/2012</i>	15.41	6.68	n/a	7.14
<b>Performance Target</b> <i>[FTSE MPF Greater China TR (FER adjusted<sup>^</sup>)]</i>	17.97	6.60	n/a	8.35
<b>Deviation from the performance target</b>	-2.56	0.08	n/a	-1.21
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 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
<b>BCT (Pro) RMB Bond Fund</b> <i>Launch date: 04/03/2013</i>	1.43	-0.28	n/a	-0.29
<b>Performance Target</b> <i>[Markit iBoxx ALBI China Offshore Non-Government Investment Grade 30% Hedged HKD (FER adjusted<sup>^</sup>)]</i>	1.54	0.42	n/a	0.25
<b>Deviation from the performance target</b>	-0.11	-0.70	n/a	-0.54
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to the fund's position on the shorter end of the yield curve. Shorter duration positioning was the primarily cause of the performance deviation relative to the performance target.				

## BCT (MPF) PRO CHOICE

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) Core Accumulation Fund</b> <i>Launch date: 01/04/2017</i>	15.82	n/a	n/a	6.22
<b>Performance Target</b> <i>[FTSE MPF Default Investment Strategy Core Accumulation Fund Reference Portfolio (FER adjusted<sup>^</sup>)]</i>	16.20	n/a	n/a	6.34
<b>Deviation from the performance target</b>	-0.38	n/a	n/a	-0.12
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to the negative contribution from the overweight in fixed income. Security selection in the United States in terms of countries, and Healthcare, Industrials and Consumer Services in terms of sectors also negatively contributed to the overall fund's return.				
	Annualized return (in terms of %)			
	1 year*	5 years	10 years	Since Launch
<b>BCT (Pro) Age 65 Plus Fund</b> <i>Launch date: 01/04/2017</i>	9.00	n/a	n/a	3.68
<b>Performance Target</b> <i>[FTSE MPF Default Investment Strategy Age 65 Plus Fund Reference Portfolio (FER adjusted<sup>^</sup>)]</i>	8.80	n/a	n/a	3.35
<b>Deviation from the performance target</b>	0.20	n/a	n/a	0.33
<b>Trustee's commentary</b> According to the Investment Manager/Sponsor, the deviation of the 1-year performance in respect of the financial year ended 31 December 2019 was mainly due to the positive contribution from the overweight in cash. Security selection in Financials in terms of sectors, and the European duration and yield curve positioning also positively contributed to the overall fund's return.				

<sup>^</sup> FER adjustment was done by simple deduction of 2019 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.

## **BCT (MPF) PRO CHOICE**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **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.

In relation to BCT (Pro) RMB Bond Fund, BCT (Pro) E30/E50/E70/E90 Mixed Asset Funds and BCT (Pro) European Equity Fund, the Trustee and Sponsor have been working closely with the relevant Investment Managers (and, where applicable, the managers/delegates of the underlying funds invested by such constituent funds) on performance enhancement. Specific measures at the underlying fund level (such as possible expansion of investment universe, adoption of more passive-like style for the rule-based investment strategy as well as exploration of new insights for portfolio management) were considered during the review process. Scheme participants will be kept informed as appropriate.

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.

## BCT (MPF) PRO CHOICE

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The following tables summarise the performance of the twenty-three constituent funds:

#### MPF Conservative Fund

(Date of launch: 1 December 2000)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	8,174.94	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
Net asset value per unit (HK\$)	1.1429	1.1296	1.1210	1.1205	1.1204	1.1201	1.1170	1.1168	1.1129	1.1129
Highest issue price (HK\$)	1.1429	1.1296	1.1211	1.1206	1.1204	1.1201	1.1172	1.1168	1.1133	1.1129
Lowest redemption price (HK\$)	1.1297	1.1210	1.1205	1.1203	1.1201	1.1170	1.1168	1.1130	1.1129	1.1128
Net annualised investment return	1.18%	0.77%	0.04%	0.01%	0.03%	0.28%	0.02%	0.35%	0.00%	0.01%

#### E30 Mixed Asset Fund

(Date of launch: 1 December 2000)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	2,835.25	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
Net asset value per unit (HK\$)	1.9048	1.7547	1.8527	1.6457	1.6466	1.6980	1.6996	1.6682	1.5564	1.5989
Highest issue price (HK\$)	1.9055	1.9175	1.8533	1.7435	1.7573	1.7475	1.7064	1.6723	1.6563	1.6422
Lowest redemption price (HK\$)	1.7509	1.7400	1.6430	1.5962	1.6267	1.6687	1.6008	1.5590	1.5209	1.4440
Net annualised investment return	8.55%	-5.29%	12.58%	-0.05%	-3.03%	-0.09%	1.88%	7.18%	-2.66%	5.50%

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### E50 Mixed Asset Fund

(Date of launch: 1 December 2000)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	3,277.47	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
Net asset value per unit (HK\$)	2.1270	1.9147	2.0741	1.7496	1.7442	1.7968	1.7972	1.6955	1.5293	1.6254
Highest issue price (HK\$)	2.1282	2.1792	2.0742	1.8486	1.9074	1.8576	1.7972	1.7003	1.6945	1.6633
Lowest redemption price (HK\$)	1.9025	1.8919	1.7509	1.6448	1.6972	1.7345	1.6353	1.5359	1.4632	1.4164
Net annualised investment return	11.09%	-7.69%	18.55%	0.31%	-2.93%	-0.02%	6.00%	10.87%	-5.91%	7.12%

### E70 Mixed Asset Fund

(Date of launch: 1 December 2000)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	5,770.26	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
Net asset value per unit (HK\$)	2.2460	1.9756	2.1946	1.7622	1.7547	1.8084	1.8085	1.6428	1.4343	1.5819
Highest issue price (HK\$)	2.2482	2.3410	2.1952	1.8521	1.9693	1.8793	1.8085	1.6480	1.6588	1.6109
Lowest redemption price (HK\$)	1.9542	1.9450	1.7664	1.5917	1.6815	1.7162	1.5931	1.4376	1.3423	1.3261
Net annualised investment return	13.69%	-9.98%	24.54%	0.43%	-2.97%	-0.01%	10.09%	14.54%	-9.33%	8.72%

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### Global Bond Fund

(Date of launch: 1 October 2002)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	1,567.30	1,220.01	1,058.54	937.36	890.14	983.40	955.60	862.44	656.88	579.02
Net asset value per unit (HK\$)	1.6258	1.5490	1.5607	1.5105	1.5568	1.6606	1.6950	1.7152	1.5895	1.5879
Highest issue price (HK\$)	1.6643	1.5840	1.5863	1.5781	1.6626	1.7332	1.7381	1.7157	1.6748	1.6331
Lowest redemption price (HK\$)	1.5514	1.5147	1.5066	1.5077	1.5497	1.6588	1.6536	1.5931	1.5678	1.4565
Net annualised investment return	4.96%	-0.75%	3.32%	-2.97%	-6.25%	-2.03%	-1.18%	7.91%	0.10%	8.29%

### Global Equity Fund

(Date of launch: 1 October 2002)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	3,234.47	2,530.97	1,993.22	1,559.90	1,365.73	1,376.72	1,167.84	810.24	646.64	656.15
Net asset value per unit (HK\$)	3.1316	2.5854	2.9829	2.5594	2.3807	2.4879	2.4694	1.9731	1.6719	1.8053
Highest issue price (HK\$)	3.1408	3.1849	2.9868	2.5850	2.7385	2.6262	2.4694	1.9861	1.9778	1.8105
Lowest redemption price (HK\$)	2.5412	2.4871	2.5872	2.0200	2.2355	2.3279	2.0039	1.6051	1.5252	1.4882
Net annualised investment return	21.13%	-13.33%	16.55%	7.51%	-4.31%	0.75%	25.15%	18.02%	-7.39%	6.58%



## BCT (MPF) PRO CHOICE

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

#### Asian Equity Fund

(Date of launch: 1 May 2004)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	3,820.74	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
Net asset value per unit (HK\$)	3.6371	3.1974	3.6706	2.6333	2.5481	2.7821	2.5304	2.5500	2.0661	2.4268
Highest issue price (HK\$)	3.6557	3.9405	3.6978	2.8961	3.0699	2.8812	2.6541	2.5531	2.5648	2.4306
Lowest redemption price (HK\$)	3.1121	3.0558	2.6564	2.2688	2.4345	2.3936	2.3028	2.0865	1.8935	1.8486
Net annualised investment return	13.75%	-12.89%	39.39%	3.34%	-8.41%	9.95%	-0.77%	23.42%	-14.86%	16.34%

#### Flexi Mixed Asset Fund

(Date of launch: 1 August 2005)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	1,237.96	1,123.73	1,043.86	821.45	718.44	663.06	564.31	458.95	333.10	277.52
Net asset value per unit (HK\$)	1.6016	1.4746	1.5509	1.4566	1.4420	1.4570	1.4145	1.3803	1.2776	1.2784
Highest issue price (HK\$)	1.6026	1.5756	1.5510	1.4820	1.5081	1.4590	1.4250	1.3805	1.3172	1.2846
Lowest redemption price (HK\$)	1.4712	1.4656	1.4591	1.4189	1.4066	1.3984	1.3588	1.2792	1.2465	1.2095
Net annualised investment return	8.61%	-4.92%	6.47%	1.01%	-1.03%	3.00%	2.48%	8.04%	-0.06%	5.29%

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### China and Hong Kong Equity Fund

(Date of launch: 1 January 2008)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	8,610.87	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
Net asset value per unit (HK\$)	1.1672	1.0082	1.1973	0.8359	0.8396	0.8987	0.8720	0.8180	0.6568	0.8648
Highest issue price (HK\$)	1.1940	1.3143	1.2120	0.9248	1.1061	0.9376	0.8834	0.8180	0.8999	0.9301
Lowest redemption price (HK\$)	0.9777	0.9665	0.8379	0.6962	0.7919	0.7924	0.7306	0.6570	0.5785	0.6738
Net annualised investment return	15.77%	-15.79%	43.23%	-0.44%	-6.58%	3.06%	6.60%	24.54%	-24.05%	8.15%

### European Equity Fund

(Date of launch: 1 January 2008)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	649.73	522.56	618.97	461.25	447.27	398.96	262.55	102.30	74.59	67.40
Net asset value per unit (HK\$)	1.3319	1.1379	1.3462	1.1334	1.1415	1.1588	1.2190	0.8940	0.7445	0.8254
Highest issue price (HK\$)	1.3391	1.4376	1.3496	1.1335	1.3283	1.2921	1.2190	0.9062	0.9396	0.8312
Lowest redemption price (HK\$)	1.1241	1.1078	1.1257	0.9179	1.0835	1.0831	0.9163	0.6959	0.6840	0.6829
Net annualised investment return	17.05%	-15.47%	18.78%	-0.71%	-1.49%	-4.94%	36.35%	20.08%	-9.80%	2.67%

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### E90 Mixed Asset Fund

(Date of launch: 27 October 2008)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	749.13	625.76	659.26	431.84	372.74	315.06	225.77	131.14	76.57	50.54
Net asset value per unit (HK\$)	2.3440	2.0160	2.3204	1.8102	1.7980	1.8333	1.8064	1.5430	1.3227	1.5468
Highest issue price (HK\$)	2.3471	2.5054	2.3205	1.8977	2.0720	1.9046	1.8064	1.5499	1.6189	1.5571
Lowest redemption price (HK\$)	1.9858	1.9774	1.8132	1.5626	1.6867	1.6958	1.5390	1.3029	1.2178	1.2457
Net annualised investment return	16.27%	-13.12%	28.18%	0.68%	-1.93%	1.49%	17.07%	16.66%	-14.49%	10.82%

### SaveEasy 2020 Fund

(Date of launch: 27 October 2008)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	448.32	380.42	376.40	271.83	233.43	212.75	178.13	122.14	77.02	62.12
Net asset value per unit (HK\$)	2.4284	2.1479	2.3123	1.8735	1.8517	1.8777	1.8485	1.5878	1.3561	1.5909
Highest issue price (HK\$)	2.4329	2.4535	2.3124	1.9583	2.1122	1.9501	1.8485	1.5945	1.6638	1.6051
Lowest redemption price (HK\$)	2.1366	2.1248	1.8752	1.6346	1.7457	1.7400	1.5778	1.3380	1.2468	1.2811
Net annualised investment return	13.06%	-7.11%	23.42%	1.18%	-1.38%	1.58%	16.42%	17.09%	-14.76%	10.71%

## BCT (MPF) PRO CHOICE

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

#### SaveEasy 2025 Fund

(Date of launch: 27 October 2008)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	492.73	380.46	386.28	250.66	210.84	187.14	144.84	94.87	60.30	46.45
Net asset value per unit (HK\$)	2.5580	2.1418	2.4287	1.8964	1.8810	1.9160	1.8877	1.6065	1.3659	1.6110
Highest issue price (HK\$)	2.5608	2.6187	2.4288	1.9882	2.1734	1.9935	1.8877	1.6141	1.6901	1.6234
Lowest redemption price (HK\$)	2.1105	2.1031	1.8989	1.6298	1.7602	1.7683	1.5980	1.3423	1.2497	1.2877
Net annualised investment return	19.43%	-11.81%	28.07%	0.82%	-1.83%	1.50%	17.50%	17.61%	-15.21%	11.13%

#### SaveEasy 2030 Fund

(Date of launch: 27 October 2008)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	584.63	440.72	452.31	269.35	221.49	194.99	148.63	93.20	56.93	43.23
Net asset value per unit (HK\$)	2.5601	2.1209	2.4280	1.8744	1.8595	1.8940	1.8669	1.5854	1.3448	1.5935
Highest issue price (HK\$)	2.5620	2.6281	2.4281	1.9664	2.1556	1.9730	1.8669	1.5929	1.6683	1.6055
Lowest redemption price (HK\$)	2.0859	2.0794	1.8777	1.6017	1.7363	1.7462	1.5770	1.3208	1.2287	1.2686
Net annualised investment return	20.71%	-12.65%	29.53%	0.80%	-1.82%	1.45%	17.76%	17.89%	-15.61%	11.57%

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### SaveEasy 2035 Fund

(Date of launch: 27 October 2008)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	543.83	415.78	412.00	250.01	203.80	176.63	141.06	88.63	53.86	37.81
Net asset value per unit (HK\$)	2.5315	2.0893	2.4034	1.8512	1.8356	1.8724	1.8439	1.5681	1.3277	1.5747
Highest issue price (HK\$)	2.5325	2.6032	2.4035	1.9424	2.1319	1.9498	1.8439	1.5764	1.6482	1.5871
Lowest redemption price (HK\$)	2.0540	2.0485	1.8544	1.5787	1.7136	1.7251	1.5572	1.3034	1.2109	1.2513
Net annualised investment return	21.16%	-13.07%	29.83%	0.85%	-1.97%	1.55%	17.59%	18.11%	-15.69%	11.56%

### SaveEasy 2040 Fund

(Date of launch: 27 October 2008)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	1,298.99	941.97	911.17	525.22	431.68	363.95	273.71	172.11	103.22	76.49
Net asset value per unit (HK\$)	2.6200	2.1586	2.4859	1.9117	1.8958	1.9322	1.9019	1.6155	1.3671	1.6228
Highest issue price (HK\$)	2.6211	2.6929	2.4860	2.0061	2.2030	2.0116	1.9019	1.6239	1.6981	1.6352
Lowest redemption price (HK\$)	2.1216	2.1160	1.9150	1.6293	1.7699	1.7777	1.6050	1.3411	1.2463	1.2883
Net annualised investment return	21.37%	-13.17%	30.04%	0.84%	-1.88%	1.59%	17.73%	18.17%	-15.76%	11.70%

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### Hang Seng Index Tracking Fund

(Date of launch: 1 October 2009)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	2,750.02	2,227.89	2,085.77	1,383.72	1,122.23	924.06	678.39	432.57	259.10	182.67
Net asset value per unit (HK\$)	1.6686	1.4879	1.6701	1.1986	1.1651	1.2265	1.1780	1.1203	0.8921	1.0934
Highest issue price (HK\$)	1.7383	1.8529	1.6787	1.3129	1.4814	1.3094	1.2140	1.1229	1.1587	1.1826
Lowest redemption price (HK\$)	1.4421	1.4228	1.2066	0.9773	1.0953	1.0706	0.9974	0.8931	0.7881	0.9020
Net annualised investment return	12.14%	-10.91%	39.34%	2.88%	-5.01%	4.12%	5.15%	25.58%	-18.41%	6.56%

### Hong Kong Dollar Bond Fund

(Date of launch: 1 October 2009)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	1,308.13	1,033.97	784.43	596.24	377.47	278.16	238.27	231.30	150.75	75.67
Net asset value per unit (HK\$)	1.2014	1.1667	1.1568	1.1203	1.1380	1.1139	1.0670	1.1022	1.0644	1.0258
Highest issue price (HK\$)	1.2219	1.1667	1.1802	1.1780	1.1466	1.1228	1.1069	1.1037	1.0855	1.0563
Lowest redemption price (HK\$)	1.1632	1.1297	1.1212	1.1148	1.1119	1.0631	1.0494	1.0616	1.0171	0.9927
Net annualised investment return	2.97%	0.86%	3.26%	-1.56%	2.16%	4.40%	-3.19%	3.55%	3.76%	2.90%

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### World Equity Fund

(Date of launch: 28 June 2012)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	1,172.25	645.11	523.12	216.25	113.15	70.08	29.88	5.08	-	-
Net asset value per unit (HK\$)	1.9130	1.5487	1.7130	1.4004	1.3085	1.3000	1.2646	1.0923	-	-
Highest issue price (HK\$)	1.9195	1.8276	1.7142	1.4214	1.4513	1.3559	1.2646	1.0954	-	-
Lowest redemption price (HK\$)	1.5216	1.4836	1.4124	1.1594	1.2222	1.1772	1.0649	0.9601	-	-
Net annualised investment return	23.52%	-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>2019</u>	<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>
Net asset value (HK\$ million)	1,049.45	823.71	789.44	438.39	332.09	230.45	112.79	26.60	-	-
Net asset value per unit (HK\$)	1.6790	1.4548	1.6195	1.1796	1.1307	1.2152	1.1504	1.0932	-	-
Highest issue price (HK\$)	1.6802	1.7938	1.6485	1.2776	1.4567	1.2801	1.1786	1.0932	-	-
Lowest redemption price (HK\$)	1.4134	1.3768	1.1811	0.9599	1.0493	1.0535	0.9811	0.9536	-	-
Net annualised investment return	15.41%	-10.17%	37.29%	4.32%	-6.95%	5.63%	5.23%	9.32%*	-	-

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### RMB Bond Fund

(Date of launch: 4 March 2013)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	633.11	576.82	418.61	277.81	244.38	231.11	149.71	-	-	-
Net asset value per unit (HK\$)	0.9805	0.9667	0.9702	0.9170	0.9447	0.9943	1.0051	-	-	-
Highest issue price (HK\$)	0.9959	0.9992	0.9731	0.9580	1.0011	1.0098	1.0079	-	-	-
Lowest redemption price (HK\$)	0.9613	0.9553	0.9154	0.9170	0.9447	0.9881	0.9859	-	-	-
Net annualised investment return	1.43%	-0.36%	5.80%	-2.93%	-4.99%	-1.07%	0.51%*	-	-	-

### Core Accumulation Fund

(Date of launch: 1 April 2017)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	944.12	562.42	307.48	-	-	-	-	-	-	-
Net asset value per unit (HK\$)	1.1806	1.0193	1.0906	-	-	-	-	-	-	-
Highest issue price (HK\$)	1.1840	1.1370	1.0914	-	-	-	-	-	-	-
Lowest redemption price (HK\$)	1.0113	0.9933	0.9986	-	-	-	-	-	-	-
Net annualised investment return	15.82%	-6.54%	9.06%*	-	-	-	-	-	-	-



# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### Age 65 Plus Fund

(Date of launch: 1 April 2017)

Financial year	<u>2019</u>	<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>
Net asset value (HK\$ million)	393.89	232.23	96.24	-	-	-	-	-	-	-
Net asset value per unit (HK\$)	1.1047	1.0135	1.0300	-	-	-	-	-	-	-
Highest issue price (HK\$)	1.1078	1.0399	1.0320	-	-	-	-	-	-	-
Lowest redemption price (HK\$)	1.0142	1.0037	0.9999	-	-	-	-	-	-	-
Net annualised investment return	9.00%	-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

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Financial year	<u>FER</u> <u>2019</u>	<u>Transaction costs</u> <u>2019</u> (HK\$)
MPF Conservative Fund	0.91%	-
E30 Mixed Asset Fund	1.50%	-
E50 Mixed Asset Fund	1.50%	-
E70 Mixed Asset Fund	1.50%	-
Global Bond Fund	1.44%	-
Global Equity Fund	1.49%	-
Asian Equity Fund	1.58%	-
Flexi Mixed Asset Fund	1.36%	-
China and Hong Kong Equity Fund	1.48%	-
European Equity Fund	1.58%	-
E90 Mixed Asset Fund	1.51%	-
SaveEasy 2020 Fund	1.25%	-
SaveEasy 2025 Fund	1.48%	-
SaveEasy 2030 Fund	1.48%	-
SaveEasy 2035 Fund	1.49%	-
SaveEasy 2040 Fund	1.48%	-
Hang Seng Index Tracking Fund	0.85%	271,497
Hong Kong Dollar Bond Fund	1.06%	-
World Equity Fund	0.98%	46,685
Greater China Equity Fund	1.15%	228,192
RMB Bond Fund	1.24%	-
Core Accumulation Fund	0.83%	-
Age 65 Plus Fund	0.83%	-

Note: Pursuant to letter dated 1 November 2019 ("Issue Date of the Circular Letter") from the Mandatory Provident Fund Schemes Authority (the "MPFA") in relation to the calculation of fund expense ratio, an amendment was made on the treatment of listed real estate investment trusts (REITs) for the purposes of Fund Expense Ratio calculation. Further to the consideration of the views of the Hong Kong Trustees' Association (the "HKTA") and the MPFA, the fees and charges of a listed REIT need not be regarded as "underlying fund costs" of a constituent fund. The amendment was effective for the financial periods ending on or after the Issue Date of the Circular Letter.

### **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**

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 to 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**

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 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.

#### **E70 Mixed Asset Fund**

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**

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.

## **BCT (MPF) PRO CHOICE**

### **INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **Global Equity Fund**

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.

#### **Asian Equity Fund**

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**

As stated in its constitutive documents, the objective of the Flexi Mixed Asset Fund is to provide members with long-term capital preservation not related to an index by investing solely in Allianz Choice Flexi Balanced 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**

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.

## BCT (MPF) PRO CHOICE

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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#### European Equity Fund

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

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 assets 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.

#### 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.

**INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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*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.

*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 2019**

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#### **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, 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, 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 during the year is included in Schedule 1 of this report.

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### Investments Held

The net assets of the constituent funds as at 31 December 2019, 2018 and 2017 are summarised below:

	<u>MPF Conservative Fund</u>			<u>E30 Mixed Asset Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Investments, at fair value	7,966,568	7,410,550	5,491,338	2,825,765	2,708,190	2,786,610
Other net assets/(liabilities)	208,370	104,758	73,590	9,489	7,357	177,422
Total	<u>8,174,938</u>	<u>7,515,308</u>	<u>5,564,928</u>	<u>2,835,254</u>	<u>2,715,547</u>	<u>2,964,032</u>
Investments, at cost	<u>7,948,370</u>	<u>7,392,352</u>	<u>5,489,283</u>	<u>2,720,381</u>	<u>2,857,040</u>	<u>2,541,796</u>

	<u>E50 Mixed Asset Fund</u>			<u>E70 Mixed Asset Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Investments, at fair value	3,268,484	3,012,053	3,190,678	5,765,195	5,278,847	6,004,428
Other net assets/(liabilities)	8,988	4,922	149,720	5,068	658	147,118
Total	<u>3,277,472</u>	<u>3,016,975</u>	<u>3,340,398</u>	<u>5,770,263</u>	<u>5,279,505</u>	<u>6,151,546</u>
Investments, at cost	<u>3,151,159</u>	<u>3,262,722</u>	<u>2,752,517</u>	<u>5,581,881</u>	<u>5,885,157</u>	<u>4,897,473</u>

	<u>Global Bond Fund</u>			<u>Global Equity Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Investments, at fair value	1,553,852	1,212,231	1,055,818	3,219,350	2,526,132	1,988,192
Other net assets/(liabilities)	13,445	7,782	2,718	15,119	4,842	5,025
Total	<u>1,567,297</u>	<u>1,220,013</u>	<u>1,058,536</u>	<u>3,234,469</u>	<u>2,530,974</u>	<u>1,993,217</u>
Investments, at cost	<u>1,507,521</u>	<u>1,225,792</u>	<u>1,058,762</u>	<u>2,981,033</u>	<u>2,872,119</u>	<u>1,508,926</u>

	<u>Asian Equity Fund</u>			<u>Flexi Mixed Asset Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Investments, at fair value	3,819,567	3,287,792	3,923,506	1,236,613	1,123,214	1,040,018
Other net assets/(liabilities)	1,171	(4,567)	1,271	1,347	514	3,837
Total	<u>3,820,738</u>	<u>3,283,225</u>	<u>3,924,777</u>	<u>1,237,960</u>	<u>1,123,728</u>	<u>1,043,855</u>
Investments, at cost	<u>3,752,508</u>	<u>3,762,739</u>	<u>2,631,861</u>	<u>1,123,293</u>	<u>1,098,198</u>	<u>941,471</u>



# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	<u>China and Hong Kong Equity Fund</u>			<u>European Equity Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Investments, at fair value	8,596,988	7,613,416	5,214,421	644,720	513,892	617,309
Other net assets/(liabilities)	13,883	6,287	10,194	5,015	8,672	1,666
Total	<u>8,610,871</u>	<u>7,619,703</u>	<u>5,224,615</u>	<u>649,735</u>	<u>522,564</u>	<u>618,975</u>
Investments, at cost	<u>8,383,919</u>	<u>8,811,073</u>	<u>3,668,266</u>	<u>642,024</u>	<u>628,094</u>	<u>532,259</u>
	<u>E90 Mixed Asset Fund</u>			<u>SaveEasy 2020 Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Investments, at fair value	746,983	623,617	657,289	447,603	379,512	375,354
Other net assets/(liabilities)	2,144	2,139	1,969	718	911	1,050
Total	<u>749,127</u>	<u>625,756</u>	<u>659,258</u>	<u>448,321</u>	<u>380,423</u>	<u>376,404</u>
Investments, at cost	<u>718,427</u>	<u>711,969</u>	<u>511,299</u>	<u>375,023</u>	<u>344,407</u>	<u>293,221</u>
	<u>SaveEasy 2025 Fund</u>			<u>SaveEasy 2030 Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Investments, at fair value	491,347	380,114	384,787	581,396	439,639	451,305
Other net assets/(liabilities)	1,381	347	1,495	3,230	1,084	1,002
Total	<u>492,728</u>	<u>380,461</u>	<u>386,282</u>	<u>584,626</u>	<u>440,723</u>	<u>452,307</u>
Investments, at cost	<u>396,817</u>	<u>352,370</u>	<u>292,347</u>	<u>469,197</u>	<u>412,872</u>	<u>344,699</u>
	<u>SaveEasy 2035 Fund</u>			<u>SaveEasy 2040 Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Investments, at fair value	543,163	415,339	411,019	1,295,307	939,598	907,385
Other net assets/(liabilities)	665	443	980	3,679	2,373	3,784
Total	<u>543,828</u>	<u>415,782</u>	<u>411,999</u>	<u>1,298,986</u>	<u>941,971</u>	<u>911,169</u>
Investments, at cost	<u>439,323</u>	<u>393,054</u>	<u>314,023</u>	<u>1,071,204</u>	<u>911,759</u>	<u>702,229</u>

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	<u>Hang Seng Index Tracking Fund</u>			<u>Hong Kong Dollar Bond Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Investments, at fair value	2,746,502	2,226,477	2,089,633	1,300,224	1,027,325	775,637
Other net assets/(liabilities)	3,513	1,412	(3,866)	7,904	6,640	8,797
Total	<u>2,750,015</u>	<u>2,227,889</u>	<u>2,085,767</u>	<u>1,308,128</u>	<u>1,033,965</u>	<u>784,434</u>
Investments, at cost	<u>2,483,873</u>	<u>2,154,364</u>	<u>1,648,978</u>	<u>1,250,046</u>	<u>998,056</u>	<u>763,302</u>
	<u>World Equity Fund</u>			<u>Greater China Equity Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Investments, at fair value	1,159,026	643,380	522,307	1,046,167	822,951	789,326
Other net assets/(liabilities)	13,227	1,733	818	3,287	762	112
Total	<u>1,172,253</u>	<u>645,113</u>	<u>523,125</u>	<u>1,049,454</u>	<u>823,713</u>	<u>789,438</u>
Investments, at cost	<u>1,004,725</u>	<u>652,830</u>	<u>443,413</u>	<u>833,255</u>	<u>740,666</u>	<u>606,432</u>
	<u>RMB Bond Fund</u>			<u>Core Accumulation Fund</u>		
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)
Investments, at fair value	630,920	569,594	415,486	936,250	558,924	305,170
Other net assets/(liabilities)	2,185	7,222	3,125	7,869	3,495	2,313
Total	<u>633,105</u>	<u>576,816</u>	<u>418,611</u>	<u>944,119</u>	<u>562,419</u>	<u>307,483</u>
Investments, at cost	<u>623,674</u>	<u>571,566</u>	<u>393,492</u>	<u>865,128</u>	<u>585,501</u>	<u>290,025</u>
	<u>Age 65 Plus Fund</u>					
	<u>2019</u> (HK\$'000)	<u>2018</u> (HK\$'000)	<u>2017</u> (HK\$'000)			
Investments, at fair value	385,819	229,009	94,690			
Other net assets/(liabilities)	8,069	3,223	1,553			
Total	<u>393,888</u>	<u>232,232</u>	<u>96,243</u>			
Investments, at cost	<u>368,885</u>	<u>230,234</u>	<u>93,224</u>			

The investment portfolio for these constituent funds as at 31 December 2019 is included in Schedule 2 of this report.

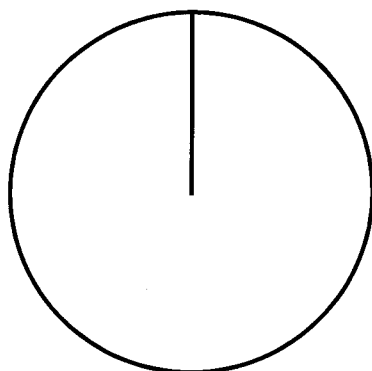
## BCT (MPF) PRO CHOICE

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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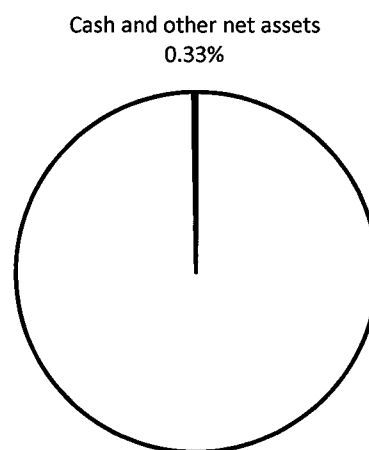
The following charts illustrate the percentage distribution of asset types in each constituent fund as at 31 December 2019.

MPF Conservative Fund



Cash, fixed deposits and  
other net assets  
100.00%

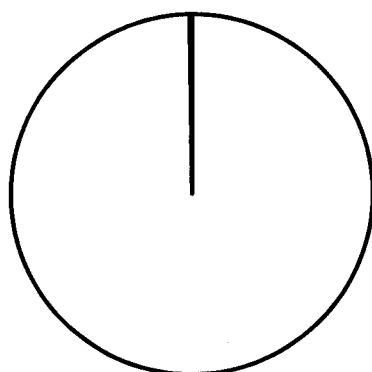
E30 Mixed Asset Fund



Cash and other net assets  
0.33%

Approved Pooled  
Investment Funds  
99.67%

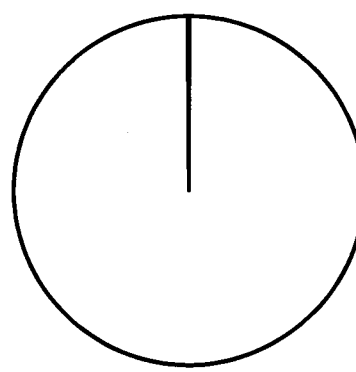
E50 Mixed Asset Fund



Cash and other net assets  
0.27%

Approved Pooled  
Investment Funds  
99.73%

E70 Mixed Asset Fund



Cash and other net assets  
0.09%

Approved Pooled  
Investment Funds  
99.91%

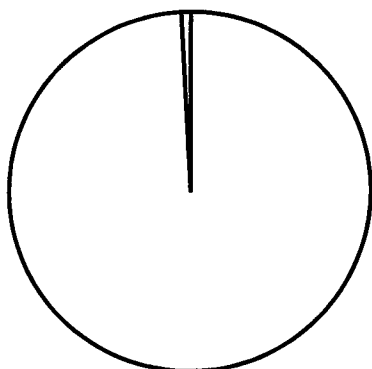
## BCT (MPF) PRO CHOICE

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Global Bond Fund

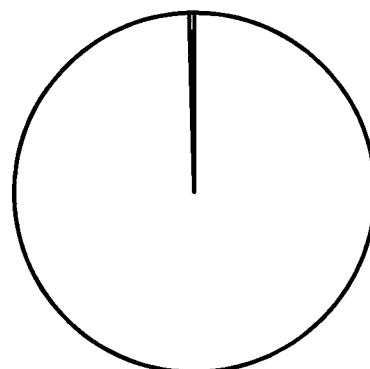
Cash and other net assets  
0.86%



Approved Pooled  
Investment Funds  
99.14%

#### Global Equity Fund

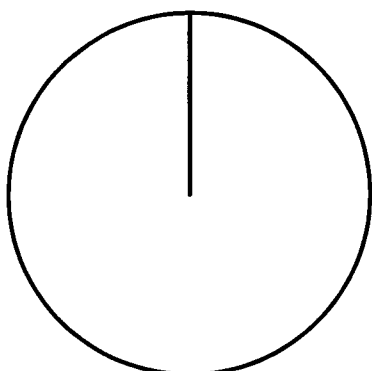
Cash and other net assets  
0.47%



Approved Pooled  
Investment Funds  
99.53%

#### Asian Equity Fund

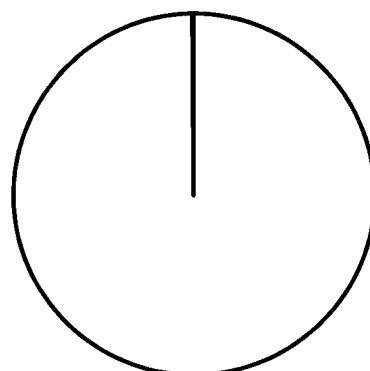
Cash and other net assets  
0.03%



Approved Pooled  
Investment Funds  
99.97%

#### Flexi Mixed Asset Fund

Cash and other net assets  
0.11%



Approved Pooled  
Investment Fund  
99.89%

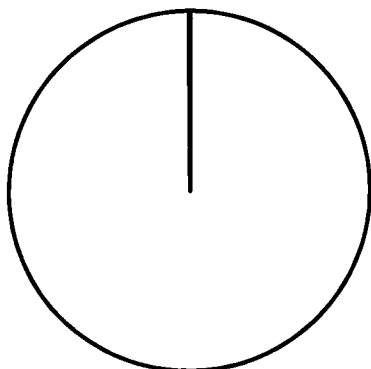
## BCT (MPF) PRO CHOICE

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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#### China and Hong Kong Equity Fund

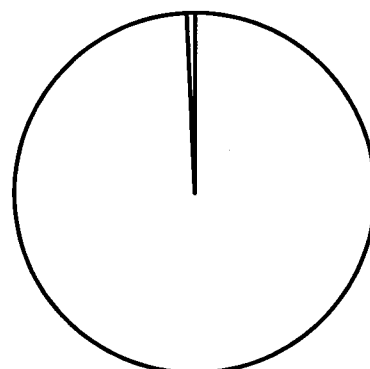
Cash and other net assets  
0.16%



Approved Pooled  
Investment Funds  
99.84%

#### European Equity Fund

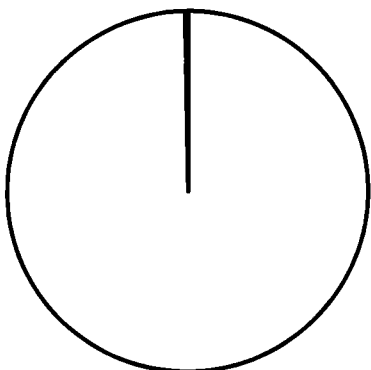
Cash and other net assets  
0.77%



Approved Pooled  
Investment Funds  
99.23%

#### E90 Mixed Asset Fund

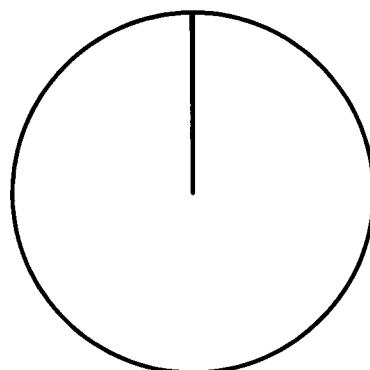
Cash and other net assets  
0.29%



Approved Pooled  
Investment Funds  
99.71%

#### SaveEasy 2020 Fund

Cash and other net assets  
0.16%



Approved Pooled  
Investment Fund  
99.84%

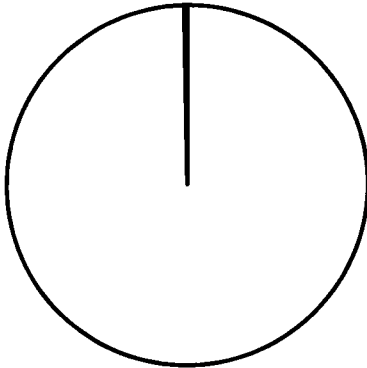
**BCT (MPF) PRO CHOICE**

**INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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SaveEasy 2025 Fund

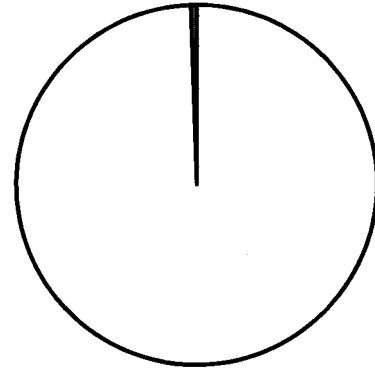
Cash and other net assets  
0.28%



Approved Pooled  
Investment Fund  
99.72%

SaveEasy 2030 Fund

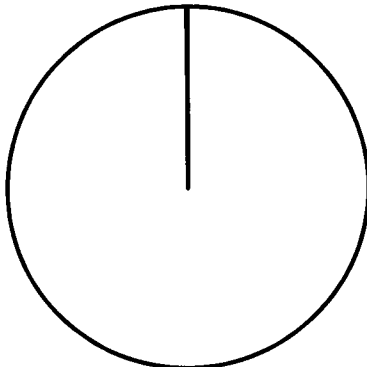
Cash and other net assets  
0.55%



Approved Pooled  
Investment Fund  
99.45%

SaveEasy 2035 Fund

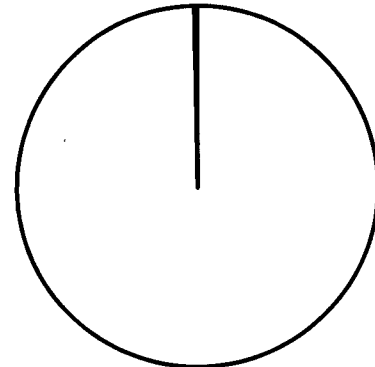
Cash and other net assets  
0.12%



Approved Pooled  
Investment Fund  
99.88%

SaveEasy 2040 Fund

Cash and other net assets  
0.28%



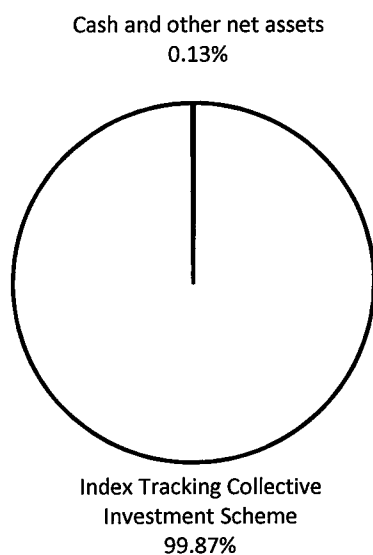
Approved Pooled  
Investment Fund  
99.72%

## BCT (MPF) PRO CHOICE

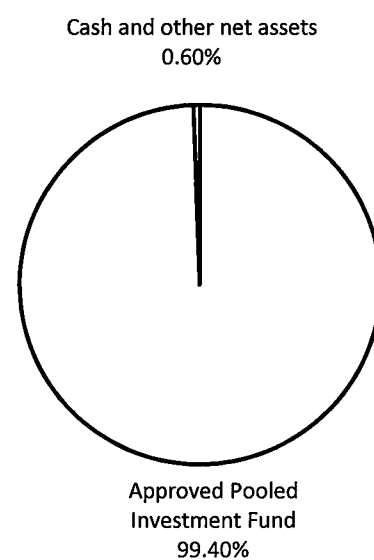
### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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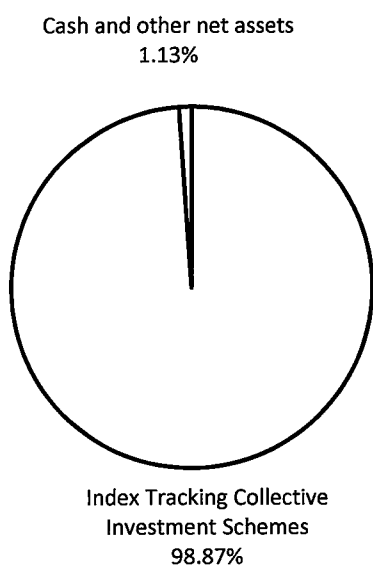
#### Hang Seng Index Tracking Fund



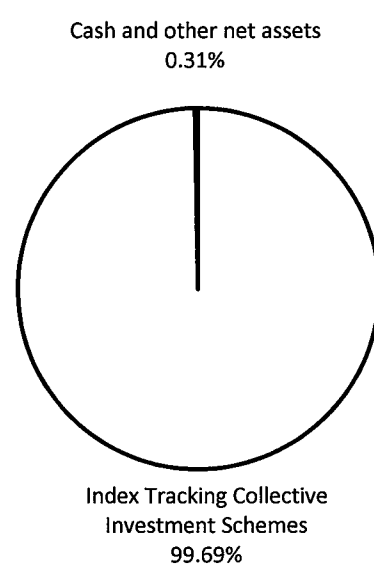
#### Hong Kong Dollar Bond Fund



#### World Equity Fund



#### Greater China Equity Fund



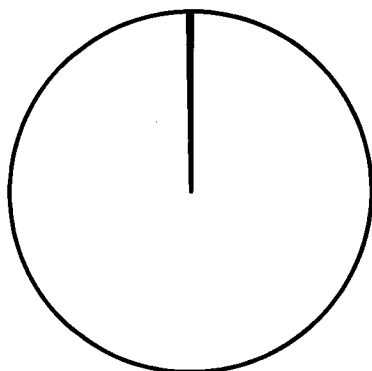
## BCT (MPF) PRO CHOICE

### INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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#### RMB Bond Fund

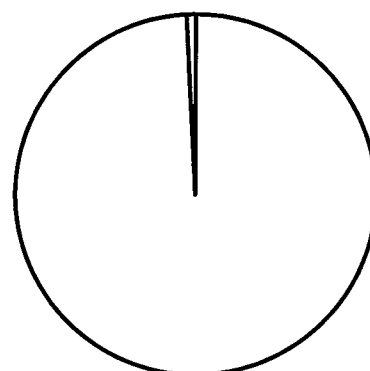
Cash and other net assets  
0.35%



Approved Pooled  
Investment Fund  
99.65%

#### Core Accumulation Fund

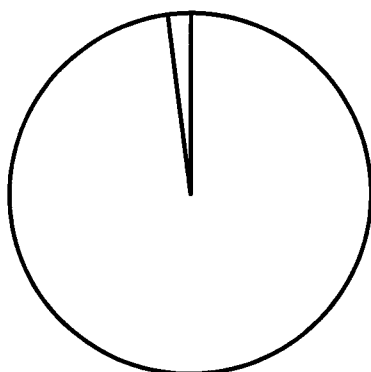
Cash and other net assets  
0.83%



Approved Pooled  
Investment Fund  
99.17%

#### Age 65 Plus Fund

Cash and other net assets  
2.05%



Approved Pooled  
Investment Fund  
97.95%



# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### Schedule 1

#### Statement of Movements in Portfolio Holdings - BCT (Pro) MPF Conservative Fund

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Debt Securities</b>		
Hong Kong Dollar	0.61	-
<b>Total Debt Securities</b>	<b>0.61</b>	<b>-</b>
<b>Certificates of Deposit</b>		
Hong Kong Dollar	25.23	22.11
<b>Total Certificates of Deposit</b>	<b>25.23</b>	<b>22.11</b>
<b>Fixed Deposits</b>		
Hong Kong Dollar	71.61	76.50
<b>Total Fixed Deposits</b>	<b>71.61</b>	<b>76.50</b>
<b>Total Investments</b>	<b>97.45</b>	<b>98.61</b>

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

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Approved Pooled Investment Funds</b>		
BCT Pooled Investment Fund Series		
- Dynamic Asian Equity Fund (Class A)	3.15	2.96
- Dynamic China & Hong Kong Equity Fund (Class A)	6.19	5.71
- Dynamic European Equity Fund (Class A)	4.34	3.75
- Dynamic Global Emerging Markets Equity Fund (Class A)	2.42	2.48
- Dynamic Global Bond Fund (Class A)	55.86	57.95
- Smart Asian Equity Fund (Class A)	0.75	0.51
- Smart China & Hong Kong Equity Fund (Class A)	1.50	1.36
- Smart European Equity Fund (Class A)	1.61	1.40
- Smart Global Bond Fund (Class A)	13.98	13.89
- Smart Japanese Equity Fund (Class A)	3.92	3.96
- Smart North American Equity Fund (Class A)	5.95	5.76
<b>Total Investments</b>	<b>99.67</b>	<b>99.73</b>

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### Schedule 1

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

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Approved Pooled Investment Funds</b>		
BCT Pooled Investment Fund Series		
- Dynamic Asian Equity Fund (Class A)	5.13	4.81
- Dynamic China & Hong Kong Equity Fund (Class A)	10.63	10.18
- Dynamic European Equity Fund (Class A)	7.22	6.47
- Dynamic Global Emerging Markets Equity Fund (Class A)	3.99	3.97
- Dynamic Global Bond Fund (Class A)	39.93	41.81
- Smart Asian Equity Fund (Class A)	1.22	0.92
- Smart China & Hong Kong Equity Fund (Class A)	2.58	2.41
- Smart European Equity Fund (Class A)	2.71	2.46
- Smart Global Bond Fund (Class A)	9.95	10.60
- Smart Japanese Equity Fund (Class A)	6.43	6.29
- Smart North American Equity Fund (Class A)	9.94	9.92
<b>Total Investments</b>	<b>99.73</b>	<b>99.84</b>

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

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Approved Pooled Investment Funds</b>		
BCT Pooled Investment Fund Series		
- Dynamic Asian Equity Fund (Class A)	7.18	6.67
- Dynamic China & Hong Kong Equity Fund (Class A)	15.06	14.51
- Dynamic European Equity Fund (Class A)	10.10	9.30
- Dynamic Global Emerging Markets Equity Fund (Class A)	5.52	5.37
- Dynamic Global Bond Fund (Class A)	23.88	25.61
- Smart Asian Equity Fund (Class A)	1.79	1.74
- Smart China & Hong Kong Equity Fund (Class A)	3.74	4.04
- Smart European Equity Fund (Class A)	3.83	3.48
- Smart Global Bond Fund (Class A)	5.88	6.53
- Smart Japanese Equity Fund (Class A)	8.95	8.77
- Smart North American Equity Fund (Class A)	13.98	13.97
<b>Total Investments</b>	<b>99.91</b>	<b>99.99</b>

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### Schedule 1

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

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Approved Pooled Investment Funds</b>		
BCT Pooled Investment Fund Series		
- Dynamic Global Bond Fund (Class A)	79.36	79.47
- Smart Global Bond Fund (Class A)	19.78	19.89
<b>Total Investments</b>	<b>99.14</b>	<b>99.36</b>

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

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Approved Pooled Investment Funds</b>		
BCT Pooled Investment Fund Series		
- Dynamic Asian Equity Fund (Class A)	6.20	6.72
- Dynamic European Equity Fund (Class A)	22.90	22.15
- Dynamic Global Emerging Markets Equity Fund (Class A)	7.78	7.57
- Smart Japanese Equity Fund (Class A)	8.81	8.99
- Smart North American Equity Fund (Class A)	53.84	54.38
<b>Total Investments</b>	<b>99.53</b>	<b>99.81</b>

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

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Approved Pooled Investment Funds</b>		
BCT Pooled Investment Fund Series		
- Dynamic Asian Equity Fund (Class A)	80.02	80.14
- Smart Asian Equity Fund (Class A)	19.95	20.00
<b>Total Investments</b>	<b>99.97</b>	<b>100.14</b>

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### Schedule 1

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

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Approved Pooled Investment Fund</b>		
Allianz Choice Flexi Balanced Fund (Class A)	99.89	99.95
<b>Total Investments</b>	<u>99.89</u>	<u>99.95</u>

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

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Approved Pooled Investment Funds</b>		
BCT Pooled Investment Fund Series		
- Dynamic China & Hong Kong Equity Fund (Class A)	79.92	79.60
- Smart China & Hong Kong Equity Fund (Class A)	19.92	20.32
<b>Total Investments</b>	<u>99.84</u>	<u>99.92</u>

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

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Approved Pooled Investment Funds</b>		
BCT Pooled Investment Fund Series		
- Dynamic European Equity Fund (Class A)	71.92	70.88
- Smart European Equity Fund (Class A)	27.31	27.46
<b>Total Investments</b>	<u>99.23</u>	<u>98.34</u>

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### Schedule 1

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

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Approved Pooled Investment Funds</b>		
BCT Pooled Investment Fund Series		
- Dynamic Asian Equity Fund (Class A)	9.58	9.59
- Dynamic China & Hong Kong Equity Fund (Class A)	18.70	18.27
- Dynamic European Equity Fund (Class A)	13.04	12.27
- Dynamic Global Emerging Markets Equity Fund (Class A)	6.97	6.97
- Dynamic Global Bond Fund (Class A)	7.75	8.85
- Smart Asian Equity Fund (Class A)	2.32	1.93
- Smart China & Hong Kong Equity Fund (Class A)	4.61	5.04
- Smart European Equity Fund (Class A)	4.90	4.82
- Smart Global Bond Fund (Class A)	1.94	1.78
- Smart Japanese Equity Fund (Class A)	11.91	11.98
- Smart North American Equity Fund (Class A)	17.99	18.16
<b>Total Investments</b>	<b>99.71</b>	<b>99.66</b>

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

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Approved Pooled Investment Fund</b>		
Fidelity Global Investment Fund – Fidelity SaveEasy 2020 Fund (Class A)	99.84	99.76
<b>Total Investments</b>	<b>99.84</b>	<b>99.76</b>

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

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Approved Pooled Investment Fund</b>		
Fidelity Global Investment Fund – Fidelity SaveEasy 2025 Fund (Class A)	99.72	99.91
<b>Total Investments</b>	<b>99.72</b>	<b>99.91</b>

**BCT (MPF) PRO CHOICE**  
**INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

**Schedule 1**

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

	<b>% of Net Assets</b>	
	<b>Closing Balance 31/12/2019</b>	<b>Opening Balance 1/1/2019</b>
<b>Approved Pooled Investment Fund</b>		
Fidelity Global Investment Fund – Fidelity SaveEasy 2030 Fund (Class A)	99.45	99.75
<b>Total Investments</b>	<b>99.45</b>	<b>99.75</b>

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

	<b>% of Net Assets</b>	
	<b>Closing Balance 31/12/2019</b>	<b>Opening Balance 1/1/2019</b>
<b>Approved Pooled Investment Fund</b>		
Fidelity Global Investment Fund – Fidelity SaveEasy 2035 Fund (Class A)	99.88	99.89
<b>Total Investments</b>	<b>99.88</b>	<b>99.89</b>

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

	<b>% of Net Assets</b>	
	<b>Closing Balance 31/12/2019</b>	<b>Opening Balance 1/1/2019</b>
<b>Approved Pooled Investment Fund</b>		
Fidelity Global Investment Fund – Fidelity SaveEasy 2040 Fund (Class A)	99.72	99.75
<b>Total Investments</b>	<b>99.72</b>	<b>99.75</b>

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

	<b>% of Net Assets</b>	
	<b>Closing Balance 31/12/2019</b>	<b>Opening Balance 1/1/2019</b>
<b>Index Tracking Collective Investment Scheme</b>		
Tracker Fund of Hong Kong	99.87	99.94
<b>Total Investments</b>	<b>99.87</b>	<b>99.94</b>

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### Schedule 1

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

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Approved Pooled Investment Fund</b>		
JPMorgan SAR HK\$ Bond Fund (Class B)	99.40	99.36
<b>Total Investments</b>	<b>99.40</b>	<b>99.36</b>

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

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Index Tracking Collective Investment Schemes</b>		
iShares MSCI Japan ETF	7.88	7.86
iShares MSCI Pacific ex Japan ETF	9.90	9.90
SPDR S&P 500 ETF Trust	50.50	50.48
Tracker Fund of Hong Kong	5.03	5.29
Vanguard FTSE Developed Europe UCITS ETF	25.56	26.20
<b>Total Investments</b>	<b>98.87</b>	<b>99.73</b>

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

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Index Tracking Collective Investment Schemes</b>		
SPDR FTSE Greater China ETF	79.67	79.75
Tracker Fund of Hong Kong	20.02	20.16
<b>Total Investments</b>	<b>99.69</b>	<b>99.91</b>

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

	% of Net Assets	
	Closing Balance 31/12/2019	Opening Balance 1/1/2019
<b>Approved Pooled Investment Fund</b>		
Invesco Pooled Investment Fund - RMB Bond Fund (Class B) (This investment fund is denominated in HKD only and not in RMB)	99.65	98.75
<b>Total Investments</b>	<b>99.65</b>	<b>98.75</b>

**BCT (MPF) PRO CHOICE****INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019****Schedule 1****Statement of Movements in Portfolio Holdings - BCT (Pro) Core Accumulation Fund**

	% of Net Assets	
	<b>Closing Balance 31/12/2019</b>	<b>Opening Balance 1/1/2019</b>
<b>Approved Pooled Investment Fund</b>		
Invesco Pooled Investment Fund – Core Accumulation Fund	99.17	99.38
<b>Total Investments</b>	<b>99.17</b>	<b>99.38</b>

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

	% of Net Assets	
	<b>Closing Balance 31/12/2019</b>	<b>Opening Balance 1/1/2019</b>
<b>Approved Pooled Investment Fund</b>		
Invesco Pooled Investment Fund - Age 65 Plus Fund	97.95	98.61
<b>Total Investments</b>	<b>97.95</b>	<b>98.61</b>



# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### 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>
<b>Debt Securities</b>			
<b>Hong Kong Dollar</b>			
HONG KONG T-BILLS 0% FEB 19 2020	50,000,000	49,875,250	0.61
<b>Total Debt Securities</b>		49,875,250	0.61
<b>Certificates of Deposit</b>			
<b>Hong Kong Dollar</b>			
AGRICULTURAL BK CHINA/HK 0% APR 24 2020	100,000,000	99,241,500	1.21
AGRICULTURAL BK CHINA/HK 1.75% MAR 26 2020	86,000,000	86,976,931	1.06
AGRICULTURAL BK CHINA/HK 2.14% MAY 13 2020	80,000,000	80,960,285	0.99
AGRICULTURAL BK CHINA/HK 2.22% MAY 26 2020	92,000,000	93,114,580	1.14
AGRICULTURAL BK CHINA/HK 2.35% DEC 18 2020	125,000,000	125,125,873	1.53
BANK OF CHINA/HONG KONG 0% JAN 15 2020	120,000,000	119,923,200	1.47
BANK OF CHINA/HONG KONG 2% APR 08 2020	82,000,000	83,036,199	1.02
BANK OF CHINA/HONG KONG 2.15% MAY 21 2020	110,000,000	111,291,347	1.36
BANK OF CHINA/HONG KONG 2.19% AUG 21 2020	93,000,000	93,531,960	1.14
BANK OF CHINA/HONG KONG 2.24% JUN 12 2020	70,000,000	70,774,320	0.87
BANK OF CHINA/HONG KONG 2.4% FEB 25 2020	157,000,000	157,303,462	1.92
BANK OF CHINA/HONG KONG 2.4% JAN 23 2020	80,000,000	81,789,474	1.00
CHINA DEVELOPMENT BK/HK 2.1% JAN 29 2020	70,000,000	70,605,356	0.86
CHINA DEVELOPMENT BK/HK 2.1% NOV 03 2020	89,000,000	89,066,927	1.09
CHINA DEVELOPMENT BK/HK 2.2% JAN 31 2020	85,000,000	85,746,911	1.05
DAH SING BANK LTD 2.18% MAY 18 2020	70,000,000	70,865,708	0.87
DAH SING BANK LTD 2.23% SEP 24 2020	120,000,000	120,577,619	1.47
DBS BANK HONG KONG LTD 0% MAY 18 2020	116,000,000	114,936,280	1.41
DBS BANK HONG KONG LTD 2.24% FEB 28 2020	76,000,000	76,531,058	0.94
HONGKONG & SHANGHAI BK 1.95% APR 09 2020	107,000,000	108,300,739	1.32
HONGKONG & SHANGHAI BK 2.13% FEB 03 2020	85,000,000	85,713,162	1.05
KDB ASIA LTD 2% MAY 12 2020	37,000,000	37,400,611	0.46
<b>Total Certificates of Deposit</b>		2,062,813,502	25.23
<b>Fixed Deposits</b>			
<b>Hong Kong Dollar</b>			
BANK OF EAST ASIA LTD DEPOSIT 2.25% JAN 21 2020	81,926,471	81,926,471	1.00
BANK OF EAST ASIA LTD DEPOSIT 2.35% JAN 24 2020	101,830,322	101,830,322	1.25
BANK OF EAST ASIA LTD DEPOSIT 2.5% FEB 06 2020	80,876,820	80,876,820	0.99
BANK OF EAST ASIA LTD DEPOSIT 2.5% JAN 09 2020	16,000,000	16,000,000	0.20
BANK OF EAST ASIA LTD DEPOSIT 2.5% JAN 17 2020	82,220,325	82,220,325	1.01
BANK OF EAST ASIA LTD DEPOSIT 2.53% JAN 08 2020	91,752,006	91,752,006	1.12
BANK OF EAST ASIA LTD DEPOSIT 2.53% JAN 14 2020	90,000,000	90,000,000	1.10
BANK OF EAST ASIA LTD DEPOSIT 2.78% FEB 18 2020	124,711,233	124,711,233	1.53
BANK OF EAST ASIA LTD DEPOSIT 2.85% FEB 21 2020	92,484,303	92,484,303	1.13
CHINA CONSTRUCTION BANK ASIA DEPOSIT 2.3% FEB 10 2020	41,951,673	41,951,673	0.51
CHINA CONSTRUCTION BANK ASIA DEPOSIT 2.35% JAN 02 2020	158,540,830	158,540,830	1.94
CHINA CONSTRUCTION BANK ASIA DEPOSIT 2.48% FEB 27 2020	189,212,508	189,212,508	2.30
CHINA CONSTRUCTION BANK ASIA DEPOSIT 2.48% MAR 30 2020	131,614,315	131,614,315	1.61
CMB WING LUNG BANK DEPOSIT 2.65% FEB 26 2020	100,000,000	100,000,000	1.22
DAH SING BANK DEPOSIT 2.55% FEB 21 2020	100,000,000	100,000,000	1.22
FUBON BANK DEPOSIT 2.3% JAN 02 2020	320,944,890	320,944,890	3.93
FUBON BANK DEPOSIT 2.45% JAN 07 2020	320,459,119	320,459,119	3.92
ICBC (ASIA) DEPOSIT 2.25% JAN 24 2020	90,927,526	90,927,526	1.11
ICBC (ASIA) DEPOSIT 2.25% JAN 30 2020	80,864,569	80,864,569	0.99

**BCT (MPF) PRO CHOICE**

**INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

Schedule 2

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

<b><u>Description</u></b>	<b><u>Nominal Value</u></b>	<b><u>Fair Value (HK\$)</u></b>	<b><u>% of Net Assets</u></b>
<b>Fixed Deposits(Continued)</b>			
<b>Hong Kong Dollar(Continued)</b>			
ICBC (ASIA) DEPOSIT 2.35% JAN 13 2020	180,346,240	180,346,240	2.21
ICBC (ASIA) DEPOSIT 2.5% MAR 27 2020	131,978,755	131,978,755	1.61
ICBC (ASIA) DEPOSIT 2.65% APR 01 2020	93,533,659	93,533,659	1.14
ICBC (ASIA) DEPOSIT 2.75% MAR 04 2020	122,000,000	122,000,000	1.49
OCBC WING HANG BANK DEPOSIT 2.3% FEB 04 2020	50,548,758	50,548,758	0.62
OCBC WING HANG BANK DEPOSIT 2.3% FEB 06 2020	86,720,236	86,720,236	1.06
OCBC WING HANG BANK DEPOSIT 2.35% JAN 03 2020	187,657,103	187,657,103	2.30
OCBC WING HANG BANK DEPOSIT 2.37% JAN 08 2020	92,711,701	92,711,701	1.13
OCBC WING HANG BANK DEPOSIT 2.4% JAN 10 2020	80,299,071	80,299,071	0.98
OCBC WING HANG BANK DEPOSIT 2.5% FEB 21 2020	100,223,178	100,223,178	1.23
PUBLIC BANK DEPOSIT 2.4% FEB 06 2020	72,362,006	72,362,006	0.89
PUBLIC BANK DEPOSIT 2.4% JAN 06 2020	86,000,000	86,000,000	1.05
PUBLIC BANK DEPOSIT 2.55% FEB 18 2020	72,360,604	72,360,604	0.89
PUBLIC BANK DEPOSIT 2.6% MAR 09 2020	238,348,050	238,348,050	2.92
PUBLIC BANK DEPOSIT 2.6% MAR 18 2020	91,524,408	91,524,408	1.12
SHANGHAI COMMERCIAL BANK DEPOSIT 2.15% JAN 23 2020	135,429,608	135,429,608	1.66
SHANGHAI COMMERCIAL BANK DEPOSIT 2.35% JAN 29 2020	81,597,700	81,597,700	1.00
SHANGHAI COMMERCIAL BANK DEPOSIT 2.35% JAN 29 2020	91,233,637	91,233,637	1.12
SHANGHAI COMMERCIAL BANK DEPOSIT 2.6% MAR 13 2020	85,000,000	85,000,000	1.04
SUMITOMO MITSUI DEPOSIT 2.25% JAN 22 2020	114,426,112	114,426,112	1.40
SUMITOMO MITSUI DEPOSIT 2.36% FEB 12 2020	51,128,226	51,128,226	0.63
SUMITOMO MITSUI DEPOSIT 2.39% FEB 06 2020	130,250,677	130,250,677	1.59
SUMITOMO MITSUI DEPOSIT 2.44% MAR 16 2020	91,091,644	91,091,644	1.11
SUMITOMO MITSUI DEPOSIT 2.47% JUN 19 2020	113,805,631	113,805,631	1.39
SUMITOMO MITSUI DEPOSIT 2.51% JAN 10 2020	149,632,996	149,632,996	1.83
SUMITOMO MITSUI DEPOSIT 2.65% JAN 15 2020	72,893,688	72,893,688	0.89
UNITED OVERSEAS BANK DEPOSIT 2.12% JAN 15 2020	163,549,898	163,549,898	2.00
UNITED OVERSEAS BANK DEPOSIT 2.27% JAN 24 2020	141,124,480	141,124,480	1.73
UNITED OVERSEAS BANK DEPOSIT 2.28% JAN 23 2020	93,128,976	93,128,976	1.14
UNITED OVERSEAS BANK DEPOSIT 2.31% JAN 30 2020	156,498,331	156,498,331	1.91
UNITED OVERSEAS BANK DEPOSIT 2.39% JAN 13 2020	120,157,128	120,157,128	1.47
UNITED OVERSEAS BANK DEPOSIT 2.42% JAN 15 2020	80,000,000	80,000,000	0.98
<b>Total Fixed Deposits</b>		<b>5,853,879,411</b>	<b>71.61</b>
<b>Total Investments</b>		<b>7,966,568,163</b>	<b>97.45</b>
<b>Total Investments, at cost</b>		<b>7,948,370,128</b>	

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

# BCT (MPF) PRO CHOICE

## INVESTMENT REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

### Schedule 2

#### Investment Portfolio – BCT (Pro) E30 Mixed Asset Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
<b>Approved Pooled Investment Funds</b>			
BCT Pooled Investment Fund Series			
- Dynamic Asian Equity Fund (Class A)	8,890,875	89,301,728	3.15
- Dynamic China & Hong Kong Equity Fund (Class A)	17,539,172	175,595,171	6.19
- Dynamic European Equity Fund (Class A)	13,478,100	123,098,178	4.34
- Dynamic Global Emerging Markets Equity Fund (Class A)	7,130,622	68,521,004	2.42
- Dynamic Global Bond Fund (Class A)	151,851,733	1,583,631,355	55.86
- Smart Asian Equity Fund (Class A)	2,149,887	21,138,337	0.75
- Smart China & Hong Kong Equity Fund (Class A)	4,290,020	42,477,208	1.50
- Smart European Equity Fund (Class A)	4,471,380	45,696,610	1.61
- Smart Global Bond Fund (Class A)	38,362,092	396,357,132	13.98
- Smart Japanese Equity Fund (Class A)	11,383,637	111,211,302	3.92
- Smart North American Equity Fund (Class A)	14,070,431	168,736,833	5.95
<b>Total Investments</b>		<b>2,825,764,858</b>	<b>99.67</b>
<b>Total Investments, at cost</b>		<b>2,720,380,691</b>	

#### Investment Portfolio – BCT (Pro) E50 Mixed Asset Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
<b>Approved Pooled Investment Funds</b>			
BCT Pooled Investment Fund Series			
- Dynamic Asian Equity Fund (Class A)	16,729,353	168,032,965	5.13
- Dynamic China & Hong Kong Equity Fund (Class A)	34,761,021	348,013,434	10.63
- Dynamic European Equity Fund (Class A)	25,916,228	236,698,090	7.22
- Dynamic Global Emerging Markets Equity Fund (Class A)	13,618,379	130,864,449	3.99
- Dynamic Global Bond Fund (Class A)	125,458,330	1,308,379,829	39.93
- Smart Asian Equity Fund (Class A)	4,077,724	40,093,405	1.22
- Smart China & Hong Kong Equity Fund (Class A)	8,542,343	84,581,151	2.58
- Smart European Equity Fund (Class A)	8,703,734	88,950,423	2.71
- Smart Global Bond Fund (Class A)	31,564,969	326,129,264	9.95
- Smart Japanese Equity Fund (Class A)	21,587,779	210,899,650	6.43
- Smart North American Equity Fund (Class A)	27,170,879	325,841,330	9.94
<b>Total Investments</b>		<b>3,268,483,990</b>	<b>99.73</b>
<b>Total Investments, at cost</b>		<b>3,151,158,901</b>	

[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 2019

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>
<b>Approved Pooled Investment Funds</b>			
BCT Pooled Investment Fund Series			
- Dynamic Asian Equity Fund (Class A)	41,253,446	414,357,861	7.18
- Dynamic China & Hong Kong Equity Fund (Class A)	86,783,938	868,846,073	15.06
- Dynamic European Equity Fund (Class A)	63,841,617	583,078,254	10.10
- Dynamic Global Emerging Markets Equity Fund (Class A)	33,119,332	318,256,909	5.52
- Dynamic Global Bond Fund (Class A)	132,129,211	1,377,949,113	23.88
- Smart Asian Equity Fund (Class A)	10,495,583	103,195,720	1.79
- Smart China & Hong Kong Equity Fund (Class A)	21,767,467	215,528,399	3.74
- Smart European Equity Fund (Class A)	21,623,086	220,983,617	3.83
- Smart Global Bond Fund (Class A)	32,864,814	339,559,257	5.88
- Smart Japanese Equity Fund (Class A)	52,884,537	516,650,194	8.95
- Smart North American Equity Fund (Class A)	67,275,672	806,790,044	13.98
<b>Total Investments</b>		<b>5,765,195,441</b>	<b>99.91</b>
<b>Total Investments, at cost</b>		<b>5,581,881,255</b>	

### 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>
<b>Approved Pooled Investment Funds</b>			
BCT Pooled Investment Fund Series			
- Dynamic Global Bond Fund (Class A)	119,263,785	1,243,778,166	79.36
- Smart Global Bond Fund (Class A)	30,011,048	310,074,149	19.78
<b>Total Investments</b>		<b>1,553,852,315</b>	<b>99.14</b>
<b>Total Investments, at cost</b>		<b>1,507,521,227</b>	

[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 2019

### Schedule 2

#### Investment Portfolio - BCT (Pro) Global Equity Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
<b>Approved Pooled Investment Funds</b>			
BCT Pooled Investment Fund Series			
- Dynamic Asian Equity Fund (Class A)	19,977,739	200,660,406	6.20
- Dynamic European Equity Fund (Class A)	81,100,118	740,703,597	22.90
- Dynamic Global Emerging Markets Equity Fund (Class A)	26,194,305	251,711,550	7.78
- Smart Japanese Equity Fund (Class A)	29,177,646	285,048,096	8.81
- Smart North American Equity Fund (Class A)	145,195,399	1,741,226,781	53.84
<b>Total Investments</b>		<b>3,219,350,430</b>	<b>99.53</b>
<b>Total Investments, at cost</b>		<b>2,981,032,779</b>	

#### Investment Portfolio - BCT (Pro) Asian Equity Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
<b>Approved Pooled Investment Funds</b>			
BCT Pooled Investment Fund Series			
- Dynamic Asian Equity Fund (Class A)	304,377,808	3,057,231,584	80.02
- Smart Asian Equity Fund (Class A)	77,533,733	762,334,922	19.95
<b>Total Investments</b>		<b>3,819,566,506</b>	<b>99.97</b>
<b>Total Investments, at cost</b>		<b>3,752,508,444</b>	

*[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 2019

### Schedule 2

#### Investment Portfolio - BCT (Pro) Flexi Mixed Asset Fund

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
<b>Approved Pooled Investment Fund</b>			
Allianz Choice Flexi Balanced Fund (Class A)	64,879,993	1,236,612,671	99.89
<b>Total Investments</b>		<b>1,236,612,671</b>	<b>99.89</b>
<b>Total Investments, at cost</b>		<b>1,123,293,168</b>	

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

<u>Description</u>	<u>Holdings</u>	<u>Fair Value</u> (HK\$)	<u>% of</u> <u>Net Assets</u>
<b>Approved Pooled Investment Funds</b>			
BCT Pooled Investment Fund Series			
- Dynamic China & Hong Kong Equity Fund (Class A)	687,389,090	6,881,864,612	79.92
- Smart China & Hong Kong Equity Fund (Class A)	173,220,270	1,715,123,185	19.92
<b>Total Investments</b>		<b>8,596,987,797</b>	<b>99.84</b>
<b>Total Investments, at cost</b>		<b>8,383,919,349</b>	

*[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 2019

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>
<b>Approved Pooled Investment Funds</b>			
BCT Pooled Investment Fund Series			
- Dynamic European Equity Fund (Class A)	51,160,289	467,257,155	71.92
- Smart European Equity Fund (Class A)	17,364,653	177,463,282	27.31
<b>Total Investments</b>		<b>644,720,437</b>	<b>99.23</b>
<b>Total Investments, at cost</b>		<b>642,024,417</b>	

### 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>
<b>Approved Pooled Investment Funds</b>			
BCT Pooled Investment Fund Series			
- Dynamic Asian Equity Fund (Class A)	7,147,149	71,787,393	9.58
- Dynamic China & Hong Kong Equity Fund (Class A)	13,991,380	140,076,102	18.70
- Dynamic European Equity Fund (Class A)	10,697,357	97,701,104	13.04
- Dynamic Global Emerging Markets Equity Fund (Class A)	5,436,657	52,243,009	6.97
- Dynamic Global Bond Fund (Class A)	5,568,130	58,068,913	7.75
- Smart Asian Equity Fund (Class A)	1,765,518	17,359,102	2.32
- Smart China & Hong Kong Equity Fund (Class A)	3,486,021	34,516,489	4.61
- Smart European Equity Fund (Class A)	3,590,801	36,697,265	4.90
- Smart Global Bond Fund (Class A)	1,404,727	14,513,640	1.94
- Smart Japanese Equity Fund (Class A)	9,132,182	89,215,940	11.91
- Smart North American Equity Fund (Class A)	11,240,899	134,804,235	17.99
<b>Total Investments</b>		<b>746,983,192</b>	<b>99.71</b>
<b>Total Investments, at cost</b>		<b>718,426,721</b>	

*[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 2019**

**Schedule 2**

**Investment Portfolio - BCT (Pro) SaveEasy 2020 Fund**

<b><u>Description</u></b>	<b><u>Holdings</u></b>	<b><u>Fair Value</u> <u>(HK\$)</u></b>	<b><u>% of</u> <u>Net Assets</u></b>
<b>Approved Pooled Investment Fund</b>			
Fidelity Global Investment Fund – Fidelity SaveEasy 2020 Fund (Class A)	15,889,333	447,602,522	99.84
<b>Total Investments</b>		<b>447,602,522</b>	<b>99.84</b>
<b>Total Investments, at cost</b>		<b>375,022,658</b>	

**Investment Portfolio - BCT (Pro) SaveEasy 2025 Fund**

<b><u>Description</u></b>	<b><u>Holdings</u></b>	<b><u>Fair Value</u> <u>(HK\$)</u></b>	<b><u>% of</u> <u>Net Assets</u></b>
<b>Approved Pooled Investment Fund</b>			
Fidelity Global Investment Fund – Fidelity SaveEasy 2025 Fund (Class A)	16,571,582	491,347,410	99.72
<b>Total Investments</b>		<b>491,347,410</b>	<b>99.72</b>
<b>Total Investments, at cost</b>		<b>396,817,145</b>	

**Investment Portfolio - BCT (Pro) SaveEasy 2030 Fund**

<b><u>Description</u></b>	<b><u>Holdings</u></b>	<b><u>Fair Value</u> <u>(HK\$)</u></b>	<b><u>% of</u> <u>Net Assets</u></b>
<b>Approved Pooled Investment Fund</b>			
Fidelity Global Investment Fund – Fidelity SaveEasy 2030 Fund (Class A)	19,264,287	581,396,175	99.45
<b>Total Investments</b>		<b>581,396,175</b>	<b>99.45</b>
<b>Total Investments, at cost</b>		<b>469,196,778</b>	

*[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 2019

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>
<b>Approved Pooled Investment Fund</b>			
Fidelity Global Investment Fund – Fidelity SaveEasy 2035 Fund (Class A)	17,890,738	543,162,802	99.88
<b>Total Investments</b>		<b>543,162,802</b>	<b>99.88</b>
<b>Total Investments, at cost</b>		<b>439,323,324</b>	

### 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>
<b>Approved Pooled Investment Fund</b>			
Fidelity Global Investment Fund – Fidelity SaveEasy 2040 Fund (Class A)	42,233,671	1,295,306,676	99.72
<b>Total Investments</b>		<b>1,295,306,676</b>	<b>99.72</b>
<b>Total Investments, at cost</b>		<b>1,071,204,074</b>	

### 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>
<b>Index Tracking Collective Investment Scheme</b>			
Tracker Fund of Hong Kong	96,537,850	2,746,501,833	99.87
<b>Total Investments</b>		<b>2,746,501,833</b>	<b>99.87</b>
<b>Total Investments, at cost</b>		<b>2,483,873,160</b>	

[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 2019

### 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>
<b>Approved Pooled Investment Fund</b>			
JPMorgan SAR HK\$ Bond Fund (Class B)	51,514,406	1,300,223,601	99.40
<b>Total Investments</b>		<b>1,300,223,601</b>	<b>99.40</b>
<b>Total Investments, at cost</b>		<b>1,250,045,560</b>	

#### 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>
<b>Index Tracking Collective Investment Schemes</b>			
iShares MSCI Japan ETF	200,261	92,375,437	7.88
iShares MSCI Pacific ex Japan ETF	321,763	116,001,117	9.90
SPDR S&P 500 ETF Trust	236,268	592,129,896	50.50
Tracker Fund of Hong Kong	2,070,500	58,905,725	5.03
Vanguard FTSE Developed Europe UCITS ETF	1,058,965	299,614,037	25.56
<b>Total Investments</b>		<b>1,159,026,212</b>	<b>98.87</b>
<b>Total Investments, at cost</b>		<b>1,004,724,688</b>	

#### 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>
<b>Index Tracking Collective Investment Schemes</b>			
SPDR FTSE Greater China ETF	18,915,600	836,069,520	79.67
Tracker Fund of Hong Kong	7,384,800	210,097,560	20.02
<b>Total Investments</b>		<b>1,046,167,080</b>	<b>99.69</b>
<b>Total Investments, at cost</b>		<b>833,255,065</b>	

*[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 2019

### 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>
<b>Approved Pooled Investment Fund</b>			
Invesco Pooled Investment Fund - RMB Bond Fund (Class B) (This investment fund is denominated in HKD only and not in RMB)	55,521,140	630,920,027	99.65
<b>Total Investments</b>		<b>630,920,027</b>	<b>99.65</b>
<b>Total Investments, at cost</b>		<b>623,673,885</b>	

#### 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>
<b>Approved Pooled Investment Fund</b>			
Invesco Pooled Investment Fund – Core Accumulation Fund	77,570,924	936,250,030	99.17
<b>Total Investments</b>		<b>936,250,030</b>	<b>99.17</b>
<b>Total Investments, at cost</b>		<b>865,128,277</b>	

#### 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>
<b>Approved Pooled Investment Fund</b>			
Invesco Pooled Investment Fund - Age 65 Plus Fund	34,149,914	385,818,896	97.95
<b>Total Investments</b>		<b>385,818,896</b>	<b>97.95</b>
<b>Total Investments, at cost</b>		<b>368,884,737</b>	

*[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")**

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**Report on the Audit of the Financial Statements**

**Opinion**

*What we have audited*

The financial statements of the Plan set out on pages 85 to 248, which comprise:

- the statement of net assets available for benefits of the Plan and the statement of net assets of each of its constituent funds as at 31 December 2019;
- the statement of comprehensive income of each of its 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, and the statement of changes in net assets attributable to members of each of its 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 2019, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to Practice Note 860.1 (Revised), "The Audit of Retirement Schemes" issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF**

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

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#### **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.

#### **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").

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

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**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 HKSA's 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 HKSA's, 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.
- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF**

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

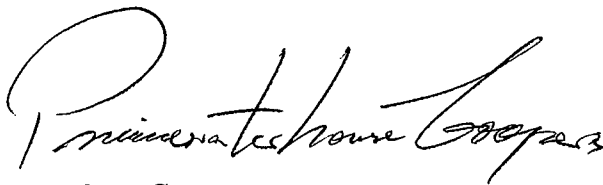
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**Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

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.



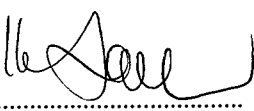
**PricewaterhouseCoopers**  
Certified Public Accountants

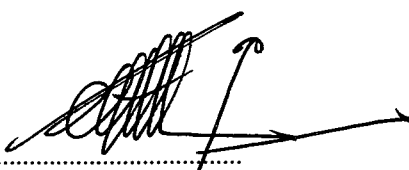
Hong Kong, 19 June 2020

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**  
**– PLAN AND CONSTITUENT FUNDS**  
**AS AT 31 DECEMBER 2019**

	<u>Note</u>	<u>2019</u> (HK\$)	<u>2018</u> (HK\$)
<b>Assets</b>			
<b>Current assets</b>			
Financial assets at fair value through profit or loss	8, 11	51,207,809,064	43,941,794,729
Derivative financial instruments	12	23,917,193	32,161,038
Amounts receivable on sale of financial assets at fair value through profit or loss		268,252,457	87,121,869
Dividends receivable		1,992,739	2,024,539
Interest receivable from fixed deposit	11	22,277,179	13,865,932
Contributions receivable			
From employers		158,152,318	151,603,775
From members		113,307,680	112,347,732
From other schemes		11,935,505	10,078,785
Other receivables		3,426	1,106,851
Bank balances	11	416,225,789	255,453,078
<b>Total assets</b>		<u>52,223,873,350</u>	<u>44,607,558,328</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Derivative financial instruments	12	(3,863,747)	(7,280,754)
Amounts payable on purchase of financial assets at fair value through profit or loss		(147,386,271)	(25,498,203)
Benefits and forfeitures payable	6	(299,384,379)	(224,540,174)
Amounts payable to derivative counterparties		(24,900,000)	(30,400,000)
Accruals and other payables		(66,000,639)	(57,596,905)
<b>Total liabilities</b>		<u>(541,535,036)</u>	<u>(345,316,036)</u>
<b>Net assets available for benefits attributable to members</b>		<u>51,682,338,314</u>	<u>44,262,242,292</u>

On behalf of the Trustee  
Bank Consortium Trust Company Limited

  
.....  
Director

  
.....  
Director



**BCT (MPF) PRO CHOICE**  
**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**– PLAN AND CONSTITUENT FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 (HK\$)	2018 (HK\$)
Investment income			
Dividends from equities		115,852,064	141,706,307
Bank interest	11	1,798,587	845,142
Interest income from fixed deposits	11	125,034,820	87,558,427
Other income	11	766,961	22,796,012
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments	11	82,038,914	6,893,935,695
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		5,424,456,548	(10,840,980,265)
Change in unrealised gain/loss on foreign exchange		(133,529)	4,658,563
Total investment income/(loss)		5,749,814,365	(3,689,480,119)
Expenses			
Investment management fees	4(a)	(183,189,531)	(166,833,545)
Trustee, administration and custodian fees	4(b)	(261,012,922)	(366,692,067)
Sponsor fees	4(b)	(92,959,764)	-
Sub-custodian fees		(233,106)	(1,770,213)
Safe custody and bank charges		(609,010)	(1,150,070)
Legal and other professional fees		(560,723)	(110,096)
Auditor's remuneration		(1,895,589)	(1,831,451)
Professional indemnity insurance		(357,672)	(368,083)
Miscellaneous expenses		(11,298,227)	(10,410,469)
Total operating expenses		(552,116,544)	(549,165,994)
Overseas withholding tax		(4,299,953)	(6,298,173)
Net income/(loss)		5,193,397,868	(4,244,944,286)
Contributions received and receivable	5		
From employers			
Mandatory		1,655,224,142	1,597,397,481
Additional voluntary		665,197,049	584,258,497
From members			
Mandatory		1,632,015,017	1,568,233,381
Additional voluntary		167,749,000	170,621,152
Tax deductible voluntary		54,512,588	-
		4,174,697,796	3,920,510,511

The notes on pages 120 to 248 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 2019**

	<u>Note</u>	<u>2019</u> (HK\$)	<u>2018</u> (HK\$)
Transfers in			
Group transfers in from other schemes		429,408,918	846,738,339
Individual transfers in from other schemes		1,581,043,087	2,011,404,580
		<u>2,010,452,005</u>	<u>2,858,142,919</u>
Contribution surcharge received and receivable		2,609,196	2,688,148
		<u>6,187,758,997</u>	<u>6,781,341,578</u>
Benefits paid and payable	6		
Retirement		(549,128,211)	(446,138,314)
Early retirement		(147,009,715)	(164,429,996)
Death		(60,995,068)	(43,725,061)
Permanent departure		(205,537,426)	(219,579,289)
Total incapacity		(14,648,474)	(15,372,698)
Small balance		(17,639)	(94,998)
Refund of additional voluntary contributions		(345,278,090)	(265,368,402)
Terminal illness		(6,836,940)	(4,567,795)
Long service payment		(328,169,571)	(364,867,656)
		<u>(1,657,621,134)</u>	<u>(1,524,144,209)</u>
Transfers out			
Group transfers out to other schemes		(316,394,218)	(344,586,609)
Individual transfers out to other schemes		(1,908,662,329)	(1,714,905,227)
		<u>(2,225,056,547)</u>	<u>(2,059,491,836)</u>
Forfeitures		(78,383,162)	(77,047,354)
		<u>(3,961,060,843)</u>	<u>(3,660,683,399)</u>
Movement during the year		2,226,698,154	3,120,658,179
Net income/(loss) for the year		5,193,397,868	(4,244,944,286)
Change in net assets available for benefits attributable to members		7,420,096,022	(1,124,286,107)
Net assets available for benefits attributable to members at the beginning of the year			
– members' accounts		44,262,242,292	45,386,528,399
Net assets available for benefits attributable to members at the end of the year			
– members' accounts		51,682,338,314	44,262,242,292

The notes on pages 120 to 248 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 2019**

	<u>2019</u> (HK\$)	<u>2018</u> (HK\$)
Cash flows from operating activities		
Net income/(loss)	5,193,397,868	(4,244,944,286)
Adjustment for		
- dividends from equities	(115,852,064)	(141,706,307)
- bank interest	(1,798,587)	(845,142)
- interest income from fixed deposits	(125,034,820)	(87,558,427)
- overseas withholding tax	4,299,953	6,298,173
Operating profit before working capital changes	4,955,012,350	(4,468,755,989)
Net (increase)/decrease in financial assets at fair value through profit or loss		
– with original maturity of more than 3 months	(8,921,645,839)	1,200,961,043
Net change in derivative financial instruments	4,826,838	(36,426,121)
Increase in amounts receivable on sale of financial assets at fair value through profit or loss	(181,130,588)	(1,274,971)
Decrease in other receivables	1,103,425	2,327,118
Increase/(decrease) in amounts payable on purchase of financial assets at fair value through profit or loss	121,888,068	(25,458,146)
(Decrease)/increase in amounts payable to derivative counterparties	(5,500,000)	30,400,000
Increase/(decrease) in accruals and other payables	8,403,734	(5,287,726)
Cash used in operations	(4,017,042,012)	(3,303,514,792)
Bank interest received	1,798,587	845,142
Interest income from fixed deposit received	116,623,573	79,689,112
Dividends received	115,883,864	144,226,479
Overseas withholding tax paid	(4,299,953)	(6,298,173)
Net cash used in operating activities	(3,787,035,941)	(3,085,052,232)
Cash flows from financing activities		
Contributions received and transfers in	6,178,393,786	6,881,687,919
Benefits paid, transfers out and forfeitures	(3,886,216,638)	(3,672,393,630)
Net cash generated from financing activities	2,292,177,148	3,209,294,289
Net (decrease)/increase in cash and cash equivalents	(1,494,858,793)	124,242,057
Cash and cash equivalents at the beginning of the year	2,955,141,202	2,830,899,145
Cash and cash equivalents at the end of the year	1,460,282,409	2,955,141,202
Analysis of balances of cash and cash equivalents:		
Financial assets at fair value through profit or loss	51,207,809,064	43,941,794,729
Less: Financial assets at fair value through profit or loss – with original maturity of more than 3 months	(50,163,752,444)	(41,242,106,605)
Financial assets at fair value through profit or loss – with original maturity of less than or equal to 3 months	1,044,056,620	2,699,688,124
Bank balances	416,225,789	255,453,078
	1,460,282,409	2,955,141,202

The notes on pages 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF NET ASSETS - CONSTITUENT FUNDS**  
**AS AT 31 DECEMBER 2019**

		BCT (Pro)		BCT (Pro)	
		MPF Conservative Fund		E30 Mixed Asset Fund	
	<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	7,966,568,163	7,410,550,411	2,825,764,858	2,708,189,797
Derivative financial instruments	12	-	-	4,442,514	5,085,489
Amounts receivable on sale of financial assets at fair value through profit or loss		-	-	30,040,541	4,652,393
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	22,277,179	13,865,932	-	-
Amounts receivable on funds switching		71,027,326	59,997,049	665,114	1,882,188
Amounts receivable on subscription		3,191,722	3,027,734	805,378	470,180
Other receivables		-	-	-	-
Bank balances	11	198,181,474	80,348,871	16,950,661	11,608,163
Total assets		8,261,245,864	7,567,789,997	2,878,669,066	2,731,888,210
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	(261,903)	(1,504,617)
Amounts payable on purchase of financial assets at fair value through profit or loss		-	-	(23,351,400)	(807,340)
Amounts payable on redemption		(17,644,000)	(9,648,815)	(4,302,603)	(3,370,648)
Amounts payable on funds switching		(61,311,238)	(36,309,243)	(4,354,443)	(2,048,809)
Amounts payable to derivative counterparties		-	-	(7,400,000)	(5,100,000)
Accruals and other payables		(7,352,670)	(6,523,491)	(3,745,056)	(3,510,016)
Total liabilities		(86,307,908)	(52,481,549)	(43,415,405)	(16,341,430)
Net assets attributable to members		8,174,937,956	7,515,308,448	2,835,253,661	2,715,546,780
Units in issue		7,152,514,488	6,653,111,296	1,488,483,838	1,547,588,020
Net asset value per unit		1.1429	1.1296	1.9048	1.7547

On behalf of the Trustee  
Bank Consortium Trust Company Limited

Director

Director

The notes on pages 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF NET ASSETS - CONSTITUENT FUNDS**  
**AS AT 31 DECEMBER 2019**

		BCT (Pro) E50 Mixed Asset Fund		BCT (Pro) E70 Mixed Asset Fund	
	<u>Note</u>	<u>2019</u> (HK\$)	<u>2018</u> (HK\$)	<u>2019</u> (HK\$)	<u>2018</u> (HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	3,268,483,990	3,012,053,223	5,765,195,441	5,278,846,866
Derivative financial instruments	12	3,750,571	4,382,238	4,293,443	5,223,943
Amounts receivable on sale of financial assets at fair value through profit or loss		35,468,411	3,414,198	52,107,567	7,384,782
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		1,780,579	651,733	1,195,733	263,995
Amounts receivable on subscription		892,870	518,591	650,283	758,654
Other receivables		-	-	-	-
Bank balances	11	12,801,215	11,306,063	14,536,766	10,300,231
Total assets		3,323,177,636	3,032,326,046	5,837,979,233	5,302,778,471
Liabilities					
Current liabilities					
Derivative financial instruments	12	(253,961)	(1,402,940)	(345,681)	(1,954,138)
Amounts payable on purchase of financial assets at fair value through profit or loss		(30,145,019)	(259,464)	(44,408,518)	(17,314)
Amounts payable on redemption		(4,497,799)	(3,094,520)	(6,904,221)	(4,053,399)
Amounts payable on funds switching		(2,108,637)	(1,767,563)	(2,350,036)	(3,987,891)
Amounts payable to derivative counterparties		(4,400,000)	(4,900,000)	(6,100,000)	(6,300,000)
Accruals and other payables		(4,300,254)	(3,926,433)	(7,607,332)	(6,960,504)
Total liabilities		(45,705,670)	(15,350,920)	(67,715,788)	(23,273,246)
Net assets attributable to members		3,277,471,966	3,016,975,126	5,770,263,445	5,279,505,225
Units in issue		1,540,855,300	1,575,683,014	2,569,076,604	2,672,316,942
Net asset value per unit		2.1270	1.9147	2.2460	1.9756

On behalf of the Trustee  
Bank Consortium Trust Company Limited

Director


Director

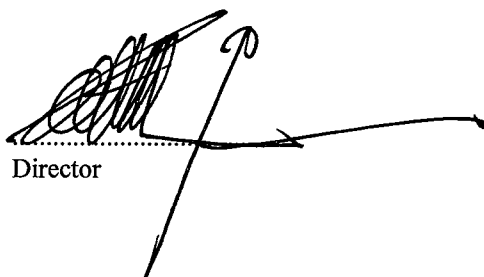
The notes on pages 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF NET ASSETS - CONSTITUENT FUNDS**  
**AS AT 31 DECEMBER 2019**

		BCT (Pro)		BCT (Pro)	
		Global Bond Fund		Global Equity Fund	
	Note	2019	2018	2019	2018
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	1,553,852,315	1,212,230,767	3,219,350,430	2,526,132,460
Derivative financial instruments	12	3,381,688	2,898,956	5,537,196	4,361,312
Amounts receivable on sale of financial assets at fair value through profit or loss		12,968,350	2,367,721	15,254,359	8,419,048
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		10,133,512	5,517,756	14,497,683	3,354,836
Amounts receivable on subscription		1,735,978	533,135	1,718,692	1,414,436
Other receivables		-	-	-	-
Bank balances	11	7,388,081	9,254,684	11,962,924	8,533,779
Total assets		1,589,459,924	1,232,803,019	3,268,321,284	2,552,215,871
Liabilities					
Current liabilities					
Derivative financial instruments	12	(176,325)	(665,743)	(323,280)	(1,343,980)
Amounts payable on purchase of financial assets at fair value through profit or loss		(3,218,945)	(3,064,264)	(13,389,175)	(540,405)
Amounts payable on redemption		(1,988,215)	(1,058,965)	(4,065,516)	(2,332,702)
Amounts payable on funds switching		(12,758,272)	(1,950,772)	(7,267,118)	(8,610,449)
Amounts payable to derivative counterparties		(2,100,000)	(4,600,000)	(4,800,000)	(5,200,000)
Accruals and other payables		(1,921,521)	(1,449,801)	(4,007,162)	(3,214,358)
Total liabilities		(22,163,278)	(12,789,545)	(33,852,251)	(21,241,894)
Net assets attributable to members		1,567,296,646	1,220,013,474	3,234,469,033	2,530,973,977
Units in issue		964,001,252	787,637,857	1,032,841,416	978,932,202
Net asset value per unit		1.6258	1.5490	3.1316	2.5854

On behalf of the Trustee  
Bank Consortium Trust Company Limited

  
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Director

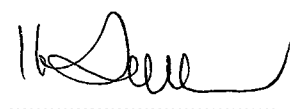
  
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Director

The notes on pages 120 to 248 are an integral part of the financial statements.

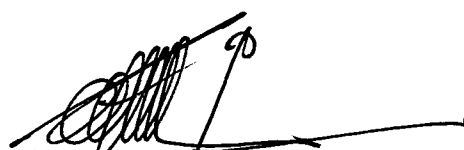
**BCT (MPF) PRO CHOICE**  
**STATEMENT OF NET ASSETS - CONSTITUENT FUNDS**  
**AS AT 31 DECEMBER 2019**

		BCT (Pro) Hong Kong Equity Fund*	BCT (Pro) Asian Equity Fund
		<u>As at</u> <u>21 September</u> <u>2018</u> <u>(date of approval</u> <u>for termination)</u> <u>(HK\$)</u>	<u>2019</u> <u>(HK\$)</u>
	<u>Note</u>		<u>2018</u> <u>(HK\$)</u>
<b>Assets</b>			
<b>Current assets</b>			
Financial assets at fair value through profit or loss	8, 11	-	3,819,566,506
Derivative financial instruments	12	-	-
Amounts receivable on sale of financial assets at fair value through profit or loss		-	11,946,214
Dividends receivable		-	-
Interest receivable from fixed deposits	11	-	-
Amounts receivable on funds switching		-	10,503,111
Amounts receivable on subscription		-	1,312,014
Other receivables		-	-
Bank balances	11	-	38,769
<b>Total assets</b>		-	3,843,366,614
			3,297,873,033
<b>Liabilities</b>			
<b>Current liabilities</b>			
Derivative financial instruments	12	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss		-	(3,278,280)
Amounts payable on redemption		-	(6,365,114)
Amounts payable on funds switching		-	(8,050,927)
Amounts payable to derivative counterparties		-	-
Accruals and other payables		-	(4,934,511)
<b>Total liabilities</b>		-	(22,628,832)
			(14,648,046)
<b>Net assets attributable to members</b>		-	3,820,737,782
			3,283,224,987
<b>Units in issue</b>		-	1,050,478,733
			1,026,834,699
<b>Net asset value per unit</b>		-	3.6371
			3.1974

On behalf of the Trustee  
Bank Consortium Trust Company Limited



Director



Director


\*The fund was approved for termination on 21 September 2018.

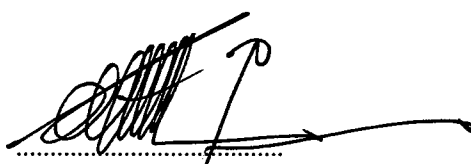
The notes on pages 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF NET ASSETS - CONSTITUENT FUNDS**  
**AS AT 31 DECEMBER 2019**

		BCT (Pro)		BCT (Pro)	
		Flexi Mixed Asset Fund		China and Hong Kong Equity Fund	
	Note	2019	2018	2019	2018
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	1,236,612,671	1,123,213,681	8,596,987,797	7,613,415,718
Derivative financial instruments	12	-	-	-	-
Amounts receivable on sale of financial assets at fair value through profit or loss		6,031,566	5,030,645	55,901,488	25,512,967
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		2,190,118	552,527	32,741,783	15,601,530
Amounts receivable on subscription		552,361	669,328	3,600,095	3,332,166
Other receivables		-	-	-	-
Bank balances	11	1,238,480	1,123,993	55,444	61,169
Total assets		1,246,625,196	1,130,590,174	8,689,286,607	7,657,923,550
Liabilities					
Current liabilities					
Derivative financial instruments	12	-	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss		-	-	(13,747,442)	(624,491)
Amounts payable on redemption		(1,651,497)	(1,576,386)	(12,874,375)	(5,770,509)
Amounts payable on funds switching		(6,012,166)	(4,405,343)	(41,139,715)	(22,280,890)
Amounts payable to derivative counterparties		-	-	-	-
Accruals and other payables		(1,001,806)	(880,689)	(10,654,371)	(9,544,331)
Total liabilities		(8,665,469)	(6,862,418)	(78,415,903)	(38,220,221)
Net assets attributable to members		1,237,959,727	1,123,727,756	8,610,870,704	7,619,703,329
Units in issue		772,959,987	762,048,675	7,377,247,833	7,557,365,126
Net asset value per unit		1.6016	1.4746	1.1672	1.0082

On behalf of the Trustee  
Bank Consortium Trust Company Limited

  
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Director

  
.....  
Director

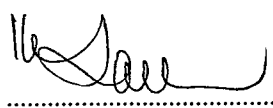
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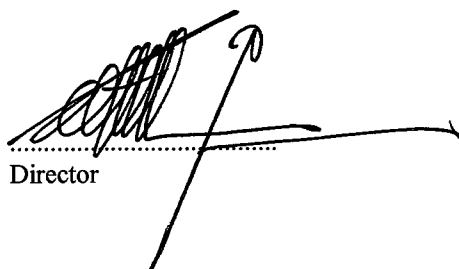
**BCT (MPF) PRO CHOICE**  
**STATEMENT OF NET ASSETS - CONSTITUENT FUNDS**  
**AS AT 31 DECEMBER 2019**

		BCT (Pro)		BCT (Pro)	
		European Equity Fund		E90 Mixed Asset Fund	
	<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	644,720,437	513,891,929	746,983,192	623,616,589
Derivative financial instruments	12	763,867	3,632,384	271,378	223,883
Amounts receivable on sale of financial assets at fair value through profit or loss		6,290,848	3,058,610	5,856,264	1,711,110
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		2,313,664	2,318,511	1,318,627	846,250
Amounts receivable on subscription		347,141	490,598	421,589	633,292
Other receivables		-	-	-	-
Bank balances	11	5,184,359	8,170,729	2,155,904	2,180,344
Total assets		659,620,316	531,562,761	757,006,954	629,211,468
Liabilities					
Current liabilities					
Derivative financial instruments	12	(428,218)	(200,649)	-	(156,416)
Amounts payable on purchase of financial assets at fair value through profit or loss		(560,174)	(152,251)	(4,664,948)	(546,011)
Amounts payable on redemption		(1,955,654)	(275,557)	(1,212,857)	(649,538)
Amounts payable on funds switching		(5,999,757)	(3,383,527)	(1,074,344)	(1,324,036)
Amounts payable to derivative counterparties		(100,000)	(4,300,000)	-	-
Accruals and other payables		(841,801)	(686,770)	(928,071)	(779,542)
Total liabilities		(9,885,604)	(8,998,754)	(7,880,220)	(3,455,543)
Net assets attributable to members		649,734,712	522,564,007	749,126,734	625,755,925
Units in issue		487,828,841	459,230,328	319,589,652	310,387,138
Net asset value per unit		1.3319	1.1379	2.3440	2.0160

On behalf of the Trustee  
Bank Consortium Trust Company Limited



Director



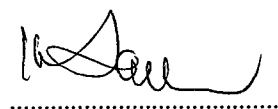
Director

The notes on pages 120 to 248 are an integral part of the financial statements.

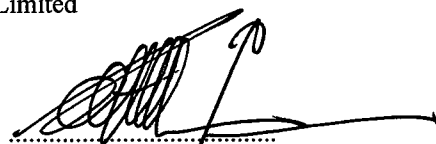
**BCT (MPF) PRO CHOICE**  
**STATEMENT OF NET ASSETS - CONSTITUENT FUNDS**  
**AS AT 31 DECEMBER 2019**

		BCT (Pro) International Equity Fund*	BCT (Pro) SaveEasy 2020 Fund
		As at 21 September 2018 (date of approval for termination) (HK\$)	2019 (HK\$)
	Note		2018 (HK\$)
<b>Assets</b>			
<b>Current assets</b>			
Financial assets at fair value through profit or loss	8, 11	-	447,602,522
Derivative financial instruments	12	-	-
Amounts receivable on sale of financial assets at fair value through profit or loss		-	1,169,011
Dividends receivable		-	-
Interest receivable from fixed deposits	11	-	-
Amounts receivable on funds switching		-	224,769
Amounts receivable on subscription		-	282,573
Other receivables		-	-
Bank balances	11	-	1,712,040
<b>Total assets</b>		-	450,990,915
<b>Liabilities</b>			
<b>Current liabilities</b>			
Derivative financial instruments	12	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss		-	-
Amounts payable on redemption		-	(1,263,368)
Amounts payable on funds switching		-	(1,119,763)
Amounts payable to derivative counterparties		-	-
Accruals and other payables		-	(286,553)
<b>Total liabilities</b>		-	(2,669,684)
<b>Net assets attributable to members</b>		-	448,321,231
<b>Units in issue</b>		-	184,612,918
<b>Net asset value per unit</b>		-	2.4284

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 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF NET ASSETS - CONSTITUENT FUNDS**  
**AS AT 31 DECEMBER 2019**

		BCT (Pro)		BCT (Pro)	
		SaveEasy 2025 Fund		SaveEasy 2030 Fund	
	<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	491,347,410	380,113,979	581,396,175	439,639,057
Derivative financial instruments	12	-	-	-	-
Amounts receivable on sale of financial assets at fair value through profit or loss		1,317,139	514,793	1,156,404	1,331,301
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		1,029,543	151,651	2,850,277	865,419
Amounts receivable on subscription		256,084	179,564	245,645	208,264
Other receivables		-	94,644	-	109,678
Bank balances	11	1,150,595	459,693	1,091,427	525,021
Total assets		495,100,771	381,514,324	586,739,928	442,678,740
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		(787,786)	(252,979)	(387,720)	(303,237)
Amounts payable on funds switching		(1,274,231)	(464,648)	(1,362,552)	(1,263,126)
Amounts payable to derivative counterparties		-	-	-	-
Accruals and other payables		(310,555)	(335,750)	(363,847)	(389,249)
Total liabilities		(2,372,572)	(1,053,377)	(2,114,119)	(1,955,612)
Net assets attributable to members		492,728,199	380,460,947	584,625,809	440,723,128
Units in issue		192,618,932	177,632,635	228,356,101	207,801,125
Net asset value per unit		2.5580	2.1418	2.5601	2.1209

On behalf of the Trustee  
Bank Consortium Trust Company Limited

  
Director

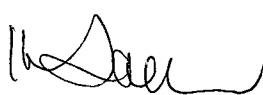
  
Director


The notes on pages 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF NET ASSETS - CONSTITUENT FUNDS**  
**AS AT 31 DECEMBER 2019**

		BCT (Pro)		BCT (Pro)	
		SaveEasy 2035 Fund		SaveEasy 2040 Fund	
	Note	2019	2018	2019	2018
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	543,162,802	415,338,509	1,295,306,676	939,597,746
Derivative financial instruments	12	-	-	-	-
Amounts receivable on sale of financial assets at fair value through profit or loss		1,464,184	1,304,727	2,433,013	2,174,821
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		236,772	191,122	3,235,734	1,605,014
Amounts receivable on subscription		191,255	247,221	595,571	569,202
Other receivables		-	103,692	-	234,396
Bank balances	11	841,589	421,547	1,952,149	1,106,803
Total assets		545,896,602	417,606,818	1,303,523,143	945,287,982
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		(744,056)	(209,539)	(2,177,474)	(864,597)
Amounts payable on funds switching		(983,973)	(1,248,056)	(1,559,221)	(1,627,832)
Amounts payable to derivative counterparties		-	-	-	-
Accruals and other payables		(340,316)	(367,168)	(800,412)	(824,481)
Total liabilities		(2,068,345)	(1,824,763)	(4,537,107)	(3,316,910)
Net assets attributable to members		543,828,257	415,782,055	1,298,986,036	941,971,072
Units in issue		214,822,701	199,006,014	495,790,990	436,371,685
Net asset value per unit		2.5315	2.0893	2.6200	2.1586

On behalf of the Trustee  
Bank Consortium Trust Company Limited

  
.....  
Director

  
.....  
Director

The notes on pages 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF NET ASSETS - CONSTITUENT FUNDS**  
**AS AT 31 DECEMBER 2019**

		BCT (Pro)		BCT (Pro)	
		Hang Seng Index Tracking Fund		Hong Kong Dollar Bond Fund	
	Note	2019	2018	2019	2018
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	2,746,501,833	2,226,476,568	1,300,223,601	1,027,324,742
Derivative financial instruments	12	-	-	-	-
Amounts receivable on sale of financial assets at fair value through profit or loss		3,520,624	3,580,883	9,772,369	1,634,814
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		29,920,574	16,630,825	9,309,001	7,139,837
Amounts receivable on subscription		2,184,991	1,808,014	565,717	417,200
Other receivables		-	-	-	326,816
Bank balances	11	14,283,440	14,668,563	3,791,919	2,193,075
Total assets		2,796,411,462	2,263,164,853	1,323,662,607	1,039,036,484
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		(5,518,212)	(1,770,333)	(1,762,952)	(528,007)
Amounts payable on funds switching		(38,764,452)	(20,581,111)	(11,645,525)	(2,838,518)
Amounts payable to derivative counterparties		-	-	-	-
Accruals and other payables		(2,113,708)	(1,669,465)	(2,125,913)	(1,704,567)
Total liabilities		(46,396,372)	(35,276,170)	(15,534,390)	(5,071,092)
Net assets attributable to members		2,750,015,090	2,227,888,683	1,308,128,217	1,033,965,392
Units in issue		1,648,101,089	1,497,349,884	1,088,824,288	886,216,243
Net asset value per unit		1.6686	1.4879	1.2014	1.1667

On behalf of the Trustee  
Bank Consortium Trust Company Limited

Director

Director

The notes on pages 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF NET ASSETS - CONSTITUENT FUNDS**  
**AS AT 31 DECEMBER 2019**

		BCT (Pro)		BCT (Pro)	
		World Equity Fund		Greater China Equity Fund	
	<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Assets					
Current assets					
Financial assets at fair value through profit or loss	8, 11	1,159,026,212	643,380,294	1,046,167,080	822,950,735
Derivative financial instruments	12	1,476,536	468,767	-	-
Amounts receivable on sale of financial assets at fair value through profit or loss		-	-	-	-
Dividends receivable		1,992,739	2,024,539	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		14,242,248	4,477,304	4,697,311	3,249,595
Amounts receivable on subscription		989,154	934,558	797,496	736,338
Other receivables		-	-	-	55,680
Bank balances	11	12,221,111	2,910,424	6,024,788	4,543,854
Total assets		1,189,948,000	654,195,886	1,057,686,675	831,536,202
Liabilities					
Current liabilities					
Derivative financial instruments	12	(768,655)	(52,271)	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss		(10,622,370)	(3,714,649)	-	(3,815,457)
Amounts payable on redemption		(1,502,245)	(533,385)	(1,331,475)	(878,755)
Amounts payable on funds switching		(3,903,742)	(4,261,601)	(6,138,519)	(2,476,803)
Amounts payable to derivative counterparties		-	-	-	-
Accruals and other payables		(898,432)	(521,013)	(762,780)	(652,322)
Total liabilities		(17,695,444)	(9,082,919)	(8,232,774)	(7,823,337)
Net assets attributable to members		1,172,252,556	645,112,967	1,049,453,901	823,712,865
Units in issue		612,789,078	416,544,417	625,059,535	566,190,345
Net asset value per unit		1.9130	1.5487	1.6790	1.4548

On behalf of the Trustee  
Bank Consortium Trust Company Limited

Director


Director


The notes on pages 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF NET ASSETS - CONSTITUENT FUNDS**  
**AS AT 31 DECEMBER 2019**

		BCT (Pro) RMB Bond Fund		BCT (Pro) Core Accumulation Fund	
	Note	2019 (HK\$)	2018 (HK\$)	2019 (HK\$)	2018 (HK\$)
<b>Assets</b>					
<b>Current assets</b>					
Financial assets at fair value through profit or loss	8, 11	630,920,027	569,594,478	936,250,030	558,924,132
Derivative financial instruments	12	-	5,884,066	-	-
Amounts receivable on sale of financial assets at fair value through profit or loss		3,385,574	2,349,497	7,090,835	3,238,567
Dividends receivable		-	-	-	-
Interest receivable from fixed deposits	11	-	-	-	-
Amounts receivable on funds switching		3,647,526	1,310,378	6,767,669	2,762,136
Amounts receivable on subscription		734,265	383,017	935,642	860,402
Other receivables		-	85,210	-	-
Bank balances	11	707,828	742,116	940,862	556,131
<b>Total assets</b>		<b>639,395,220</b>	<b>580,348,762</b>	<b>951,985,038</b>	<b>566,341,368</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Derivative financial instruments	12	(1,305,724)	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss		-	-	-	-
Amounts payable on redemption		(1,604,026)	(820,149)	(1,739,211)	(452,713)
Amounts payable on funds switching		(2,707,421)	(2,033,526)	(5,559,951)	(3,132,504)
Amounts payable to derivative counterparties		-	-	-	-
Accruals and other payables		(673,009)	(678,825)	(566,922)	(336,959)
<b>Total liabilities</b>		<b>(6,290,180)</b>	<b>(3,532,500)</b>	<b>(7,866,084)</b>	<b>(3,922,176)</b>
<b>Net assets attributable to members</b>		<b>633,105,040</b>	<b>576,816,262</b>	<b>944,118,954</b>	<b>562,419,192</b>
<b>Units in issue</b>		<b>645,716,698</b>	<b>596,677,416</b>	<b>799,682,572</b>	<b>551,775,796</b>
<b>Net asset value per unit</b>		<b>0.9805</b>	<b>0.9667</b>	<b>1.1806</b>	<b>1.0193</b>

On behalf of the Trustee  
Bank Consortium Trust Company Limited

  
.....  
Director

  
.....  
Director

The notes on pages 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF NET ASSETS - CONSTITUENT FUNDS**  
**AS AT 31 DECEMBER 2019**

	<u>Note</u>	BCT (Pro)		Total	
		Age 65 Plus Fund			
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
<b>Assets</b>					
<b>Current assets</b>					
Financial assets at fair value through profit or loss	8, 11	385,818,896	229,009,064	51,207,809,064	43,941,794,729
Derivative financial instruments	12	-	-	23,917,193	32,161,038
Amounts receivable on sale of financial assets at fair value through profit or loss		5,077,696	1,064,296	268,252,457	87,121,869
Dividends receivable		-	-	1,992,739	2,024,539
Interest receivable from fixed deposits	11	-	-	22,277,179	13,865,932
Amounts receivable on funds switching		7,502,053	3,771,166	232,030,727	136,074,822
Amounts receivable on subscription		360,403	181,093	23,366,919	19,763,561
Other receivables		-	-	-	1,104,029
Bank balances	11	516,862	230,823	315,728,687	171,886,543
<b>Total assets</b>		<b>399,275,910</b>	<b>234,256,442</b>	<b>52,095,374,965</b>	<b>44,405,797,062</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Derivative financial instruments	12	-	-	(3,863,747)	(7,280,754)
Amounts payable on purchase of financial assets at fair value through profit or loss		-	-	(147,386,271)	(25,498,203)
Amounts payable on redemption		(563,498)	(142,120)	(82,843,874)	(42,027,445)
Amounts payable on funds switching		(4,584,724)	(1,744,084)	(232,030,727)	(136,074,822)
Amounts payable to derivative counterparties		-	-	(24,900,000)	(30,400,000)
Accruals and other payables		(239,739)	(138,414)	(56,776,741)	(49,709,720)
<b>Total liabilities</b>		<b>(5,387,961)</b>	<b>(2,024,618)</b>	<b>(547,801,360)</b>	<b>(290,990,944)</b>
<b>Net assets attributable to members</b>		<b>393,887,949</b>	<b>232,231,824</b>	<b>51,547,573,605</b>	<b>44,114,806,118</b>
<b>Units in issue</b>		<b>356,555,114</b>	<b>229,142,248</b>		
<b>Net asset value per unit</b>		<b>1.1047</b>	<b>1.0135</b>		

On behalf of the Trustee  
Bank Consortium Trust Company Limited

Director

Director

The notes on pages 120 to 248 are an integral part of the financial statements.



**BCT (MPF) PRO CHOICE**  
**STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	BCT (Pro)		BCT (Pro)		BCT (Pro)	
		MPF Conservative Fund		E30 Mixed Asset Fund		E50 Mixed Asset Fund	
		2019	2018	2019	2018	2019	2018
		(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income							
Dividends from equities		-	-	-	5,879,907	-	10,586,989
Bank interest	11	638,928	169,975	191,320	148,904	165,244	121,565
Interest income from fixed deposits	11	125,034,820	87,558,427	-	-	-	-
Other income	11	-	-	37,158	703,150	76,256	804,420
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		39,134,431	12,110,249	12,116,076	267,589,546	5,543,668	465,986,383
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(589)	16,143,921	254,834,067	(387,482,807)	368,510,981	(683,914,303)
Change in unrealised gain/loss on foreign exchange		-	-	(20)	1,731,534	(67)	1,449,098
Total investment income/(loss)		164,807,590	115,982,572	267,178,601	(111,429,766)	374,296,082	(204,965,848)
Expenses							
Investment management fees	4(a)	(23,705,015)	(20,735,605)	(14,598,867)	(15,994,578)	(16,516,116)	(18,062,558)
Trustee, administration and custodian fees	4(b)	(35,261,602)	(40,088,837)	(16,027,596)	(24,961,756)	(18,127,301)	(28,190,148)
Sponsor fees	4(b)	(10,568,094)	-	(6,432,199)	-	(7,282,109)	-
Sub-custodian fees		(19,272)	(17,301)	(5,859)	(509,009)	(5,398)	(506,515)
Safe custody and bank charges		(187,649)	(232,413)	(41,763)	(154,979)	(35,351)	(179,612)
Legal and other professional fees		(90,950)	(12,296)	(32,769)	(16,108)	(37,164)	(16,699)
Auditor's remuneration		(310,463)	(260,515)	(110,275)	(114,990)	(124,748)	(130,168)
Professional indemnity insurance		(58,585)	(53,778)	(20,813)	(23,046)	(23,541)	(26,022)
Miscellaneous expenses		(1,719,969)	(1,423,369)	(621,584)	(612,930)	(700,204)	(689,341)
Total operating expenses		(71,921,599)	(62,824,114)	(37,891,725)	(42,387,396)	(42,851,932)	(47,801,063)
Profit/(loss) before tax		92,885,991	53,158,458	229,286,876	(153,817,162)	331,444,150	(252,766,911)
Withholding tax		-	-	-	(449,878)	-	(801,772)
Total comprehensive income		92,885,991	53,158,458	229,286,876	(154,267,040)	331,444,150	(253,568,683)

The notes on pages 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

		BCT (Pro)		BCT (Pro)		BCT (Pro)	
		E70 Mixed Asset Fund		Global Bond Fund		Global Equity Fund	
	Note	2019	2018	2019	2018	2019	2018
		(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income							
Dividends from equities		-	26,662,668	-	-	-	528,631
Bank interest	11	179,004	132,737	101,106	45,050	144,579	71,518
Interest income from fixed deposits	11	-	-	-	-	-	-
Other income	11	153,609	1,487,032	-	1,345,237	-	2,554,564
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		(5,239,198)	1,178,353,825	19,351,623	10,638,535	(3,431,883)	459,908,794
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		790,302,590	(1,708,261,980)	60,864,191	(8,384,078)	586,501,160	(822,235,785)
Change in unrealised gain/loss on foreign exchange		(120)	1,539,975	-	-	-	(7,196)
Total investment income/(loss)		785,395,885	(500,085,743)	80,316,920	3,644,744	583,213,856	(359,179,474)
Expenses							
Investment management fees	4(a)	(29,025,857)	(32,657,976)	(6,753,870)	(3,966,926)	(14,930,271)	(10,118,359)
Trustee, administration and custodian fees	4(b)	(31,856,516)	(50,979,135)	(8,016,708)	(9,404,790)	(16,368,472)	(21,073,925)
Sponsor fees	4(b)	(12,798,647)	-	(3,239,741)	-	(6,601,177)	-
Sub-custodian fees		(24,960)	(559,376)	(5,305)	(3,481)	(6,057)	(3,904)
Safe custody and bank charges		(43,162)	(330,743)	(27,298)	(11,107)	(36,571)	(18,103)
Legal and other professional fees		(65,832)	(20,820)	(15,275)	(2,008)	(32,945)	(4,720)
Auditor's remuneration		(219,215)	(236,235)	(55,234)	(46,063)	(112,782)	(101,648)
Professional indemnity insurance		(41,368)	(47,001)	(10,420)	(9,382)	(21,264)	(20,439)
Miscellaneous expenses		(1,220,491)	(1,229,989)	(309,177)	(256,108)	(623,971)	(542,344)
Total operating expenses		(75,296,048)	(86,061,275)	(18,433,028)	(13,699,865)	(38,733,510)	(31,883,442)
Profit/(loss) before tax		710,099,837	(586,147,018)	61,883,892	(10,055,121)	544,480,346	(391,062,916)
Withholding tax		-	(1,925,712)	-	-	-	(85,682)
Total comprehensive income		710,099,837	(588,072,730)	61,883,892	(10,055,121)	544,480,346	(391,148,598)

The notes on pages 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

		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 2018</u> <u>(date of approval</u> <u>for termination)</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>Note</u>	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income						
Dividends from equities		-	-	910,741	-	-
Bank interest	11	484	102	4,797	2,991	1,139
Interest income from fixed deposits	11	-	-	-	-	-
Other income	11	3,830,009	-	-	-	-
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		1,101,784,368	(37,788,520)	1,321,482,944	18,442,122	24,202,849
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(1,031,916,224)	542,004,906	(1,766,591,591)	88,303,788	(73,531,893)
Change in unrealised gain/loss on foreign exchange		-	-	-	-	-
Total investment income/(loss)		73,698,637	504,216,488	(444,193,109)	106,748,901	(49,327,905)
Expenses						
Investment management fees	4(a)	-	(20,697,326)	(14,415,298)	-	-
Trustee, administration and custodian fees	4(b)	(11,349,786)	(20,353,047)	(30,751,436)	(6,750,028)	(9,102,704)
Sponsor fees	4(b)	-	(8,194,988)	-	(2,712,548)	-
Sub-custodian fees		-	(2,436)	(941)	-	-
Safe custody and bank charges		(1,597)	(4,646)	(5,801)	(8,722)	(8,459)
Legal and other professional fees		-	(42,423)	(5,693)	(13,658)	(1,928)
Auditor's remuneration		(55,936)	(140,143)	(148,110)	(46,475)	(44,901)
Professional indemnity insurance		(9,935)	(26,438)	(29,447)	(8,767)	(9,080)
Miscellaneous expenses		(245,716)	(778,878)	(772,111)	(263,923)	(247,010)
Total operating expenses		(11,662,970)	(50,240,325)	(46,128,837)	(9,804,121)	(9,414,082)
Profit/(loss) before tax		62,035,667	453,976,163	(490,321,946)	96,944,780	(58,741,987)
Withholding tax		-	-	(91,074)	-	-
Total comprehensive income		62,035,667	453,976,163	(490,413,020)	96,944,780	(58,741,987)

\*The fund was approved for termination on 21 September 2018.

The notes on pages 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

		BCT (Pro) China and Hong Kong Equity Fund		BCT (Pro) European Equity Fund		BCT (Pro) E90 Mixed Asset Fund	
	<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
<b>Investment income</b>							
Dividends from equities		-	736,120	-	-	-	78,953
Bank interest	11	143	4,596	96,502	48,939	29,010	12,852
Interest income from fixed deposits	11	-	-	-	-	-	-
Other income	11	-	-	-	-	-	568,788
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		(110,051,234)	1,427,585,326	(13,874,359)	105,666,701	(4,610,971)	146,824,658
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		1,410,726,028	(2,743,813,231)	113,801,897	(193,790,586)	117,112,817	(234,275,423)
Change in unrealised gain/loss on foreign exchange		-	-	-	-	-	-
<b>Total investment income/(loss)</b>		<u>1,300,674,937</u>	<u>(1,315,487,189)</u>	<u>100,024,040</u>	<u>(88,074,946)</u>	<u>112,530,856</u>	<u>(86,790,172)</u>
<b>Expenses</b>							
Investment management fees	4(a)	(42,325,977)	(38,653,398)	(3,315,590)	(3,467,671)	(3,609,659)	(2,446,078)
Trustee, administration and custodian fees	4(b)	(47,334,378)	(61,249,189)	(3,261,065)	(5,056,465)	(3,958,599)	(5,668,270)
Sponsor fees	4(b)	(19,059,311)	-	(1,312,163)	-	(1,594,723)	-
Sub-custodian fees		(2,436)	(941)	(4,882)	(3,387)	(3,184)	(1,270)
Safe custody and bank charges		(6,326)	(5,870)	(26,482)	(15,468)	(3,630)	(3,538)
Legal and other professional fees		(99,910)	(13,140)	(6,524)	(992)	(8,155)	(1,121)
Auditor's remuneration		(325,653)	(294,114)	(22,484)	(24,482)	(27,255)	(27,252)
Professional indemnity insurance		(61,487)	(59,499)	(4,235)	(4,849)	(5,142)	(5,442)
Miscellaneous expenses		(1,807,125)	(1,560,934)	(135,861)	(141,013)	(158,595)	(152,428)
<b>Total operating expenses</b>		<u>(111,022,603)</u>	<u>(101,837,085)</u>	<u>(8,089,286)</u>	<u>(8,714,327)</u>	<u>(9,368,942)</u>	<u>(8,305,399)</u>
<b>Profit/(loss) before tax</b>		<u>1,189,652,334</u>	<u>(1,417,324,274)</u>	<u>91,934,754</u>	<u>(96,789,273)</u>	<u>103,161,914</u>	<u>(95,095,571)</u>
<b>Withholding tax</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,735)</u>
<b>Total comprehensive income</b>		<u>1,189,652,334</u>	<u>(1,417,324,274)</u>	<u>91,934,754</u>	<u>(96,789,273)</u>	<u>103,161,914</u>	<u>(95,112,306)</u>

The notes on pages 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

		BCT (Pro)	BCT (Pro)		BCT (Pro)	
		International Equity Fund*	SaveEasy 2020 Fund		SaveEasy 2025 Fund	
		<u>For the period</u>				
		<u>from 1 January</u>				
		<u>2018 to 21</u>				
		<u>September 2018</u>				
		<u>(date of approval</u>				
	<u>Note</u>	<u>for termination)</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income						
Dividends from equities		124,497	-	-	-	-
Bank interest	11	81	2,274	708	1,857	557
Interest income from fixed deposits	11	-	-	-	-	-
Other income	11	833,933	52,033	1,115,576	52,025	1,156,343
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		163,638,341	15,906,214	20,712,548	12,111,463	16,860,624
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		(159,942,001)	37,474,783	(47,028,196)	66,786,081	(64,695,541)
Change in unrealised gain/loss on foreign exchange		-	-	-	-	-
Total investment income/(loss)		4,654,851	53,435,304	(25,199,364)	78,951,426	(46,678,017)
Expenses						
Investment management fees	4(a)	-	-	-	-	-
Trustee, administration and custodian fees	4(b)	(2,599,656)	(2,018,447)	(3,471,822)	(2,092,678)	(3,598,730)
Sponsor fees	4(b)	-	(565,164)	-	(587,763)	-
Sub-custodian fees		-	-	-	-	-
Safe custody and bank charges		(1,251)	(4,515)	(4,174)	(4,520)	(4,179)
Legal and other professional fees		-	(4,834)	(646)	(4,985)	(666)
Auditor's remuneration		(12,819)	(16,522)	(15,250)	(17,157)	(15,903)
Professional indemnity insurance		(2,277)	(3,118)	(3,078)	(3,235)	(3,191)
Miscellaneous expenses		(59,021)	(99,426)	(91,055)	(102,298)	(93,790)
Total operating expenses		(2,675,024)	(2,712,026)	(3,586,025)	(2,812,636)	(3,716,459)
Profit/(loss) before tax		1,979,827	50,723,278	(28,785,389)	76,138,790	(50,394,476)
Withholding tax		(28,782)	-	-	-	-
Total comprehensive income		1,951,045	50,723,278	(28,785,389)	76,138,790	(50,394,476)

\*The fund was approved for termination on 21 September 2018.

The notes on pages 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

		BCT (Pro) SaveEasy 2030 Fund		BCT (Pro) SaveEasy 2035 Fund		BCT (Pro) SaveEasy 2040 Fund	
	Note	2019	2018	2019	2018	2019	2018
		(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income							
Dividends from equities		-	-	-	-	-	-
Bank interest	11	2,104	762	2,098	678	4,662	1,845
Interest income from fixed deposits	11	-	-	-	-	-	-
Other income	11	60,476	1,367,595	57,114	1,272,507	129,579	2,855,987
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		12,271,658	18,998,442	12,666,971	15,207,760	23,404,138	41,836,894
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		85,432,119	(79,838,603)	81,555,106	(74,711,530)	196,263,791	(177,316,755)
Change in unrealised gain/loss on foreign exchange		-	-	-	-	-	-
Total investment income/(loss)		97,766,357	(59,471,804)	94,281,289	(58,230,585)	219,802,170	(132,622,029)
Expenses							
Investment management fees	4(a)	-	-	-	-	-	-
Trustee, administration and custodian fees	4(b)	(2,452,702)	(4,256,205)	(2,318,986)	(3,960,210)	(5,352,533)	(8,888,100)
Sponsor fees	4(b)	(689,353)	-	(651,832)	-	(1,506,641)	-
Sub-custodian fees		-	-	-	-	-	-
Safe custody and bank charges		(4,547)	(4,203)	(4,539)	(4,193)	(4,758)	(4,369)
Legal and other professional fees		(5,870)	(786)	(5,580)	(739)	(12,688)	(1,674)
Auditor's remuneration		(20,113)	(18,863)	(19,011)	(17,513)	(43,924)	(39,275)
Professional indemnity insurance		(3,793)	(3,774)	(3,587)	(3,512)	(8,282)	(7,883)
Miscellaneous expenses		(118,462)	(108,770)	(112,632)	(102,070)	(247,636)	(215,343)
Total operating expenses		(3,294,840)	(4,392,601)	(3,116,167)	(4,088,237)	(7,176,462)	(9,156,644)
Profit/(loss) before tax		94,471,517	(63,864,405)	91,165,122	(62,318,822)	212,625,708	(141,778,673)
Withholding tax		-	-	-	-	-	-
Total comprehensive income		94,471,517	(63,864,405)	91,165,122	(62,318,822)	212,625,708	(141,778,673)

The notes on pages 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

		BCT (Pro)		BCT (Pro)		BCT (Pro)	
		Hang Seng Index Tracking Fund		Hong Kong Dollar Bond Fund		World Equity Fund	
	Note	2019	2018	2019	2018	2019	2018
		(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income							
Dividends from equities		85,764,056	74,679,490	-	-	23,800,014	15,888,886
Bank interest	11	29,437	10,061	9,122	2,970	13,695	5,258
Interest income from fixed deposits	11	-	-	-	-	-	-
Other income	11	-	-	63,256	1,214,405	-	-
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		27,906,691	57,844,498	25,485,212	3,106,189	(716,919)	6,984,363
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		190,515,979	(368,542,747)	20,909,450	16,934,135	164,044,205	(86,758,515)
Change in unrealised gain/loss on foreign exchange		-	-	-	-	(133,322)	(54,848)
Total investment income/(loss)		304,216,163	(236,008,698)	46,467,040	21,257,699	187,007,673	(63,934,856)
Expenses							
Investment management fees	4(a)	-	-	(4,940,119)	(3,736,631)	-	-
Trustee, administration and custodian fees	4(b)	(14,322,939)	(15,455,891)	(5,442,006)	(6,539,105)	(4,967,471)	(4,866,934)
Sponsor fees	4(b)	(3,398,052)	-	(1,660,919)	-	(2,023,480)	-
Sub-custodian fees		(81,745)	(87,416)	-	-	(42,735)	(41,882)
Safe custody and bank charges		(59,062)	(50,111)	(8,737)	(8,389)	(44,791)	(54,552)
Legal and other professional fees		(29,212)	(3,620)	(13,666)	(1,661)	(9,191)	(1,158)
Auditor's remuneration		(99,352)	(86,870)	(48,409)	(36,221)	(34,332)	(23,869)
Professional indemnity insurance		(18,750)	(17,617)	(9,147)	(7,458)	(6,461)	(4,863)
Miscellaneous expenses		(1,185,830)	(1,021,723)	(273,967)	(206,154)	(196,240)	(143,201)
Total operating expenses		(19,194,942)	(16,723,248)	(12,396,970)	(10,535,619)	(7,324,701)	(5,136,459)
Profit/(loss) before tax		285,021,221	(252,731,946)	34,070,070	10,722,080	179,682,972	(69,071,315)
Withholding tax		-	-	-	-	(4,299,953)	(2,898,538)
Total comprehensive income		285,021,221	(252,731,946)	34,070,070	10,722,080	175,383,019	(71,969,853)

The notes on pages 120 to 248 are an integral part of the financial statements.

**BCT (MPF) PRO CHOICE**  
**STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	BCT (Pro)		BCT (Pro)		BCT (Pro)	
		Greater China Equity Fund		RMB Bond Fund		Core Accumulation Fund	
		2019	2018	2019	2018	2019	2018
		(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income							
Dividends from equities		6,287,994	5,629,425	-	-	-	-
Bank interest	11	10,699	3,524	1,780	758	2,116	601
Interest income from fixed deposits	11	-	-	-	-	-	-
Other income	11	30,404	681,756	47,632	1,004,639	-	-
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		2,751,394	5,664,847	12,658,902	16,284,245	9,954,427	4,396,858
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		130,627,577	(100,609,567)	2,028,088	(16,004,060)	97,698,756	(41,722,227)
Change in unrealised gain/loss on foreign exchange		-	-	-	-	-	-
<b>Total investment income/(loss)</b>		<b>139,708,068</b>	<b>(88,630,015)</b>	<b>14,736,402</b>	<b>1,285,582</b>	<b>107,655,299</b>	<b>(37,324,768)</b>
Expenses							
Investment management fees	4(a)	-	-	(2,770,864)	(2,578,467)	-	-
Trustee, administration and custodian fees	4(b)	(5,511,275)	(6,817,559)	(3,072,113)	(4,583,942)	(4,315,393)	(2,716,649)
Sponsor fees	4(b)	(1,256,919)	-	(823,941)	-	-	-
Sub-custodian fees		(28,837)	(34,790)	-	-	-	-
Safe custody and bank charges		(35,723)	(32,379)	(5,817)	(5,209)	(5,272)	(4,723)
Legal and other professional fees		(11,004)	(1,355)	(7,200)	(960)	(7,714)	(934)
Auditor's remuneration		(36,747)	(33,713)	(24,185)	(22,477)	(28,891)	(17,516)
Professional indemnity insurance		(6,930)	(6,797)	(4,565)	(4,571)	(5,441)	(3,700)
Miscellaneous expenses		(214,341)	(192,079)	(146,400)	(134,502)	(163,347)	(108,403)
<b>Total operating expenses</b>		<b>(7,101,776)</b>	<b>(7,118,672)</b>	<b>(6,855,085)</b>	<b>(7,330,128)</b>	<b>(4,526,058)</b>	<b>(2,851,925)</b>
<b>Profit/(loss) before tax</b>		<b>132,606,292</b>	<b>(95,748,687)</b>	<b>7,881,317</b>	<b>(6,044,546)</b>	<b>103,129,241</b>	<b>(40,176,693)</b>
Withholding tax		-	-	-	-	-	-
<b>Total comprehensive income</b>		<b>132,606,292</b>	<b>(95,748,687)</b>	<b>7,881,317</b>	<b>(6,044,546)</b>	<b>103,129,241</b>	<b>(40,176,693)</b>

The notes on pages 120 to 248 are an integral part of the financial statements.



**BCT (MPF) PRO CHOICE**  
**STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	<u>Note</u>	BCT (Pro)		Total	
		Age 65 Plus Fund			
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(HK\$)	(HK\$)	(HK\$)	(HK\$)
Investment income					
Dividends from equities		-	-	115,852,064	141,706,307
Bank interest	11	1,002	257	1,629,775	790,616
Interest income from fixed deposits	11	-	-	125,034,820	87,558,427
Other income	11	-	-	759,542	22,795,941
Net realised gain/(loss) on financial assets at fair value through profit or loss and derivative financial instruments		8,047,008	265,908	82,038,914	6,893,935,695
Change in unrealised gain/loss on financial assets at fair value through profit or loss and derivative financial instruments		18,158,777	(2,690,678)	5,424,456,548	(10,840,980,265)
Change in unrealised gain/loss on foreign exchange		-	-	(133,529)	4,658,563
Total investment income/(loss)		26,206,787	(2,424,513)	5,749,638,134	(3,689,534,716)
Expenses					
Investment management fees	4(a)	-	-	(183,189,531)	(166,833,545)
Trustee, administration and custodian fees	4(b)	(1,831,067)	(1,060,823)	(261,012,922)	(366,692,067)
Sponsor fees	4(b)	-	-	(92,959,764)	-
Sub-custodian fees		-	-	(233,106)	(1,770,213)
Safe custody and bank charges		(5,129)	(4,648)	(609,010)	(1,150,070)
Legal and other professional fees		(3,174)	(372)	(560,723)	(110,096)
Auditor's remuneration		(12,219)	(6,748)	(1,895,589)	(1,831,451)
Professional indemnity insurance		(2,303)	(1,442)	(357,672)	(368,083)
Miscellaneous expenses		(74,154)	(49,201)	(11,274,511)	(10,398,605)
Total operating expenses		(1,928,046)	(1,123,234)	(552,092,828)	(549,154,130)
Profit/(loss) before tax		24,278,741	(3,547,747)	5,197,545,306	(4,238,688,846)
Withholding tax		-	-	(4,299,953)	(6,298,173)
Total comprehensive income		24,278,741	(3,547,747)	5,193,245,353	(4,244,987,019)

The notes on pages 120 to 248 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 2019**

	BCT (Pro) MPF Conservative Fund		BCT (Pro) E30 Mixed Asset Fund		BCT (Pro) E50 Mixed Asset Fund	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning 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
Proceeds on units issued	4,834,648,678	6,167,223,972	262,471,392	428,842,226	278,140,549	392,081,703
Payments on units redeemed	(4,267,905,161)	(4,270,002,233)	(372,051,387)	(523,060,553)	(349,087,859)	(461,936,279)
	566,743,517	1,897,221,739	(109,579,995)	(94,218,327)	(70,947,310)	(69,854,576)
Total comprehensive income	92,885,991	53,158,458	229,286,876	(154,267,040)	331,444,150	(253,568,683)
Balance at the end of the year	8,174,937,956	7,515,308,448	2,835,253,661	2,715,546,780	3,277,471,966	3,016,975,126
Units outstanding at the beginning 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
Units issued	4,256,124,472	5,488,336,854	142,225,937	233,226,110	136,364,244	190,607,663
Units redeemed	(3,756,721,280)	(3,799,354,658)	(201,330,119)	(285,470,981)	(171,191,958)	(225,464,592)
Units outstanding at the end of the year	7,152,514,488	6,653,111,296	1,488,483,838	1,547,588,020	1,540,855,300	1,575,683,014

The notes on pages 120 to 248 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 2019**

	BCT (Pro) E70 Mixed Asset Fund		BCT (Pro) Global Bond Fund		BCT (Pro) Global Equity Fund	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning 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
Proceeds on units issued	324,692,454	447,358,115	740,527,931	590,106,488	682,044,748	1,554,262,925
Payments on units redeemed	(544,034,071)	(731,326,070)	(455,128,651)	(418,573,906)	(523,030,038)	(625,357,784)
	(219,341,617)	(283,967,955)	285,399,280	171,532,582	159,014,710	928,905,141
Total comprehensive income	710,099,837	(588,072,730)	61,883,892	(10,055,121)	544,480,346	(391,148,598)
Balance at the end of the year	5,770,263,445	5,279,505,225	1,567,296,646	1,220,013,474	3,234,469,033	2,530,973,977
Units outstanding at the beginning of the year	2,672,316,942	2,803,001,818	787,637,857	678,255,744	978,932,202	668,212,085
Units issued	152,797,416	206,114,172	458,315,363	378,941,819	236,087,210	524,735,533
Units redeemed	(256,037,754)	(336,799,048)	(281,951,968)	(269,559,706)	(182,177,996)	(214,015,416)
Units outstanding at the end of the year	2,569,076,604	2,672,316,942	964,001,252	787,637,857	1,032,841,416	978,932,202

The notes on pages 120 to 248 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 2019**

	BCT (Pro) Hong Kong Equity Fund* <u>For the period from</u> <u>1 January 2018 to</u> <u>21 September 2018</u> <u>(date of approval for</u> <u>termination)</u> (HK\$)	BCT (Pro) Asian Equity Fund		BCT (Pro) Flexi Mixed Asset Fund	
		<u>2019</u> (HK\$)	<u>2018</u> (HK\$)	<u>2019</u> (HK\$)	<u>2018</u> (HK\$)
Balance at the beginning of the year/period	4,109,813,731	3,283,224,987	3,924,776,873	1,123,727,756	1,043,855,241
Proceeds on units issued	616,482,572	690,629,930	753,254,072	283,269,057	523,325,650
Payments on units redeemed	(4,788,331,970)	(607,093,298)	(904,392,938)	(265,981,866)	(384,711,148)
	(4,171,849,398)	83,536,632	(151,138,866)	17,287,191	138,614,502
Total comprehensive income	62,035,667	453,976,163	(490,413,020)	96,944,780	(58,741,987)
Balance at the end of the year/period	-	3,820,737,782	3,283,224,987	1,237,959,727	1,123,727,756
Units outstanding at the beginning of the year/period	902,468,514	1,026,834,699	1,069,233,392	762,048,675	673,048,982
Units issued	129,935,860	200,862,618	210,225,114	182,619,083	341,461,811
Units redeemed	(1,032,404,374)	(177,218,584)	(252,623,807)	(171,707,771)	(252,462,118)
Units outstanding at the end of the year/period	-	1,050,478,733	1,026,834,699	772,959,987	762,048,675

\*The fund was approved for termination on 21 September 2018.

The notes on pages 120 to 248 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 2019**

	BCT (Pro) China and Hong Kong Equity Fund		BCT (Pro) European Equity Fund		BCT (Pro) E90 Mixed Asset Fund	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year	7,619,703,329	5,224,614,546	522,564,007	618,974,541	625,755,925	659,257,932
Proceeds on units issued	2,258,626,230	6,484,571,978	233,033,627	289,198,861	146,789,810	220,361,090
Payments on units redeemed	(2,457,111,189)	(2,672,158,921)	(197,797,676)	(288,820,122)	(126,580,915)	(158,750,791)
	(198,484,959)	3,812,413,057	35,235,951	378,739	20,208,895	61,610,299
Total comprehensive income	1,189,652,334	(1,417,324,274)	91,934,754	(96,789,273)	103,161,914	(95,112,306)
Balance at the end of the year	8,610,870,704	7,619,703,329	649,734,712	522,564,007	749,126,734	625,755,925
Units outstanding at the beginning of the year	7,557,365,126	4,363,760,422	459,230,328	459,798,611	310,387,138	284,111,171
Units issued	2,042,247,408	5,534,587,044	188,007,271	217,143,621	66,930,842	96,340,376
Units redeemed	(2,222,364,701)	(2,340,982,340)	(159,408,758)	(217,711,904)	(57,728,328)	(70,064,409)
Units outstanding at the end of the year	7,377,247,833	7,557,365,126	487,828,841	459,230,328	319,589,652	310,387,138

The notes on pages 120 to 248 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 2019**

	BCT (Pro) International Equity Fund* <u>For the period from</u> <u>1 January 2018 to</u> <u>21 September 2018</u> <u>(date of approval for</u> <u>termination)</u> (HK\$)	BCT (Pro) SaveEasy 2020 Fund		BCT (Pro) SaveEasy 2025 Fund	
		<u>2019</u> (HK\$)	<u>2018</u> (HK\$)	<u>2019</u> (HK\$)	<u>2018</u> (HK\$)
Balance at the beginning of the year/period	945,174,649	380,422,697	376,404,333	380,460,947	386,281,972
Proceeds on units issued	105,846,885	123,728,509	144,613,540	113,988,939	125,012,651
Payments on units redeemed	(1,052,972,579)	(106,553,253)	(111,809,787)	(77,860,477)	(80,439,200)
	(947,125,694)	17,175,256	32,803,753	36,128,462	44,573,451
Total comprehensive income	1,951,045	50,723,278	(28,785,389)	76,138,790	(50,394,476)
Balance at the end of the year/period	-	448,321,231	380,422,697	492,728,199	380,460,947
Units outstanding at the beginning of the year/period	389,038,379	177,111,579	162,780,830	177,632,635	159,047,074
Units issued	42,890,892	53,450,626	63,146,860	47,774,743	52,054,157
Units redeemed	(431,929,271)	(45,949,287)	(48,816,111)	(32,788,446)	(33,468,596)
Units outstanding at the end of the year/period	-	184,612,918	177,111,579	192,618,932	177,632,635

\*The fund was approved for termination on 21 September 2018.

The notes on pages 120 to 248 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 2019**

	BCT (Pro) SaveEasy 2030 Fund		BCT (Pro) SaveEasy 2035 Fund		BCT (Pro) SaveEasy 2040 Fund	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year	440,723,128	452,307,348	415,782,055	411,998,816	941,971,072	911,169,108
Proceeds on units issued	133,060,857	150,062,855	123,135,332	145,487,350	333,539,175	414,271,299
Payments on units redeemed	(83,629,693)	(97,782,670)	(86,254,252)	(79,385,289)	(189,149,919)	(241,690,662)
	49,431,164	52,280,185	36,881,080	66,102,061	144,389,256	172,580,637
Total comprehensive income	94,471,517	(63,864,405)	91,165,122	(62,318,822)	212,625,708	(141,778,673)
Balance at the end of the year	584,625,809	440,723,128	543,828,257	415,782,055	1,298,986,036	941,971,072
Units outstanding at the beginning of the year	207,801,125	186,285,065	199,006,014	171,422,777	436,371,685	366,541,196
Units issued	56,140,565	62,585,110	52,742,746	61,293,400	137,920,911	169,112,327
Units redeemed	(35,585,589)	(41,069,050)	(36,926,059)	(33,710,163)	(78,501,606)	(99,281,838)
Units outstanding at the end of the year	228,356,101	207,801,125	214,822,701	199,006,014	495,790,990	436,371,685

The notes on pages 120 to 248 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 2019**

	BCT (Pro) Hang Seng Index Tracking Fund		BCT (Pro) Hong Kong Dollar Bond Fund		BCT (Pro) World Equity Fund	
	2019	2018	2019	2018	2019	2018
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year	2,227,888,683	2,085,767,449	1,033,965,392	784,434,366	645,112,967	523,124,936
Proceeds on units issued	2,370,803,236	2,347,674,032	794,268,714	790,132,632	615,825,555	515,464,006
Payments on units redeemed	(2,133,698,050)	(1,952,820,852)	(554,175,959)	(551,323,686)	(264,068,985)	(321,506,122)
	237,105,186	394,853,180	240,092,755	238,808,946	351,756,570	193,957,884
Total comprehensive income	285,021,221	(252,731,946)	34,070,070	10,722,080	175,383,019	(71,969,853)
Balance at the end of the year	2,750,015,090	2,227,888,683	1,308,128,217	1,033,965,392	1,172,252,556	645,112,967
Units outstanding at the beginning of the year	1,497,349,884	1,248,893,596	886,216,243	678,104,214	416,544,417	305,382,482
Units issued	1,478,073,540	1,440,410,578	665,278,313	690,407,769	346,341,288	299,410,167
Units redeemed	(1,327,322,335)	(1,191,954,290)	(462,670,268)	(482,295,740)	(150,096,627)	(188,248,232)
Units outstanding at the end of the year	1,648,101,089	1,497,349,884	1,088,824,288	886,216,243	612,789,078	416,544,417

The notes on pages 120 to 248 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 2019**

	BCT (Pro) Greater China Equity Fund		BCT (Pro) RMB Bond Fund		BCT (Pro) Core Accumulation Fund	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year	823,712,865	789,438,458	576,816,262	418,610,634	562,419,192	307,483,384
Proceeds on units issued	416,851,191	482,077,807	271,977,615	541,805,793	524,921,115	512,418,762
Payments on units redeemed	(323,716,447)	(352,054,713)	(223,570,154)	(377,555,619)	(246,350,594)	(217,306,261)
	93,134,744	130,023,094	48,407,461	164,250,174	278,570,521	295,112,501
Total comprehensive income	132,606,292	(95,748,687)	7,881,317	(6,044,546)	103,129,241	(40,176,693)
Balance at the end of the year	1,049,453,901	823,712,865	633,105,040	576,816,262	944,118,954	562,419,192
Units outstanding at the beginning of the year	566,190,345	487,471,652	596,677,416	431,457,144	551,775,796	281,952,273
Units issued	267,358,356	298,351,037	277,494,282	550,818,652	468,495,079	470,260,023
Units redeemed	(208,489,166)	(219,632,344)	(228,455,000)	(385,598,380)	(220,588,303)	(200,436,500)
Units outstanding at the end of the year	625,059,535	566,190,345	645,716,698	596,677,416	799,682,572	551,775,796

The notes on pages 120 to 248 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 2019**

	BCT (Pro)		Total	
	Age 65 Plus Fund			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(HK\$)	(HK\$)	(HK\$)	(HK\$)
Balance at the beginning of the year	232,231,824	96,242,679	44,114,806,118	45,142,389,136
Proceeds on units issued	318,145,362	271,322,470	16,875,120,006	25,013,259,734
Payments on units redeemed	(180,767,978)	(131,785,578)	(14,635,597,872)	(21,795,855,733)
	137,377,384	139,536,892	2,239,522,134	3,217,404,001
Total comprehensive income	24,278,741	(3,547,747)	5,193,245,353	(4,244,987,019)
Balance at the end of the year	393,887,949	232,231,824	51,547,573,605	44,114,806,118
Units outstanding at the beginning of the year	229,142,248	93,440,035		
Units issued	294,492,326	264,509,324		
Units redeemed	(167,079,460)	(128,807,111)		
Units outstanding at the end of the year	356,555,114	229,142,248		

The notes on pages 120 to 248 are an integral part of the financial statements.

## **BCT (MPF) PRO CHOICE**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **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, eighth supplemental deed dated 1 April 2019, ninth supplemental deed dated 15 October 2019 and tenth supplemental deed dated 10 January 2020. 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 2019, and the statement of changes in net assets available for benefits and statement of cash flows for the year ended 31 December 2019 of the Plan on a standalone basis; and (ii) the statement of net assets as at 31 December 2019, and the statement of comprehensive income and statement of changes in net assets attributable to members for the year ended 31 December 2019 of each of its constituent funds.

The Plan has introduced Default Investment Strategy under the MPFSO. As at 31 December 2019, the Plan offered twenty-three constituent funds (2018: twenty-three), 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, 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.

**NOTES TO THE FINANCIAL STATEMENTS**

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**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**

	<b>Cash transferred out HK\$</b>	<b>Investments transferred out in-specie HK\$</b>	<b>Total HK\$</b>
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**

	<b>Cash subscription HK\$</b>	<b>In-specie subscription HK\$</b>	<b>Total HK\$</b>
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.

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### **NOTES TO THE FINANCIAL STATEMENTS**

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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 2019

There are no standards, amendments to standards or interpretations that are effective for the financial period beginning on 1 January 2019 that have a material effect on the financial statements of the Plan and its constituent funds.

#### New standards, amendments and interpretations effective after the financial period beginning 1 January 2019 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 2019, 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.

**NOTES TO THE FINANCIAL STATEMENTS**

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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”.

**(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 at 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.



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

**(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.

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 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.

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### **NOTES TO THE FINANCIAL STATEMENTS**

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

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.

#### **(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.

**NOTES TO THE FINANCIAL STATEMENTS**

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**(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.

**(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.

## **BCT (MPF) PRO CHOICE**

### **NOTES TO THE FINANCIAL STATEMENTS**

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

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.

**(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.

## BCT (MPF) PRO CHOICE

### NOTES TO THE FINANCIAL STATEMENTS

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#### **(n) Redeemable units (continued)**

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) Asian Equity Fund, BCT (Pro) Flexi Mixed Asset 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 issue one class of redeemable units, which are redeemable at the member's option and are classified as equity.

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.

## NOTES TO THE FINANCIAL STATEMENTS

**(o) Structured entities (continued)**

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.

**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 2019 and 2018. 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%.

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### NOTES TO THE FINANCIAL STATEMENTS

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, 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.

#### 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% (2018: between 0.3% and 0.58%) on the daily net asset value of the respective constituent funds other than the Flexi Mixed Asset 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:

	2019 HK\$	2018 HK\$
BCT (Pro) MPF Conservative Fund	2,065,722	1,910,793
BCT (Pro) E30 Mixed Asset Fund	1,249,184	1,198,844
BCT (Pro) E50 Mixed Asset Fund	1,435,250	1,337,516
BCT (Pro) E70 Mixed Asset Fund	2,520,345	2,350,675
BCT (Pro) Global Bond Fund	639,723	491,241
BCT (Pro) Global Equity Fund	1,401,415	1,140,951
BCT (Pro) Asian Equity Fund	1,838,149	1,626,547
BCT (Pro) Flexi Mixed Asset Fund	-	-

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	2019 HK\$	2018 HK\$
BCT (Pro) China and Hong Kong Equity Fund	3,631,345	3,332,802
BCT (Pro) European Equity Fund	316,846	261,031
BCT (Pro) E90 Mixed Asset Fund	325,888	279,632
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	1,326,332	1,005,587
BCT (Pro) World Equity Fund	-	-
BCT (Pro) Greater China Equity Fund	-	-
BCT (Pro) RMB Bond Fund	240,740	219,112
BCT (Pro) Core Accumulation Fund	-	-
BCT (Pro) Age 65 Plus Fund	-	-



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**(b) Trustee, administration and custodian fees and sponsor fees**

Prior to 23 April 2018

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

From 23 April 2018 to 17 January 2019

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%.

From 18 January 2019

With effect from 18 January 2019, a new breakdown of the trustee and administration fees has been introduced as follows:

- (i) The Trustee, Administrator and Custodian, Bank Consortium Trust Company Limited is entitled to receive a fee calculated between 0.43% to 0.59% per annum of the daily net asset value of the respective constituent funds.
- (ii) The Sponsor, BCT Financial Limited is entitled to receive a fee calculated between 0.14% to 0.24% per annum of the daily net asset value of the respective constituent funds except for Core Accumulation Fund and Age 65 Plus Fund.

Prior to 18 January 2019, the trustee and administration fees which were charged by the Trustee, Administrator and Custodian had included fees relating to the services of the Sponsor and Custodian. With effective from 18 January 2019, for enhancing the fees disclosures, the sponsor fees were separately presented from the trustee, administration and custodian fees on the constituent funds.

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The fees rates for the relevant period in the year were as follows:

	From 18 January 2019			From 23 April 2018 to 17 January 2019	Prior to 23 April 2018
	Trustee, Administration and Custodian fees	Sponsor fees	Total fees	Trustee, Administration and Sponsor fees	Trustee, Administration and Sponsor fees
BCT (Pro) MPF Conservative Fund	0.44%	0.14%	0.58%	0.58%	0.58%
BCT (Pro) E30 Mixed Asset Fund	0.56%	0.24%	0.80%	0.80%	1.00%*
BCT (Pro) E50 Mixed Asset Fund	0.56%	0.24%	0.80%	0.80%	1.00%*
BCT (Pro) E70 Mixed Asset Fund	0.56%	0.24%	0.80%	0.80%	1.00%*
BCT (Pro) Global Bond Fund	0.56%	0.24%	0.80%	0.80%	0.80%*
BCT (Pro) Global Equity Fund	0.56%	0.24%	0.80%	0.80%	0.90%*
BCT (Pro) Asian Equity Fund	0.56%	0.24%	0.80%	0.80%	0.90%
BCT (Pro) Flexi Mixed Asset Fund	0.56%	0.24%	0.80%	0.80%	0.80%
BCT (Pro) China And Hong Kong Equity Fund	0.56%	0.24%	0.80%	0.80%	0.90%
BCT (Pro) European Equity Fund	0.56%	0.24%	0.80%	0.80%	0.90%
BCT (Pro) E90 Mixed Asset Fund	0.56%	0.24%	0.80%	0.80%	0.90%*

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

	From 18 January 2019			From 23 April 2018 to 17 January 2019	Prior to 23 April 2018
	Trustee, Administration and Custodian fees	Sponsor fees	Total fees	Trustee, Administration and Sponsor fees	Trustee, Administration and Sponsor fees
BCT (Pro) SaveEasy 2020 Fund	<u>0.46%</u>	<u>0.14%</u>	<u>0.60%</u>	<u>0.90%*</u>	<u>0.90%*</u>
BCT (Pro) SaveEasy 2025 Fund	<u>0.46%</u>	<u>0.14%</u>	<u>0.60%</u>	<u>0.90%*</u>	<u>0.90%*</u>
BCT (Pro) SaveEasy 2030 Fund	<u>0.46%</u>	<u>0.14%</u>	<u>0.60%</u>	<u>0.90%*</u>	<u>0.90%*</u>
BCT (Pro) SaveEasy 2035 Fund	<u>0.46%</u>	<u>0.14%</u>	<u>0.60%</u>	<u>0.90%*</u>	<u>0.90%*</u>
BCT (Pro) SaveEasy 2040 Fund	<u>0.46%</u>	<u>0.14%</u>	<u>0.60%</u>	<u>0.90%*</u>	<u>0.90%*</u>
BCT (Pro) Hang Seng Index Tracking Fund	<u>0.56%</u>	<u>0.14%</u>	<u>0.70%</u>	<u>0.70%</u>	<u>0.70%</u>
BCT (Pro) Hong Kong Dollar Bond Fund	<u>0.43%</u>	<u>0.14%</u>	<u>0.57%</u>	<u>0.70%*</u>	<u>0.70%*</u>
BCT (Pro) World Equity Fund	<u>0.56%</u>	<u>0.24%</u>	<u>0.80%</u>	<u>0.80%*</u>	<u>0.80%*</u>
BCT (Pro) Greater China Equity Fund	<u>0.58%</u>	<u>0.14%</u>	<u>0.72%</u>	<u>0.80%*</u>	<u>0.80%*</u>
BCT (Pro) RMB Bond Fund	<u>0.485%</u>	<u>0.14%</u>	<u>0.625%</u>	<u>0.80%*</u>	<u>0.80%*</u>
BCT (Pro) Core Accumulation Fund	<u>0.59%</u>	<u>-</u>	<u>0.59%</u>	<u>0.59%</u>	<u>0.59%</u>
BCT (Pro) Age 65 Plus Fund	<u>0.59%</u>	<u>-</u>	<u>0.59%</u>	<u>0.59%</u>	<u>0.59%</u>

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\* The Trustee/ Sponsor may, by way of certain rebates credited to these constituent funds, maintain the current level of management fees in respect of BCT (Pro) SaveEasy Funds, BCT (Pro) Hong Kong Dollar Bond Fund, BCT (Pro) World Equity Fund, BCT (Pro) Greater China Equity Fund and BCT (Pro) RMB Bond Fund with effective from 23 April 2018. (Prior to Scheme Restructuring on 23 April 2018: 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) E90 Mixed Asset Fund, BCT (Pro) SaveEasy Funds, BCT (Pro) Hong Kong Dollar Bond Fund, BCT (Pro) World Equity Fund, BCT (Pro) Greater China Equity Fund and BCT (Pro) RMB Bond Fund). As a result of these rebates, the actual trustee, administration and sponsor fees payable out of these constituent funds are lower than the levels of such fees as disclosed above for the relevant period.

The above new fees breakdown clarified that there are no more rebates in respect of BCT (Pro) SaveEasy Funds, BCT (Pro) Hong Kong Dollar Bond Fund and BCT (Pro) RMB Bond Fund with effect from 18 January 2019 for maintaining the current level of management fee in respect of these constituent funds.

The fees payable as at year end were as follows:

	2019 HK\$	2019 HK\$ Trustee, Administration and Custodian fees payable	2019 HK\$ Total fees payable	2018 HK\$ Trustee, Administration and Sponsor fees payable
BCT (Pro) MPF Conservative Fund	964,003	3,029,725	3,993,728	3,694,200
BCT (Pro) E30 Mixed Asset Fund	576,546	1,345,275	1,921,821	1,844,376
BCT (Pro) E50 Mixed Asset Fund	662,423	1,545,654	2,208,077	2,057,717
BCT (Pro) E70 Mixed Asset Fund	1,163,236	2,714,217	3,877,453	3,616,424
BCT (Pro) Global Bond Fund	319,861	746,343	1,066,204	818,735
BCT (Pro) Global Equity Fund	646,807	1,509,216	2,156,023	1,755,310
BCT (Pro) Asian Equity Fund	760,613	1,774,764	2,535,377	2,243,513
BCT (Pro) Flexi Mixed Asset Fund	250,987	585,636	836,623	765,670
BCT (Pro) China and Hong Kong Equity Fund	1,708,868	3,987,359	5,696,227	5,227,925

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	2019 HK\$	2019 HK\$ Trustee, Administration and Custodian fees payable	2019 HK\$ Total fees payable	2018 HK\$ Trustee, Administration and Sponsor fees payable
BCT (Pro) European Equity Fund	<u>131,109</u>	<u>305,920</u>	<u>437,029</u>	<u>360,043</u>
BCT (Pro) E90 Mixed Asset Fund	<u>150,410</u>	<u>350,956</u>	<u>501,366</u>	<u>430,202</u>
BCT (Pro) SaveEasy 2020 Fund	<u>52,772</u>	<u>173,393</u>	<u>226,165</u>	<u>291,456</u>
BCT (Pro) SaveEasy 2025 Fund	<u>57,658</u>	<u>189,446</u>	<u>247,104</u>	<u>293,722</u>
BCT (Pro) SaveEasy 2030 Fund	<u>67,573</u>	<u>222,025</u>	<u>289,598</u>	<u>340,378</u>
BCT (Pro) SaveEasy 2035 Fund	<u>63,116</u>	<u>207,380</u>	<u>270,496</u>	<u>321,804</u>
BCT (Pro) SaveEasy 2040 Fund	<u>150,263</u>	<u>493,721</u>	<u>643,984</u>	<u>727,437</u>
BCT (Pro) Hang Seng Index Tracking Fund	<u>320,787</u>	<u>1,283,148</u>	<u>1,603,935</u>	<u>1,318,588</u>
BCT (Pro) Hong Kong Dollar Bond Fund	<u>155,680</u>	<u>478,159</u>	<u>633,839</u>	<u>605,615</u>
BCT (Pro) World Equity Fund	<u>230,031</u>	<u>536,740</u>	<u>766,771</u>	<u>443,650</u>
BCT (Pro) Greater China Equity Fund	<u>120,737</u>	<u>500,195</u>	<u>620,932</u>	<u>556,798</u>
BCT (Pro) RMB Bond Fund	<u>74,897</u>	<u>259,465</u>	<u>334,362</u>	<u>389,533</u>
BCT (Pro) Core Accumulation Fund	<u>-</u>	<u>458,204</u>	<u>458,204</u>	<u>279,473</u>
BCT (Pro) Age 65 Plus Fund	<u>-</u>	<u>193,086</u>	<u>193,086</u>	<u>114,152</u>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**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 (2018: HK\$30,000 per month) but in respect of employees earning less than HK\$7,100 per month (2018: 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 (2018: HK\$1,500 per month) to the Plan unless their relevant income is less than HK\$7,100 per month (2018: HK\$7,100 per month).

Any contributions made to the Plan by the employers or members in excess of their mandatory contributions are additional voluntary contributions (including tax deductible voluntary contributions effective from 1 April 2019). The maximum tax deductible limit per year of assessment for tax deductible voluntary contributions in the year of assessment 2019 / 2020 is HK\$60,000.

**6. Benefits paid and payable**

Members will become entitled to benefits in respect of mandatory contributions and tax deductible voluntary contributions (effective from 1 April 2019) to the 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.

Employers are permitted to offset the long service payment with the accrued benefits derived from the employer's contributions. However, the amount offset from the member's account in the Plan cannot exceed the amount of the long service payment payable to the member.

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

The following table shows the reconciliation of movement in benefits and forfeitures payable for the year ended 31 December 2019 and 2018:

	2019 HK\$	2018 HK\$
Balance as at 1 January	224,540,174	236,250,405
Charged to statement of changes in net assets available for benefits	3,961,060,843	3,660,683,399
Cash outflow	(3,886,216,638)	(3,672,393,630)
Balance as at 31 December	<u>299,384,379</u>	<u>224,540,174</u>

**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 the 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, Asian Equity Fund, China and Hong Kong Equity Fund and European Equity Fund are to provide members with long term capital growth appreciation by investing indirectly in different equity markets.

## **BCT (MPF) PRO CHOICE**

### **NOTES TO THE FINANCIAL STATEMENTS**

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Flexi Mixed Asset 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.



## **BCT (MPF) PRO CHOICE**

### **NOTES TO THE FINANCIAL STATEMENTS**

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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.

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

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 2019</u> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
BCT Pooled Investment Fund Series (details refer to the table below)	2,825,765	99.67	Towers Watson MPF Benchmark Composition - Equity content 20% - 40%	5%	148,105
Total Investments	2,825,765	99.67			148,105
<u>As at 31 December 2018</u> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
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

E30 Mixed Asset Fund invests in the following funds of BCT Pooled Investment Fund Series

	2019		Commenced operation on 26 April 2018	
	Fair value (HK\$'000)	% of net assets	Fair value (HK\$'000)	% of net assets
Dynamic Asian Equity Fund	89,302	3.15	80,394	2.96
Dynamic China & Hong Kong Equity Fund	175,595	6.19	155,102	5.71
Dynamic European Equity Fund	123,098	4.34	101,873	3.75
Dynamic Global Emerging Markets Equity Fund	68,521	2.42	67,226	2.48
Dynamic Global Bond Fund	1,583,631	55.86	1,573,776	57.95
Smart Asian Equity Fund	21,139	0.75	13,767	0.51
Smart China & Hong Kong Equity Fund	42,477	1.50	36,949	1.36
Smart European Equity Fund	45,697	1.61	37,907	1.40
Smart Global Bond Fund	396,357	13.98	377,274	13.89
Smart Japanese Equity Fund	111,211	3.92	107,641	3.96
Smart North American Equity Fund	168,737	5.95	156,281	5.76

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

	% of net assets of underlying APIF	
	2019	2018
Listed equities	29%	27%
Bonds	69%	70%
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 APIF	
	2019	2018
Hong Kong	31%	30%
Japan	13%	14%
Asia Pacific ex Japan ex Hong Kong	7%	8%
North America	20%	20%
Europe	22%	20%
Other	5%	5%
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 166.

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### 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)
<b>As at 31 December 2019</b> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
BCT Pooled Investment Fund Series (details refer to the table below)	3,268,484	99.73	Towers Watson MPF Benchmark Composition - Equity content 40% - 60%	5%	172,649
Total investments	3,268,484	99.73			172,649
<b>As at 31 December 2018</b> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
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
Total investments	3,012,053	99.84			150,290

E50 Mixed Asset Fund invests in the following funds of BCT Pooled Investment Fund Series

	2019		Commenced operation on 26 April 2018	
	Fair value (HK\$'000)	% of net assets	Fair value (HK\$'000)	% of net assets
Dynamic Asian Equity Fund	168,033	5.13	145,125	4.81
Dynamic China & Hong Kong Equity Fund	348,013	10.63	307,075	10.18
Dynamic European Equity Fund	236,698	7.22	195,064	6.47
Dynamic Global Emerging Markets Equity Fund	130,864	3.99	119,905	3.97
Dynamic Global Bond Fund	1,308,380	39.93	1,261,269	41.81
Smart Asian Equity Fund	40,094	1.22	27,685	0.92
Smart China & Hong Kong Equity Fund	84,582	2.58	72,832	2.41
Smart European Equity Fund	88,950	2.71	74,101	2.46
Smart Global Bond Fund	326,129	9.95	319,940	10.60
Smart Japanese Equity Fund	210,900	6.43	189,820	6.29
Smart North American Equity Fund	325,841	9.94	299,237	9.92

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

	% of net assets of underlying APIF	
	2019	2018
Listed equities	49%	46%
Bonds	49%	51%
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 APIF	
	2019	2018
Hong Kong	31%	32%
Japan	13%	13%
Asia Pacific ex Japan ex Hong Kong	7%	7%
North America	20%	20%
Europe	22%	20%
Other	5%	5%
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 166.

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### 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)
<b>As at 31 December 2019</b>					
(HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
BCT Pooled Investment Fund Series (details refer to the table below)	5,765,195	99.91	Towers Watson MPF Benchmark Composition - Equity content 60% - 80%	5%	306,878
Total investments	5,765,195	99.91			306,878
<b>As at 31 December 2018</b>					
(HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
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
Total investments	5,278,847	99.99			271,760

E70 Mixed Asset Fund invests in the following funds of BCT Pooled Investment Fund Series

	2019		Commenced operation on 26 April 2018	
	Fair value (HK\$'000)	% of net assets	Fair value (HK\$'000)	% of net assets
Dynamic Asian Equity Fund	414,358	7.18	351,932	6.67
Dynamic China & Hong Kong Equity Fund	868,846	15.06	766,281	14.51
Dynamic European Equity Fund	583,078	10.10	490,946	9.30
Dynamic Global Emerging Markets Equity Fund	318,257	5.52	283,768	5.37
Dynamic Global Bond Fund	1,377,949	23.88	1,351,724	25.61
Smart Asian Equity Fund	103,196	1.79	92,071	1.74
Smart China & Hong Kong Equity Fund	215,528	3.74	213,110	4.04
Smart European Equity Fund	220,984	3.83	183,761	3.48
Smart Global Bond Fund	339,559	5.88	344,865	6.53
Smart Japanese Equity Fund	516,650	8.95	462,859	8.77
Smart North American Equity Fund	806,790	13.98	737,530	13.97

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

	% of net assets of underlying APIF	
	2019	2018
Listed equities	69%	66%
Bonds	30%	31%
Cash and other net assets	1%	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 APIF	
	2019	2018
Hong Kong	32%	32%
Japan	13%	13%
Asia Pacific ex Japan ex Hong Kong	7%	7%
North America	20%	20%
Europe	22%	20%
Other	5%	5%
Total investments	99%	97%
Cash and other net assets	1%	3%
Net assets attributable to unitholders	100%	100%

Refer the net asset value of these underlying APIFs to page 166.

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### 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 2019</u>					
(HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
BCT Pooled Investment Fund Series (details refer to the table below)	1,553,852	99.14	FTSE World Government Bond Index (35% HKD Hedge)	5%	61,722
Total investments	1,553,852	99.14			61,722
<u>As at 31 December 2018</u>					
(HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
BCT Pooled Investment Fund Series (details refer to the table below)	1,212,231	99.36	FTSE World Government Bond Index (35% HKD Hedge)	5%	32,651
Total investments	1,212,231	99.36			32,651

### Global Bond Fund invests in the following funds of BCT Pooled Investment Fund Series

	2019		Commenced operation on 26 April 2018	
	Fair value (HK\$'000)	% of net assets	Fair value (HK\$'000)	% of net assets
Dynamic Global Bond Fund	1,243,778	79.36	969,558	79.47
Smart Global Bond Fund	310,074	19.78	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	
	2019	2018
Bonds	98%	96%
Cash and other net assets	2%	4%
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	
	2019	2018
Hong Kong	3%	2%
Japan	9%	8%
Asia Pacific ex Japan ex Hong Kong	3%	3%
North America	40%	39%
Europe	34%	38%
Other	9%	6%
Total investments	98%	96%
Cash and other net assets	2%	4%
Net assets attributable to unitholders	100%	100%

Refer the net asset value of these underlying APIFs to page 166.

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### 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)
<b>As at 31 December 2019</b>					
(HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
BCT Pooled Investment Fund Series (details refer to the table below)	3,219,350	99.53	FTSE MPF All World Hedged TR	5%	165,488
Total investments	3,219,350	99.53			165,488
<b>As at 31 December 2018</b>					
(HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
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

Global Equity Fund invests in the following funds of BCT Pooled Investment Fund Series

	2019		Commenced operation on 26 April 2018	
	Fair value (HK\$'000)	% of net assets	Fair value (HK\$'000)	% of net assets
Dynamic Asian Equity Fund	200,660	6.20	170,040	6.72
Dynamic European Equity Fund	740,704	22.90	560,541	22.15
Dynamic Global Emerging Markets Equity Fund	251,712	7.78	191,637	7.57
Smart Japanese Equity Fund	285,048	8.81	227,609	8.99
Smart North American Equity Fund	1,741,226	53.84	1,376,305	54.38

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	
	2019	2018
Listed equities	98%	98%
Cash and other net assets	2%	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	
	2019	2018
Hong Kong	5%	5%
Japan	9%	9%
Asia Pacific ex Japan ex Hong Kong	5%	5%
North America	52%	54%
Europe	23%	22%
Other	4%	3%
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 166.

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**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)
<b><u>As at 31 December 2019</u></b>					
<b>(HK\$'000)</b>					
<b>Approved Pooled Investment Fund</b>					
BCT Pooled Investment Fund Series (details refer to the table below)	3,819,567	99.97	FTSE MPF Asia Pacific excluding Japan, Australia and New Zealand TR	5%	186,771
Total investments	3,819,567	99.97			186,771

**As at 31 December 2018**

**(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 TR	5%	149,387
Total investments	3,287,792	100.14			149,387

**Asian Equity Fund invests in the following funds of BCT Pooled Investment Fund Series**

	2019		Commenced operation on 26 April 2018	
	Fair value (HK\$'000)	% of net assets	Fair value (HK\$'000)	% of net assets
Dynamic Asian Equity Fund	3,057,232	80.02	2,631,038	80.14
Smart Asian Equity Fund	762,335	19.95	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:

	% of net assets of underlying APIFs	
	2019	2018
Listed equities	98%	98%
Cash and other net assets	2%	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	
	2019	2018
Hong Kong	45%	47%
Asia Pacific ex Japan ex Hong Kong	53%	51%
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 166.

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### 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)
<b>As at 31 December 2019</b> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
BCT Pooled Investment Fund Series (details refer to the table below)	8,596,988	99.84	FTSE MPF Hong Kong TR	5%	421,259
Total investments	8,596,988	99.84			421,259

<b>As at 31 December 2018</b> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
BCT Pooled Investment Fund Series (details refer to the table below)	7,613,416	99.92	FTSE MPF Hong Kong TR	5%	368,795
Total investments	7,613,416	99.92			368,795

#### China and Hong Kong Equity Fund invests in the following funds of BCT Pooled Investment Fund Series

	2019		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	6,881,865	79.92	6,064,893	79.60
Smart China & Hong Kong Equity Fund	1,715,123	19.92	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:

	% of net assets of underlying APIFs	
	2019	2018
Listed equities	99%	97%
Cash and other net assets	1%	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	
	2019	2018
China	70%	67%
Hong Kong	20%	23%
Other	9%	7%
Total investments	99%	97%
Cash and other net assets	1%	3%
Net assets attributable to unitholders	100%	100%

Refer the net asset value of these underlying APIFs to page 166.



# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### 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 2019</u> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
BCT Pooled Investment Fund Series (details refer to the table below)	644,720	99.23	FTSE MPF Europe Hedged TR	5%	35,637
Total investments	644,720	99.23			35,637

### As at 31 December 2018

(HK\$'000)

### **Approved Pooled Investment Fund**

BCT Pooled Investment Fund Series (details refer to the table below)	513,892	98.34	FTSE MPF Europe Hedged TR	5%	27,605
Total investments	513,892	98.34			27,605

European Equity Fund invests in the following funds of BCT Pooled Investment Fund Series

	2019		Commenced operation on 26 April 2018	
	Fair value (HK\$'000)	% of net assets	Fair value (HK\$'000)	% of net assets
Dynamic European Equity Fund	467,257	71.92	370,388	70.88
Smart European Equity Fund	177,463	27.31	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	
	2019	2018
Listed equities	97%	97%
Cash and other net assets	3%	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	
	2019	2018
Europe	96%	97%
Other	1%	-
Total investments	97%	97%
Cash and other net assets	3%	3%
Net assets attributable to unitholders	100%	100%

Refer the net asset value of these underlying APIFs to page 166.

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### 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)
<b>As at 31 December 2019</b> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
BCT Pooled Investment Fund Series (details refer to the table below)	746,983	99.71	Towers Watson MPF Benchmark Composition – Equity content Above 80%	5%	39,772
Total investments	746,983	99.71			39,772
<b>As at 31 December 2018</b> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
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

E90 Mixed Asset Fund invests in the following funds of BCT Pooled Investment Fund Series

	2019		Commenced operation on 26 April 2018	
	Fair value (HK\$'000)	% of net assets	Fair value (HK\$'000)	% of net assets
Dynamic Asian Equity Fund	71,787	9.58	60,012	9.59
Dynamic China & Hong Kong Equity Fund	140,076	18.70	114,263	18.27
Dynamic European Equity Fund	97,701	13.04	76,781	12.27
Dynamic Global Emerging Markets Equity Fund	52,243	6.97	43,601	6.97
Dynamic Global Bond Fund	58,069	7.75	55,397	8.85
Smart Asian Equity Fund	17,360	2.32	12,090	1.93
Smart China & Hong Kong Equity Fund	34,516	4.61	31,557	5.04
Smart European Equity Fund	36,697	4.90	30,178	4.82
Smart Global Bond Fund	14,514	1.94	11,143	1.78
Smart Japanese Equity Fund	89,216	11.91	74,966	11.98
Smart North American Equity Fund	134,804	17.99	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	
	2019	2018
Listed equities	88%	87%
Bonds	10%	10%
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	
	2019	2018
Hong Kong	32%	30%
Japan	13%	13%
Asia Pacific ex Japan ex Hong Kong	7%	8%
North America	20%	20%
Europe	21%	21%
Other	5%	5%
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 166.

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**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)
<b><u>As at 31 December 2019</u></b>					
<b>(HK\$'000)</b>					
<b>Approved Pooled Investment Fund</b>					
Fidelity Global Investment Fund – Fidelity SaveEasy 2020 Fund	447,603	99.84	FTSE AW North America Index, FTSE AW Asia Pacific ex Japan ex Hong Kong, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE AW Japan Index, FTSE MPF World Government Bond Index, hedge to HK\$ 1 Month HIBRO	5%	23,641
Total investments	<u>447,603</u>	<u>99.84</u>			<u>23,641</u>

**As at 31 December 2018**

**(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, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE AW Japan Index, FTSE MPF World Government Bond Index, hedge to HK\$	5%	19,830
Total investments	<u>379,512</u>	<u>99.76</u>			<u>19,830</u>

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:

	<b><u>% of net assets of underlying APIF</u></b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>
Listed equities	45%	48%
Bonds	54%	51%
Cash and other net assets	1%	1%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

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

	<b><u>% of net assets of underlying APIF</u></b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>
Hong Kong	33%	34%
Japan	13%	13%
Asia Pacific ex Japan ex Hong Kong	13%	12%
North America	20%	21%
Europe	20%	19%
Total investments	<u>99%</u>	<u>99%</u>
Cash and other net assets	<u>1%</u>	<u>1%</u>
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

Refer the net asset value of the underlying APIF to page 166.

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### 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 2019</u> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
Fidelity Global Investment Fund – Fidelity SaveEasy 2025 Fund	491,347	99.72	FTSE AW North America Index, FTSE AW Asia Pacific ex Japan ex Hong Kong, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE AW Japan Index, FTSE MPF World Government Bond Index, hedge to HK\$	5%	25,069
<b>Total investments</b>	<b>491,347</b>	<b>99.72</b>			<b>25,069</b>

As at 31 December 2018  
(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, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE AW Japan Index, FTSE MPF World Government Bond Index, hedge to HK\$	5%	19,491
<b>Total investments</b>	<b>380,114</b>	<b>99.91</b>			<b>19,491</b>

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>2019</u>	<u>2018</u>
Listed equities	88%	88%
Bonds	12%	12%
Cash and other net assets	-	-
<b>Net assets attributable to unitholders</b>	<b>100%</b>	<b>100%</b>

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

	<u>% of net assets of underlying APIF</u>	
	<u>2019</u>	<u>2018</u>
Hong Kong	34%	35%
Japan	13%	13%
Asia Pacific ex Japan ex Hong Kong	13%	13%
North America	20%	20%
Europe	20%	19%
<b>Total investments</b>	<b>100%</b>	<b>100%</b>
<b>Cash and other net assets</b>	<b>-</b>	<b>-</b>
<b>Net assets attributable to unitholders</b>	<b>100%</b>	<b>100%</b>

Refer the net asset value of the underlying APIF to page 166.

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### SaveEasy 2030 Fund

			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 2019 (HK\$'000)	Fair value	% of net assets			
<b>Approved Pooled Investment Fund</b>					
Fidelity Global Investment Fund – Fidelity SaveEasy 2030 Fund	581,396	99.45	FTSE AW North America Index, FTSE AW Asia Pacific ex Japan ex Hong Kong, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE AW Japan Index, FTSE MPF World Government Bond Index, hedge to HK\$	5%	29,377
Total investments	581,396	99.45			29,377

### As at 31 December 2018

(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, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE AW Japan Index, FTSE MPF World Government Bond Index, hedge to HK\$	5%	22,543
Total investments	439,639	99.75			22,543

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:

	% of net assets of underlying APIF	
	2019	2018
Listed equities	96%	94%
Bonds	4%	6%
Cash and other net assets	-	-
Net assets attributable to unitholders	100%	100%

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

	% of net assets of underlying APIF	
	2019	2018
Hong Kong	34%	35%
Japan	13%	13%
Asia Pacific ex Japan ex Hong Kong	13%	13%
North America	20%	20%
Europe	20%	19%
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 166.

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### 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)
<u>As at 31 December 2019</u> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
Fidelity Global Investment Fund – Fidelity SaveEasy 2035 Fund	543,163	99.88	FTSE AW North America Index, FTSE AW Asia Pacific ex Japan ex Hong Kong, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE AW Japan Index, FTSE MPF World Government Bond Index, hedge to HK\$	5%	27,293
Total investments	<u>543,163</u>	<u>99.88</u>			<u>27,293</u>

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, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE AW Japan Index, FTSE MPF World Government Bond Index, hedge to HK\$	5%	20,900
Total investments	<u>415,339</u>	<u>99.89</u>			<u>20,900</u>

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>2019</u>	<u>2018</u>
Listed equities	99%	98%
Bonds	1%	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>2019</u>	<u>2018</u>
Hong Kong	34%	35%
Japan	13%	13%
Asia Pacific ex Japan ex Hong Kong	13%	13%
North America	20%	20%
Europe	20%	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 166.

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### 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)
<b>As at 31 December 2019</b>					
(HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
Fidelity Global Investment Fund – Fidelity SaveEasy 2040 Fund	1,295,307	99.72	FTSE AW North America Index, FTSE AW Asia Pacific ex Japan ex Hong Kong, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE AW Japan Index, FTSE MPF World Government Bond Index, hedge to HK\$	5%	64,729
<b>Total investments</b>	<b>1,295,307</b>	<b>99.72</b>			<b>64,729</b>

### As at 31 December 2018

(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, FTSE AW Europe Index, FTSE MPF Hong Kong, FTSE AW Japan Index, FTSE MPF World Government Bond Index, hedge to HK\$	5%	46,913
<b>Total investments</b>	<b>939,598</b>	<b>99.75</b>			<b>46,913</b>

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:

	% of net assets of underlying APIF	
	2019	2018
Listed equities	99%	99%
Bonds	1%	1%
Cash and other net assets	-	-
<b>Net assets attributable to unitholders</b>	<b>100%</b>	<b>100%</b>

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

	% of net assets of underlying APIF	
	2019	2018
Hong Kong	34%	35%
Japan	13%	13%
Asia Pacific ex Japan ex Hong Kong	13%	13%
North America	20%	20%
Europe	20%	19%
<b>Total investments</b>	<b>100%</b>	<b>100%</b>
Cash and other net assets	-	-
<b>Net assets attributable to unitholders</b>	<b>100%</b>	<b>100%</b>

Refer the net asset value of the underlying APIF to page 166.

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### 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 2019</u> (HK\$'000)					
<b>Index Tracking Collective Investment Scheme ("ITCIS")</b>					
Tracker Fund of Hong Kong	2,746,502	99.87	Hang Seng Index	5%	137,271
Total investments	<u>2,746,502</u>	<u>99.87</u>			<u>137,271</u>

<u>As at 31 December 2018</u> (HK\$'000)					
<b>Index Tracking Collective Investment Scheme ("ITCIS")</b>					
Tracker Fund of Hong Kong	2,226,477	99.94	Hang Seng Index	5%	111,508
Total investments	<u>2,226,477</u>	<u>99.94</u>			<u>111,508</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>2019</u>	<u>2018</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>2019</u>	<u>2018</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 166.



# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### 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 2019</u> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
JPMorgan SAR HK\$ Bond Fund (Class B)	1,300,224	99.40	Markit iBoxx Asian Local Bond Index Hong Kong	5%	64,055
Total investments	<u>1,300,224</u>	<u>99.40</u>			<u>64,055</u>
<u>As at 31 December 2018</u> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
JPMorgan SAR HK\$ Bond Fund (Class B)	1,027,325	99.36	Markit iBoxx Asian Local Bond Index Hong Kong	5%	51,658
Total investments	<u>1,027,325</u>	<u>99.36</u>			<u>51,658</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>2019</u>	<u>2018</u>
Bonds	96%	99%
Cash and other net assets	4%	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>2019</u>	<u>2018</u>
Hong Kong	49%	51%
Asia Pacific ex Japan ex Hong Kong	44%	44%
North America	-	2%
Europe	-	1%
Others	3%	1%
Total investments	<u>96%</u>	<u>99%</u>
Cash and other net assets	4%	1%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

Refer the net asset value of the underlying APIF to page 166.

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### 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 2019</u> (HK\$'000)					
<b>Index Tracking Collective Investment Schemes ("ITCISs")</b>					
Total investments	1,159,026	98.87	Hang Seng Index, S&P 500 Index (EOD), MSCI Japan, FTSE Developed Europe Index, MSCI Pacific ex Japan	5%	58,411

As at 31 December 2018  
(HK\$'000)

### **Index Tracking Collective Investment Schemes ("ITCISs")**

Total investments	643,380	99.73	Hang Seng Index, S&P 500 Index (EOD), MSCI Japan, FTSE Developed Europe Index, MSCI Pacific ex Japan	5%	31,882
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World Equity Fund invests in iShares MSCI Japan ETF, iShares MSCI Pacific Ex Japan ETF, SPDR S&P 500 ETF Trust, Tracker Fund of Hong Kong and Vanguard FTSE Developed Europe UCITS ETF (the "underlying ITCISs").

	2019		2018	
	Fair value (HK\$'000)	% of net assets	Fair value (HK\$'000)	% of net assets
iShares MSCI Japan ETF	92,375	7.88	50,720	7.86
iShares MSCI Pacific Ex Japan ETF	116,001	9.90	63,866	9.90
SPDR S&P 500 ETF Trust	592,130	50.50	325,673	50.48
Tracker Fund of Hong Kong	58,906	5.03	34,126	5.29
Vanguard FTSE Developed Europe UCITS ETF	299,614	25.56	168,995	26.20

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

	% of net assets of underlying ITCISs	
	2019	2018
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	
	2019	2018
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 166.

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### 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)
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As at 31 December 2019

(HK\$'000)

#### Index Tracking Collective Investment Schemes ("ITCISs")

Total investments	1,046,167	99.69	FTSE Greater China HKD Index, Hang Seng Index	5%	52,221
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As at 31 December 2018

(HK\$'000)

#### Index Tracking Collective Investment Schemes ("ITCISs")

Total investments	822,951	99.91	FTSE Greater China HKD Index, Hang Seng Index	5%	43,012
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Greater China Equity Fund invests in SPDR FTSE Greater China ETF and Tracker Fund of Hong Kong (the "underlying ITCISs").

	2019		2018	
	Fair value (HK\$'000)	% of net assets	Fair value (HK\$'000)	% of net assets
SPDR FTSE Greater China ETF	836,069	79.67	656,926	79.75
Tracker Fund of Hong Kong	210,098	20.02	166,025	20.16

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

	% of net assets of underlying ITCISs	
	2019	2018
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	
	2019	2018
Hong Kong	27%	29%
China	51%	51%
Taiwan	22%	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 166.

# BCT (MPF) PRO CHOICE

## 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 2019</u> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
Invesco Pooled Investment Fund – RMB Bond Fund (Class B)	630,920	99.65	Markit iBoxx ALBI China Offshore Non-Government	5%	27,536
Total investments	<u>630,920</u>	<u>99.65</u>			<u>27,536</u>

<u>As at 31 December 2018</u> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
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>

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>2019</u>	<u>2018</u>
Bonds	99%	93%
Cash and other net assets	1%	7%
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>2019</u>	<u>2018</u>
Asia Pacific ex Japan ex Hong Kong	99%	93%
North America	-	-
Total investments	99%	93%
Cash and other net assets	1%	7%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

Refer the net asset value of the underlying APIF to page 166.

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### 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 2019</u> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
Invesco Pooled Investment Fund – Core Accumulation Fund (Class A)	936,250	99.17	FTSE MPF All-World Index (Unhedged Total Return), FTSE MPF World Government Bond Index (HKD Hedged Total Return), MPFA Prescribed Savings Rate	5%	46,814
Total investments	936,250	99.17			46,814
<u>As at 31 December 2018</u> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
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	558,924	99.38			27,121

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>2019</u>	<u>2018</u>
Listed equities	62%	58%
Bonds	36%	39%
Cash and other net assets	2%	3%
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>2019</u>	<u>2018</u>
Hong Kong	2%	2%
Japan	7%	9%
Asia Pacific ex Japan ex Hong Kong	8%	8%
North America	51%	45%
Europe	27%	30%
Other	3%	3%
Total investments	98%	97%
Cash and other net assets	2%	3%
Net assets attributable to unitholders	100%	100%

Refer the net asset value of the underlying APIF to page 166.

**BCT (MPF) PRO CHOICE**

**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)
<b><u>As at 31 December 2019</u></b> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
Invesco Pooled Investment Fund - Age 65 Plus Fund (Class A)	385,819	97.95	FTSE MPF All-World Index (Unhedged Total Return), FTSE MPF World Government Bond Index (HKD Hedged Total Return), MPFA Prescribed Savings Rate	5%	18,788
Total investments	<u>385,819</u>	<u>97.95</u>			<u>18,788</u>

<b><u>As at 31 December 2018</u></b> (HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
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>

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:

	<b><u>% of net assets of underlying APIF</u></b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>
Listed equities	19%	19%
Bonds	78%	76%
Cash and other net assets	3%	5%
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

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

	<b><u>% of net assets of underlying APIF</u></b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>
Hong Kong	1%	1%
Japan	5%	9%
Asia Pacific ex Japan ex Hong Kong	8%	10%
North America	41%	32%
Europe	37%	39%
Other	5%	4%
Total investments	<u>97%</u>	<u>95%</u>
Cash and other net assets	<u>3%</u>	<u>5%</u>
Net assets attributable to unitholders	<u>100%</u>	<u>100%</u>

Refer the net asset value of the underlying APIF to page 166.

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### Flexi 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 2019</u>					
(HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
Allianz Global Investors Choice Fund – Allianz Choice Flexi Balanced Fund (Class A)	1,236,613	99.89	FTSE All World	5%	61,831
Total investments	<u>1,236,613</u>	<u>99.89</u>			<u>61,831</u>
<u>As at 31 December 2018</u>					
(HK\$'000)					
<b>Approved Pooled Investment Fund</b>					
Allianz Global Investors Choice Fund – Allianz Choice Flexi Balanced 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>

The objective of the Flexi Mixed Asset 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 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)

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 2019, if the total investments of Flexi Mixed Asset Fund increased/decreased by 5%, with all other variables held constant, the net asset value of Flexi Mixed Asset Fund would have been increased/decreased by HK\$61,831,000 (2018: HK\$56,161,000).

Flexi Mixed Asset Fund invests in Allianz Global Investors Choice Fund – Allianz Choice Flexi Balanced 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>2019</u>	<u>2018</u>
Listed equities	20%	19%
Bonds	75%	78%
Cash and other net assets	5%	3%
	<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>2019</u>	<u>2018</u>
Hong Kong	8%	14%
Japan	2%	1%
Asia Pacific ex Japan ex Hong Kong	2%	2%
North America	76%	79%
Europe	6%	1%
Other	1%	-
	<u>95%</u>	<u>97%</u>
Total investments	95%	97%
Cash and other net assets	5%	3%
	<u>100%</u>	<u>100%</u>

Refer the net asset value of the underlying APIF to page 166.

### Notes

- Relevant index for the investments represents the relevant market index which has similar investment portfolio composition as the underlying investments.
- The analysis is based on the assumption that the relevant index increased/decreased by 5% (2018: 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.
- 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)

- <sup>4</sup> The net asset value of the underlying APIFs and ITCISs invested by the constituent funds as at 31 December 2019 and 2018 are as follow:

	2019 HK\$ million	2018 HK\$ million
Allianz Global Investors Choice Fund – Allianz Choice Flexi Balanced Fund	2,291	2,074
Invesco Pooled Investment Fund – Age 65 Plus Fund	1,039	663
Invesco Pooled Investment Fund – Core Accumulation Fund	2,170	1,282
Invesco Pooled Investment Fund – RMB Bond Fund	1,015	903
Fidelity Global Investment Fund – Fidelity SaveEasy 2020 Fund	873	736
Fidelity Global Investment Fund – Fidelity SaveEasy 2025 Fund	895	678
Fidelity Global Investment Fund – Fidelity SaveEasy 2030 Fund	1,045	802
Fidelity Global Investment Fund – Fidelity SaveEasy 2035 Fund	1,009	775
Fidelity Global Investment Fund – Fidelity SaveEasy 2040 Fund	2,568	1,963
JPMorgan SAR HK\$ Bond Fund (Class B)	1,300	1,554
Tracker Fund of Hong Kong	89,671	82,171
SPDR S&P 500 ETF Trust	2,393,543	1,904,681
iShares MSCI Pacific Ex Japan ETF	17,524	16,206
iShares MSCI Japan ETF	110,070	119,370
Vanguard FTSE Developed Europe UCITS ETF	18,138	12,903
SPDR FTSE Greater China ETF	849	653
Dynamic Asian Equity Fund (Class A)	4,001	3,439
Dynamic China & Hong Kong Equity Fund (Class A)	8,414	7,408
Dynamic European Equity Fund (Class A)	2,249	1,796
Dynamic Global Emerging Markets Equity Fund (Class A)	822	706
Dynamic Global Bond Fund (Class A)	5,572	5,212
Smart Asian Equity Fund (Class A)	944	802
Smart China & Hong Kong Equity Fund (Class A)	2,092	1,903
Smart European Equity Fund (Class A)	570	469
Smart Global Bond Fund (Class A)	1,387	1,296
Smart Japanese Equity Fund (Class A)	1,213	1,063
Smart North American Equity Fund (Class A)	3,177	2,683

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 2019 and 2018 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 2019 and 2018 are stated in the respective constituent funds' statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS**

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**(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, 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. 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.

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.

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, Asian Equity Fund, Flexi Mixed Asset 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 and Age 65 Plus Fund as at 31 December 2019 and 2018:

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

	As at 31 December 2019		As at 31 December 2018	
	Fair value HK\$	% of net assets	Fair value HK\$	% of net assets
E30 Mixed Asset Fund				
- Bank balances	<u>16,950,661</u>	<u>0.60</u>	<u>11,608,163</u>	<u>0.43</u>
E50 Mixed Asset Fund				
- Bank balances	<u>12,801,215</u>	<u>0.39</u>	<u>11,306,063</u>	<u>0.37</u>
E70 Mixed Asset Fund				
- Bank balances	<u>14,536,766</u>	<u>0.25</u>	<u>10,300,231</u>	<u>0.20</u>
Global Bond Fund				
- Bank balances	<u>7,388,081</u>	<u>0.47</u>	<u>9,254,684</u>	<u>0.76</u>
Global Equity Fund				
- Bank balances	<u>11,962,924</u>	<u>0.37</u>	<u>8,533,779</u>	<u>0.34</u>
Asian Equity Fund				
- Bank balances	<u>38,769</u>	<u>-</u>	<u>44,535</u>	<u>-</u>
Flexi Mixed Asset Fund				
- Bank balances	<u>1,238,480</u>	<u>0.10</u>	<u>1,123,993</u>	<u>0.10</u>
China and Hong Kong Equity Fund				
- Bank balances	<u>55,444</u>	<u>-</u>	<u>61,169</u>	<u>-</u>
European Equity Fund				
- Bank balances	<u>5,184,359</u>	<u>0.80</u>	<u>8,170,729</u>	<u>1.56</u>
E90 Mixed Asset Fund				
- Bank balances	<u>2,155,904</u>	<u>0.29</u>	<u>2,180,344</u>	<u>0.35</u>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

	As at 31 December 2019		As at 31 December 2018	
	Fair value HK\$	% of net assets	Fair value HK\$	% of net assets
SaveEasy 2020 Fund				
- Bank balances	1,712,040	0.38	595,932	0.16
SaveEasy 2025 Fund				
- Bank balances	1,150,595	0.23	459,693	0.12
SaveEasy 2030 Fund				
- Bank balances	1,091,427	0.19	525,021	0.12
SaveEasy 2035 Fund				
- Bank balances	841,589	0.15	421,547	0.10
SaveEasy 2040 Fund				
- Bank balances	1,952,149	0.15	1,106,803	0.12
Hang Seng Index Tracking Fund				
- Bank balances	14,283,440	0.52	14,668,563	0.66
Hong Kong Dollar Bond Fund				
- Bank balances	3,791,919	0.29	2,193,075	0.21
World Equity Fund				
- Bank balances	12,221,111	1.04	2,910,424	0.45
Greater China Equity Fund				
- Bank balances	6,024,788	0.57	4,543,854	0.55
RMB Bond Fund				
- Bank balances	707,828	0.11	742,116	0.13
Core Accumulation Fund				
- Bank balances	940,862	0.10	556,131	0.10
Age 65 Plus Fund				
- Bank balances	516,862	0.13	230,823	0.10

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

The table below summarised the MPF Conservative Fund's 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 2019**  
(HK\$'000)

	Up to 3 months	3-12 months	Over 12 months	Non-interest bearing	Total
Bank balances	198,181	-	-	-	198,181
Financial assets at fair value through profit or loss	6,461,005	1,505,563	-	-	7,966,568
Other assets	-	-	-	96,497	96,497
<b>Total assets</b>	<b>6,659,186</b>	<b>1,505,563</b>	<b>-</b>	<b>96,497</b>	<b>8,261,246</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(86,308)</b>	<b>(86,308)</b>
<b>Total interest sensitivity gap</b>	<b>6,659,186</b>	<b>1,505,563</b>	<b>-</b>		

**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
<b>Total assets</b>	<b>6,143,956</b>	<b>1,346,944</b>	<b>-</b>	<b>76,890</b>	<b>7,567,790</b>
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(52,482)</b>	<b>(52,482)</b>
<b>Total interest sensitivity gap</b>	<b>6,143,956</b>	<b>1,346,944</b>	<b>-</b>		

At 31 December 2019, should interest rates have changed by 1% (2018: 1%) with all other variables remaining constant, the change in net assets attributable to members would be as follows:

	As at 31 December 2019		As at 31 December 2018	
	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%	81,647	± 1%	74,909

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

## **BCT (MPF) PRO CHOICE**

### **NOTES TO THE FINANCIAL STATEMENTS**

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(iii) **Currency risk**

At 31 December 2019 and 2018, 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. The constituent funds and their counterparty settled the forward foreign exchange contracts on a net basis except for World Equity Fund. Refer to Note 12 for details of outstanding currency forward contracts as at 31 December 2019 and 2018.

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 2019 and 2018.

**BCT (MPF) PRO CHOICE**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

**E30 Mixed Asset Fund**

At 31 December 2019

Original currencies

Hong Kong dollar  
equivalent (HK\$'000)

EUR                      GBP

Assets

Monetary assets

-                      -

Non-monetary assets

-                      -

Liabilities

Monetary liabilities

(83)                      (178)

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

±4                      ±9

Non-monetary

-                      -

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

-                      -

**BCT (MPF) PRO CHOICE**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

**E50 Mixed Asset Fund**

At 31 December 2019

Original currencies

Hong Kong dollar

equivalent (HK\$'000)

EUR

GBP

Assets

Monetary assets

-

-

Non-monetary assets

-

-

Liabilities

Monetary liabilities

(90)

(164)

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

±4

±8

Non-monetary

-

-

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

-

-



**BCT (MPF) PRO CHOICE**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**E70 Mixed Asset Fund**

At 31 December 2019

Original currencies

Hong Kong dollar

equivalent (HK\$'000)

EUR

GBP

Assets

Monetary assets

-

-

Non-monetary assets

-

-

Liabilities

Monetary liabilities

(141)

(204)

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

±7

±10

Non-monetary

-

-

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

-

-

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

---

**Global Bond Fund**

At 31 December 2019

Original currencies

Hong Kong dollar

equivalent (HK\$'000)

EUR

GBP

Assets

Monetary assets

-

-

Non-monetary assets

-

-

Liabilities

Monetary liabilities

(55)

(122)

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

±3

±6

Non-monetary

-

-

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

-

**BCT (MPF) PRO CHOICE**  
**NOTES TO THE FINANCIAL STATEMENTS**

---

**Global Equity Fund**

At 31 December 2019

Original currencies

Hong Kong dollar  
equivalent (HK\$'000)

EUR

GBP

Assets

Monetary assets

-

-

Non-monetary assets

-

-

Liabilities

Monetary liabilities

(64)

(259)

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

±3

±13

Non-monetary

-

-

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

-

-

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

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**European Equity Fund**

At 31 December 2019

Original currencies

Hong Kong dollar  
equivalent (HK\$'000)

EUR                      Other  
                                 currencies\*

Assets

Monetary assets

-                      -

Non-monetary assets

-                      -

Liabilities

Monetary liabilities

(42)                      (386)

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                      ±19

Non-monetary

-                      -

=====

At 31 December 2018

Original currencies

Hong Kong dollar  
equivalent (HK\$'000)

EUR                      Other  
                                 currencies\*

Assets

Monetary assets

17                      5

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

-                      -

=====

\*Other currencies include GBP and CHF (2018: GBP and CHF).

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**E90 Mixed Asset Fund**

The constituent fund was not exposed to significant currency risk as at 31 December 2019.

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	-	-

<u>                    </u>	<u>                    </u>
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**BCT (MPF) PRO CHOICE**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**RMB Bond Fund**

At 31 December 2019

Original currencies

Hong Kong dollar  
equivalent (HK\$'000)

CNY

**Assets**

Monetary assets

-

Non-monetary assets

-

**Liabilities**

Monetary liabilities

(1,306)

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

±65

Non-monetary

-

At 31 December 2018

Original currencies

Hong Kong dollar  
equivalent (HK\$'000)

CNY

**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

-

# BCT (MPF) PRO CHOICE

## NOTES TO THE FINANCIAL STATEMENTS

### World Equity Fund\*

At 31 December 2019

Original currencies

Hong Kong dollar  
equivalent (HK\$'000)

US\$

GBP

Assets

Monetary assets

(244,206)

(2,089)

Non-monetary assets

800,506

299,614

Liabilities

Monetary liabilities

1,901

(94,410)

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

±4,825

Non-monetary

±14,981

At 31 December 2018

Original currencies

Hong Kong dollar  
equivalent (HK\$'000)

US\$

GBP

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

*\*The notional value of forward foreign exchange contracts was used for the calculation of currency risk sensitivity analysis.*

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 2019, the MPF Conservative Fund, Asian Equity Fund, Flexi Mixed Asset Fund, China & Hong Kong 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, 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. As a result, these constituent funds are not subject to significant currency risk.

At 31 December 2018, the MPF Conservative Fund, Asian Equity Fund, Flexi Mixed Asset 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. 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 debt securities, 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 2019, 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 2019, the sub-custodian had a credit rating of P-1 (2018: P-1).

As at 31 December 2019 and 2018, 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>	
	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	96%	94%
P-2/A-2/F2	4%	6%
Total	<u>100%</u>	<u>100%</u>



**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

	<u>MPF Conservative Fund</u>	
	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Debt Securities and Certificates of Deposit</u>		
P-1/A-1+/F1+	100%	100%
Total	<u>100%</u>	<u>100%</u>
<u>Bank Balances and Fixed Deposits</u>		
P-1/A-1+/F1+	66%	66%
P-2/A-2/F2	34%	34%
Total	<u>100%</u>	<u>100%</u>
	<u>E30 Mixed Asset Fund</u>	
	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>
	<u>E50 Mixed Asset Fund</u>	
	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>
	<u>E70 Mixed Asset Fund</u>	
	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>
	<u>Global Bond Fund</u>	
	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

Global Equity Fund

	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

Asian Equity Fund

	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

Flexi Mixed Asset Fund

	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

China and Hong Kong Equity Fund

	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

European Equity Fund

	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

**BCT (MPF) PRO CHOICE**  
**NOTES TO THE FINANCIAL STATEMENTS**

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E90 Mixed Asset Fund

	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

SaveEasy 2020 Fund

	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

SaveEasy 2025 Fund

	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

SaveEasy 2030 Fund

	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

SaveEasy 2035 Fund

	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

SaveEasy 2040 Fund

	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

Hang Seng Index Tracking Fund

	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

Hong Kong Dollar Bond Fund

	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

World Equity Fund

	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

Greater China Equity Fund

	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	<u>100%</u>	<u>100%</u>

**BCT (MPF) PRO CHOICE**  
**NOTES TO THE FINANCIAL STATEMENTS**

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	<u>RMB Bond Fund</u>	
	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	100%	100%
	<u>          </u>	<u>          </u>
	<u>Core Accumulation Fund</u>	
	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	100%	100%
	<u>          </u>	<u>          </u>
	<u>Age 65 Plus Fund</u>	
	2019	2018
Portfolio by rating category (Moody's, Standard & Poor's and Fitch)		
Rating		
<u>Bank Balances</u>		
P-1/A-1+/F1+	100%	100%
	<u>          </u>	<u>          </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 2019 and 2018, 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.

**NOTES TO THE FINANCIAL STATEMENTS**

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**(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.

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

The Plan

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2019 (HK\$'000)				
<b>Liabilities:</b>				
Derivative financial instruments	1,792	2,072	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	147,386	-	-	-
Benefits and forfeitures payable	299,384	-	-	-
Amounts payable to derivative counterparties	24,900	-	-	-
Accruals and other payables	57,767	3,089	-	5,145
Total financial liabilities	531,229	5,161	-	5,145
	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
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

**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 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	6,065	520	-	768
Amounts payable on redemption	17,644	-	-	-
Amounts payable on funds switching	61,311	-	-	-
Total financial liabilities	<u>85,020</u>	<u>520</u>	<u>-</u>	<u>768</u>
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
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>



**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 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	3,173	187	-	385
Amounts payable to derivative counterparties	7,400	-	-	-
Amounts payable on redemption	4,303	-	-	-
Amounts payable on funds switching	4,354	-	-	-
Derivative financial instruments	262	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	23,351	-	-	-
Total financial liabilities	<u>42,843</u>	<u>187</u>	<u>-</u>	<u>385</u>
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
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>

**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 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	3,645	209	-	446
Amounts payable to derivative counterparties	4,400	-	-	-
Amounts payable on redemption	4,498	-	-	-
Amounts payable on funds switching	2,109	-	-	-
Derivative financial instruments	254	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	30,145	-	-	-
Total financial liabilities	<u>45,051</u>	<u>209</u>	<u>-</u>	<u>446</u>
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
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>

**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 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	6,401	367	-	839
Amounts payable to derivative counterparties	6,100	-	-	-
Amounts payable on redemption	6,904	-	-	-
Amounts payable on funds switching	2,350	-	-	-
Derivative financial instruments	346	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	44,409	-	-	-
Total financial liabilities	<u>66,510</u>	<u>367</u>	<u>-</u>	<u>839</u>
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
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>

**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 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	1,707	92	-	123
Amounts payable to derivative counterparties	2,100	-	-	-
Amounts payable on redemption	1,988	-	-	-
Amounts payable on funds switching	12,758	-	-	-
Derivative financial instruments	176	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	3,219	-	-	-
Total financial liabilities	<u>21,948</u>	<u>92</u>	<u>-</u>	<u>123</u>
	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
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	<u>12,651</u>	<u>22</u>	<u>-</u>	<u>117</u>

**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 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	3,559	181	-	267
Amounts payable to derivative counterparties	4,800	-	-	-
Amounts payable on redemption	4,066	-	-	-
Amounts payable on funds switching	7,267	-	-	-
Derivative financial instruments	323	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	13,389	-	-	-
Total financial liabilities	<u>33,404</u>	<u>181</u>	<u>-</u>	<u>267</u>
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
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	<u>20,926</u>	<u>39</u>	<u>-</u>	<u>277</u>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

Asian Equity Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	4,377	222	-	336
Amounts payable on redemption	6,365	-	-	-
Amounts payable on funds switching	8,051	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	3,278	-	-	-
Total financial liabilities	22,071	222	-	336
	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
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

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**Flexi Mixed Asset Fund**

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	838	74	-	90
Amounts payable on redemption	1,651	-	-	-
Amounts payable on funds switching	6,012	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial liabilities	8,501	74	-	90
	<hr/>	<hr/>	<hr/>	<hr/>
	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	767	17	-	97
Amounts payable on redemption	1,576	-	-	-
Amounts payable on funds switching	4,405	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial liabilities	6,748	17	-	97
	<hr/>	<hr/>	<hr/>	<hr/>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

China and Hong Kong Equity Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	9,333	512	-	810
Amounts payable on redemption	12,874	-	-	-
Amounts payable on funds switching	41,140	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	13,747	-	-	-
<b>Total financial liabilities</b>	<b>77,094</b>	<b>512</b>	<b>-</b>	<b>810</b>
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
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	-	-	-
<b>Total financial liabilities</b>	<b>37,242</b>	<b>112</b>	<b>-</b>	<b>866</b>



**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 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	754	40	-	48
Amounts payable to derivative counterparties	100	-	-	-
Amounts payable on redemption	1,956	-	-	-
Amounts payable on funds switching	6,000	-	-	-
Derivative financial instruments	428	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	560	-	-	-
Total financial liabilities	<u>9,798</u>	<u>40</u>	<u>-</u>	<u>48</u>
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
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	<u>8,934</u>	<u>12</u>	<u>-</u>	<u>53</u>

**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 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	828	45	-	55
Amounts payable on redemption	1,213	-	-	-
Amounts payable on funds switching	1,074	-	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	4,665	-	-	-
<b>Total financial liabilities</b>	<b>7,780</b>	<b>45</b>	<b>-</b>	<b>55</b>
	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
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	-	-	-
<b>Total financial liabilities</b>	<b>3,387</b>	<b>11</b>	<b>-</b>	<b>58</b>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

SaveEasy 2020 Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	227	28	-	32
Amounts payable on redemption	1,263	-	-	-
Amounts payable on funds switching	1,120	-	-	-
Total financial liabilities	2,610	28	-	32

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	292	8	-	32
Amounts payable on redemption	545	-	-	-
Amounts payable on funds switching	1,567	-	-	-
Total financial liabilities	2,404	8	-	32

SaveEasy 2025 Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	248	29	-	34
Amounts payable on redemption	788	-	-	-
Amounts payable on funds switching	1,274	-	-	-
Total financial liabilities	2,310	29	-	34

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	294	8	-	34
Amounts payable on redemption	252	-	-	-
Amounts payable on funds switching	465	-	-	-
Total financial liabilities	1,011	8	-	34

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

SaveEasy 2030 Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	290	33	-	40
Amounts payable on redemption	388	-	-	-
Amounts payable on funds switching	1,363	-	-	-
Total financial liabilities	2,041	33	-	40

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	341	9	-	40
Amounts payable on redemption	303	-	-	-
Amounts payable on funds switching	1,263	-	-	-
Total financial liabilities	1,907	9	-	40

SaveEasy 2035 Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	270	32	-	38
Amounts payable on redemption	744	-	-	-
Amounts payable on funds switching	984	-	-	-
Total financial liabilities	1,998	32	-	38

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
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

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

SaveEasy 2040 Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	645	69	-	87
Amounts payable on redemption	2,177	-	-	-
Amounts payable on funds switching	1,559	-	-	-
Total financial liabilities	<u>4,381</u>	<u>69</u>	<u>-</u>	<u>87</u>
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	727	14	-	83
Amounts payable on redemption	865	-	-	-
Amounts payable on funds switching	1,628	-	-	-
Total financial liabilities	<u>3,220</u>	<u>14</u>	<u>-</u>	<u>83</u>

Hang Seng Index Tracking Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	1,607	147	-	360
Amounts payable on redemption	5,518	-	-	-
Amounts payable on funds switching	38,764	-	-	-
Total financial liabilities	<u>45,889</u>	<u>147</u>	<u>-</u>	<u>360</u>
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
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	<u>34,926</u>	<u>25</u>	<u>-</u>	<u>325</u>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**Hong Kong Dollar Bond Fund**

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	1,960	71	-	94
Amounts payable on redemption	1,763	-	-	-
Amounts payable on funds switching	11,646	-	-	-
Total financial liabilities	<u>15,369</u>	<u>71</u>	<u>-</u>	<u>94</u>
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	1,612	12	-	80
Amounts payable on redemption	528	-	-	-
Amounts payable on funds switching	2,839	-	-	-
Total financial liabilities	<u>4,979</u>	<u>12</u>	<u>-</u>	<u>80</u>

**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 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	767	67	-	64
Amounts payable on redemption	1,502	-	-	-
Amounts payable on funds switching	3,904	-	-	-
Derivative financial instruments	3	766	-	-
Amounts payable on purchase of financial assets at fair value through profit or loss	10,622	-	-	-
<b>Total financial liabilities</b>	<b>16,798</b>	<b>833</b>	<b>-</b>	<b>64</b>
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
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	-	-	-
<b>Total financial liabilities</b>	<b>8,955</b>	<b>79</b>	<b>-</b>	<b>49</b>

**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 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	622	57	-	84
Amounts payable on redemption	1,331	-	-	-
Amounts payable on funds switching	6,139	-	-	-
<b>Total financial liabilities</b>	<b>8,092</b>	<b>57</b>	<b>-</b>	<b>84</b>
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
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	-	-	-
<b>Total financial liabilities</b>	<b>7,728</b>	<b>12</b>	<b>-</b>	<b>83</b>



**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**RMB Bond Fund**

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	575	40	-	58
Amounts payable on redemption	1,604	-	-	-
Amounts payable on funds switching	2,707	-	-	-
Derivative financial instruments	-	1,306	-	-
<b>Total financial liabilities</b>	<b>4,886</b>	<b>1,346</b>	<b>-</b>	<b>58</b>

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	609	10	-	60
Amounts payable on redemption	820	-	-	-
Amounts payable on funds switching	2,034	-	-	-
<b>Total financial liabilities</b>	<b>3,463</b>	<b>10</b>	<b>-</b>	<b>60</b>

**Core Accumulation Fund**

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	459	46	-	62
Amounts payable on redemption	1,739	-	-	-
Amounts payable on funds switching	5,560	-	-	-
<b>Total financial liabilities</b>	<b>7,758</b>	<b>46</b>	<b>-</b>	<b>62</b>

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	280	9	-	48
Amounts payable on redemption	452	-	-	-
Amounts payable on funds switching	3,133	-	-	-
<b>Total financial liabilities</b>	<b>3,865</b>	<b>9</b>	<b>-</b>	<b>48</b>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

Age 65 Plus Fund

	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2019 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	194	21	-	25
Amounts payable on redemption	563	-	-	-
Amounts payable on funds switching	4,585	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial liabilities	5,342	21	-	25
	<hr/>	<hr/>	<hr/>	<hr/>
	Less than 1 month	1-<3 months	3-6 months	Over 6 months
At 31 December 2018 (HK\$'000)				
<b>Liabilities:</b>				
Accruals and other payables	114	5	-	19
Amounts payable on redemption	143	-	-	-
Amounts payable on funds switching	1,744	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial liabilities	2,001	5	-	19
	<hr/>	<hr/>	<hr/>	<hr/>

**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 2019 (HK\$'000)			
MPF Conservative Fund	8,255,657	5,489	100
E30 Mixed Asset Fund	2,878,669	-	-
E50 Mixed Asset Fund	3,323,178	-	-
E70 Mixed Asset Fund	5,837,979	-	-
Global Bond Fund	1,589,460	-	-
Global Equity Fund	3,268,321	-	-
Asian Equity Fund	3,843,367	-	-
Flexi Mixed Asset Fund	1,246,625	-	-
China and Hong Kong Equity Fund	8,689,287	-	-
European Equity Fund	659,620	-	-
E90 Mixed Asset Fund	757,007	-	-
SaveEasy 2020 Fund	450,991	-	-
SaveEasy 2025 Fund	495,101	-	-
SaveEasy 2030 Fund	586,740	-	-
SaveEasy 2035 Fund	545,897	-	-
SaveEasy 2040 Fund	1,303,523	-	-
Hang Seng Index Tracking Fund	2,796,411	-	-
Hong Kong Dollar Bond Fund	1,323,663	-	-
World Equity Fund	1,186,479	3,469	-
Greater China Equity Fund	1,057,687	-	-
RMB Bond Fund	639,395	-	-
Core Accumulation Fund	951,985	-	-
Age 65 Plus Fund	399,276	-	-

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

At 31 December 2018 (HK\$'000)	Less than 1 month	1-3 months	Over 3 months
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	-	-
Asian Equity Fund	3,297,873	-	-
Flexi Mixed Asset Fund	1,130,590	-	-
China and Hong Kong Equity Fund	7,657,924	-	-
European Equity Fund	531,563	-	-
E90 Mixed Asset Fund	629,211	-	-
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	-	-

At 31 December 2019 and 2018, no individual member held more than 10% of each constituent fund's units.

**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.

NOTES TO THE FINANCIAL STATEMENTS

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**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 2019 and 2018:

### MPF Conservative Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Debt securities	-	49,875,250	49,875,250
-Certificates of deposit	-	2,062,813,502	2,062,813,502
-Fixed deposits	5,853,879,411	-	5,853,879,411
	<u>5,853,879,411</u>	<u>2,112,688,752</u>	<u>7,966,568,163</u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
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>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

E30 Mixed Asset Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment funds	-	2,825,764,858	2,825,764,858
-Derivative financial instruments	-	4,442,514	4,442,514
	-	2,830,207,372	2,830,207,372
<b>Liabilities</b>			
Financial liabilities held for trading			
-Derivative financial instruments	-	(261,903)	(261,903)

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
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
<b>Liabilities</b>			
Financial liabilities held for trading			
-Derivative financial instruments	-	(1,504,617)	(1,504,617)



**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**E50 Mixed Asset Fund**

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment funds	-	3,268,483,990	3,268,483,990
-Derivative financial instruments	-	3,750,571	3,750,571
	<u>-</u>	<u>3,272,234,561</u>	<u>3,272,234,561</u>
<b>Liabilities</b>			
Financial liabilities held for trading			
-Derivative financial instruments	-	(253,961)	(253,961)
	<u>-</u>	<u>(253,961)</u>	<u>(253,961)</u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
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
	<u>-</u>	<u>3,016,435,461</u>	<u>3,016,435,461</u>
<b>Liabilities</b>			
Financial liabilities held for trading			
-Derivative financial instruments	-	(1,402,940)	(1,402,940)
	<u>-</u>	<u>(1,402,940)</u>	<u>(1,402,940)</u>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**E70 Mixed Asset Fund**

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment funds	-	5,765,195,441	5,765,195,441
-Derivative financial instruments	-	4,293,443	4,293,443
	-	5,769,488,884	5,769,488,884
<b>Liabilities</b>			
Financial liabilities held for trading			
-Derivative financial instruments	-	(345,681)	(345,681)

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
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
	-	5,284,070,809	5,284,070,809
<b>Liabilities</b>			
Financial liabilities held for trading			
-Derivative financial instruments	-	(1,954,138)	(1,954,138)

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**Global Bond Fund**

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment funds	-	1,553,852,315	1,553,852,315
-Derivative financial instruments	-	3,381,688	3,381,688
	<hr/>	<hr/>	<hr/>
	-	1,557,234,003	1,557,234,003
	<hr/>	<hr/>	<hr/>
<b>Liabilities</b>			
Financial liabilities held for trading			
-Derivative financial instruments	-	(176,325)	(176,325)
	<hr/>	<hr/>	<hr/>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
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
	<hr/>	<hr/>	<hr/>
	-	1,215,129,723	1,215,129,723
	<hr/>	<hr/>	<hr/>
<b>Liabilities</b>			
Financial liabilities held for trading			
-Derivative financial instruments	-	(665,743)	(665,743)
	<hr/>	<hr/>	<hr/>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

Global Equity Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment funds	-	3,219,350,430	3,219,350,430
-Derivative financial instruments	-	5,537,196	5,537,196
	<u>-</u>	<u>3,224,887,626</u>	<u>3,224,887,626</u>
<b>Liabilities</b>			
Financial liabilities held for trading			
-Derivative financial instruments	-	(323,280)	(323,280)
	<u>-</u>	<u>(323,280)</u>	<u>(323,280)</u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
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
	<u>-</u>	<u>2,530,493,772</u>	<u>2,530,493,772</u>
<b>Liabilities</b>			
Financial liabilities held for trading			
-Derivative financial instruments	-	(1,343,980)	(1,343,980)
	<u>-</u>	<u>(1,343,980)</u>	<u>(1,343,980)</u>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

Asian Equity Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment funds	-	3,819,566,506	3,819,566,506
	<u>                    </u>	<u>                    </u>	<u>                    </u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment funds	-	3,287,791,805	3,287,791,805
	<u>                    </u>	<u>                    </u>	<u>                    </u>

Flexi Mixed Asset Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment fund	1,236,612,671	-	1,236,612,671
	<u>                    </u>	<u>                    </u>	<u>                    </u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment fund	1,123,213,681	-	1,123,213,681
	<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 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment funds	-	8,596,987,797	8,596,987,797
	<u>                    </u>	<u>                    </u>	<u>                    </u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment funds	-	7,613,415,718	7,613,415,718
	<u>                    </u>	<u>                    </u>	<u>                    </u>

European Equity Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment funds	-	644,720,437	644,720,437
-Derivative financial instruments	-	763,867	763,867
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	-	645,484,304	645,484,304
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Liabilities</b>			
Financial liabilities held for trading			
-Derivative financial instruments	-	(428,218)	(428,218)
	<u>                    </u>	<u>                    </u>	<u>                    </u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
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>
<b>Liabilities</b>			
Financial liabilities held for trading			
-Derivative financial instruments	-	(200,649)	(200,649)
	<u>                    </u>	<u>                    </u>	<u>                    </u>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**E90 Mixed Asset Fund**

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment funds	-	746,983,192	746,983,192
-Derivative financial instruments	-	271,378	271,378
	-	747,254,570	747,254,570

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment funds	-	623,616,589	623,616,589
-Derivative financial instruments	-	223,883	223,883
	-	623,840,472	623,840,472
<b>Liabilities</b>			
Financial liabilities held for trading			
-Derivative financial instruments	-	(156,416)	(156,416)

**SaveEasy 2020 Fund**

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment fund	447,602,522	-	447,602,522

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment fund	379,512,179	-	379,512,179

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

SaveEasy 2025 Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment fund	491,347,410	-	491,347,410
	<u>                    </u>	<u>                    </u>	<u>                    </u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment fund	380,113,979	-	380,113,979
	<u>                    </u>	<u>                    </u>	<u>                    </u>

SaveEasy 2030 Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment fund	581,396,175	-	581,396,175
	<u>                    </u>	<u>                    </u>	<u>                    </u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment fund	439,639,057	-	439,639,057
	<u>                    </u>	<u>                    </u>	<u>                    </u>



**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

SaveEasy 2035 Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment fund	543,162,802	-	543,162,802
	<u>543,162,802</u>	<u>-</u>	<u>543,162,802</u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment fund	415,338,509	-	415,338,509
	<u>415,338,509</u>	<u>-</u>	<u>415,338,509</u>

SaveEasy 2040 Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment fund	1,295,306,676	-	1,295,306,676
	<u>1,295,306,676</u>	<u>-</u>	<u>1,295,306,676</u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment fund	939,597,746	-	939,597,746
	<u>939,597,746</u>	<u>-</u>	<u>939,597,746</u>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

Hang Seng Index Tracking Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Index tracking collective investment scheme	2,746,501,833	-	2,746,501,833
	<u>2,746,501,833</u>	<u>-</u>	<u>2,746,501,833</u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Index tracking collective investment scheme	2,226,476,568	-	2,226,476,568
	<u>2,226,476,568</u>	<u>-</u>	<u>2,226,476,568</u>

Hong Kong Dollar Bond Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment fund	1,300,223,601	-	1,300,223,601
	<u>1,300,223,601</u>	<u>-</u>	<u>1,300,223,601</u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
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>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

World Equity Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Index tracking collective investment schemes	1,159,026,212	-	1,159,026,212
-Derivative financial instruments	-	1,476,536	1,476,536
	<u>1,159,026,212</u>	<u>1,476,536</u>	<u>1,160,502,748</u>
<b>Liabilities</b>			
Financial liabilities held for trading			
-Derivative financial instruments	-	(768,655)	(768,655)
	<u>-</u>	<u>(768,655)</u>	<u>(768,655)</u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
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>
<b>Liabilities</b>			
Financial liabilities held for trading			
-Derivative financial instruments	-	(52,271)	(52,271)
	<u>-</u>	<u>(52,271)</u>	<u>(52,271)</u>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

Greater China Equity Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Index tracking collective investment schemes	1,046,167,080	-	1,046,167,080
	<u>                    </u>	<u>                    </u>	<u>                    </u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Index tracking collective investment schemes	822,950,735	-	822,950,735
	<u>                    </u>	<u>                    </u>	<u>                    </u>

RMB Bond Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment fund	630,920,027	-	630,920,027
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Liabilities</b>			
Financial liabilities held for trading			
-Derivative financial instruments	-	(1,305,724)	(1,305,724)
	<u>                    </u>	<u>                    </u>	<u>                    </u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
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>                    </u>	<u>                    </u>	<u>                    </u>
	569,594,478	5,884,066	575,478,544
	<u>                    </u>	<u>                    </u>	<u>                    </u>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

Core Accumulation Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment fund	936,250,030	-	936,250,030
	<u>936,250,030</u>	<u>-</u>	<u>936,250,030</u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
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>

Age 65 Plus Fund

As at 31 December 2019

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
Financial assets held for trading			
-Approved pooled investment fund	385,818,896	-	385,818,896
	<u>385,818,896</u>	<u>-</u>	<u>385,818,896</u>

As at 31 December 2018

	Level 1 HK\$	Level 2 HK\$	Total balance HK\$
<b>Assets</b>			
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>

## **BCT (MPF) PRO CHOICE**

### **NOTES TO THE FINANCIAL STATEMENTS**

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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.

As of 31 December 2019 and 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 2019 and 2018.

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 2019 and 2018 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>2019</u> HK\$	<u>2018</u> HK\$
<b>BCT (Pro) MPF Conservative Fund</b>		
Debt securities	49,875,250	-
Certificates of deposit	2,062,813,502	1,661,292,459
Fixed deposits	5,853,879,411	5,749,257,952
	<hr/>	<hr/>
Investments, at fair value (at cost: 2019: HK\$7,948,370,128 ; 2018: HK\$7,392,351,787)	7,966,568,163	7,410,550,411
	<hr/>	<hr/>
<b>BCT (Pro) E30 Mixed Asset Fund</b>		
Approved pooled investment funds, at fair value (at cost: 2019: HK\$2,720,380,691 ; 2018: HK\$2,857,039,958) (Refer to Note 12 for the investment in derivative financial instruments)	2,825,764,858	2,708,189,797
	<hr/>	<hr/>
<b>BCT (Pro) E50 Mixed Asset Fund</b>		
Approved pooled investment funds, at fair value (at cost: 2019: HK\$3,151,158,901 ; 2018: HK\$3,262,721,803) (Refer to Note 12 for the investment in derivative financial instruments)	3,268,483,990	3,012,053,223
	<hr/>	<hr/>
<b>BCT (Pro) E70 Mixed Asset Fund</b>		
Approved pooled investment funds, at fair value (at cost: 2019: HK\$5,581,881,255 ; 2018: HK\$5,885,157,313) (Refer to Note 12 for the investment in derivative financial instruments)	5,765,195,441	5,278,846,866
	<hr/>	<hr/>
<b>BCT (Pro) Global Bond Fund</b>		
Approved pooled investment funds, at fair value (at cost: 2019: HK\$1,507,521,227 ; 2018: HK\$1,225,791,720) (Refer to Note 12 for the investment in derivative financial instruments)	1,553,852,315	1,212,230,767
	<hr/>	<hr/>
<b>BCT (Pro) Global Equity Fund</b>		
Approved pooled investment funds, at fair value (at cost: 2019: HK\$2,981,032,779 ; 2018: HK\$2,872,119,385) (Refer to Note 12 for the investment in derivative financial instruments)	3,219,350,430	2,526,132,460
	<hr/>	<hr/>
<b>BCT (Pro) Asian Equity Fund</b>		
Approved pooled investment funds, at fair value (at cost: 2019: HK\$3,752,508,444 ; 2018: HK\$3,762,738,649)	3,819,566,506	3,287,791,805
	<hr/>	<hr/>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

	<u>2019</u> HK\$	<u>2018</u> HK\$
<b>BCT (Pro) Flexi Mixed Asset Fund</b>		
Approved pooled investment fund, at fair value (at cost: 2019: HK\$1,123,293,168 ; 2018: HK\$1,098,197,966)	1,236,612,671	1,123,213,681
	-----	-----
<b>BCT (Pro) China and Hong Kong Equity Fund</b>		
Approved pooled investment funds, at fair value (at cost: 2019: HK\$8,383,919,349 ; 2018: HK\$8,811,073,298)	8,596,987,797	7,613,415,718
	-----	-----
<b>BCT (Pro) European Equity Fund</b>		
Approved pooled investment funds, at fair value (at cost: 2019: HK\$642,024,417 ; 2018: HK\$628,093,892) (Refer to Note 12 for the investment in derivative financial instruments)	644,720,437	513,891,929
	-----	-----
<b>BCT (Pro) E90 Mixed Asset Fund</b>		
Approved pooled investment funds, at fair value (at cost: 2019: HK\$718,426,721 ; 2018: HK\$711,969,024) (Refer to Note 12 for the investment in derivative financial instruments)	746,983,192	623,616,589
	-----	-----
<b>BCT (Pro) SaveEasy 2020 Fund</b>		
Approved pooled investment fund, at fair value (at cost: 2019: HK\$375,022,658 ; 2018: HK\$344,407,098)	447,602,522	379,512,179
	-----	-----
<b>BCT (Pro) SaveEasy 2025 Fund</b>		
Approved pooled investment fund, at fair value (at cost: 2019: HK\$396,817,145 ; 2018: HK\$352,369,795)	491,347,410	380,113,979
	-----	-----
<b>BCT (Pro) SaveEasy 2030 Fund</b>		
Approved pooled investment fund, at fair value (at cost: 2019: HK\$469,196,778 ; 2018: HK\$412,871,779)	581,396,175	439,639,057
	-----	-----
<b>BCT (Pro) SaveEasy 2035 Fund</b>		
Approved pooled investment fund, at fair value (at cost: 2019: HK\$439,323,324 ; 2018: HK\$393,054,137)	543,162,802	415,338,509
	-----	-----
<b>BCT (Pro) SaveEasy 2040 Fund</b>		
Approved pooled investment fund, at fair value (at cost: 2019: HK\$1,071,204,074 ; 2018: HK\$911,758,935)	1,295,306,676	939,597,746
	-----	-----



**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

	2019 HK\$	2018 HK\$
<b>BCT (Pro) Hang Seng Index Tracking Fund</b>		
Index tracking collective investment scheme, at fair value (at cost: 2019: HK\$2,483,873,160 ; 2018: HK\$2,154,363,874)	2,746,501,833	2,226,476,568
	-----	-----
<b>BCT (Pro) Hong Kong Dollar Bond Fund</b>		
Approved pooled investment fund, at fair value (at cost: 2019: HK\$1,250,045,560 ; 2018: HK\$998,056,151)	1,300,223,601	1,027,324,742
	-----	-----
<b>BCT (Pro) World Equity Fund</b>		
Index tracking collective investment schemes, at fair value (at cost: 2019: HK\$1,004,724,688 ; 2018: HK\$652,829,748) (Refer to Note 12 for the investment in derivative financial instruments)	1,159,026,212	643,380,294
	-----	-----
<b>BCT (Pro) Greater China Equity Fund</b>		
Index tracking collective investment schemes, at fair value (at cost: 2019: HK\$833,255,065 ; 2018: HK\$740,666,297)	1,046,167,080	822,950,735
	-----	-----
<b>BCT (Pro) RMB Bond Fund</b>		
Approved pooled investment fund, at fair value (at cost: 2019: HK\$623,673,885 ; 2018: HK\$571,566,214) (Refer to Note 12 for the investment in derivative financial instruments)	630,920,027	569,594,478
	-----	-----
<b>BCT (Pro) Core Accumulation Fund</b>		
Approved pooled investment fund, at fair value (at cost: 2019: HK\$865,128,277 ; 2018: HK\$585,501,135)	936,250,030	558,924,132
	-----	-----
<b>BCT (Pro) Age 65 Plus Fund</b>		
Approved pooled investment fund, at fair value (at cost: 2019: HK\$368,884,737 ; 2018: HK\$230,233,682)	385,818,896	229,009,064
	-----	-----
<b>Total investments, at fair value</b>	51,207,809,064	43,941,794,729
	=====	=====
<b>Total investments, at cost</b>	48,691,666,431	46,854,933,640
	=====	=====

**9. Accrued benefits**

The total accrued benefits vested in the members' accounts amounted to HK\$50,633,581,187 as at 31 December 2019 (2018: HK\$43,423,652,053).

## 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

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.

For the year ended 31 December 2019, there was no constituent fund directly invested in shares of companies in the PRC listed on overseas stock exchanges.

### Australian tax

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. After 23 April 2018, the Three Constituent Funds are investing through investments in a portfolio of APIFs. As at 31 December 2018, 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.

For the year ended 31 December 2019, there was no constituent fund directly invested in shares of companies in securities listed on the stock exchange in Australia.

# BCT (MPF) PRO CHOICE

## 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 Sponsor, Trustee, the investment managers and their associates or delegates of the investment managers during the years ended 31 December 2019 and 2018. 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>2019</u> HK\$	<u>2018</u> HK\$
Bank balances	344,524,949	193,141,543
Certificates of deposit and fixed deposits	2,723,919,078	2,606,880,978

- (b) At the 31 December 2019, the Plan and its constituent funds held investments in BCT APIF Series of HK\$30,440,904,966 (2018: HK\$26,776,169,153). BCT APIF Series, the Plan and its constituent funds were under the common trusteeship of the Trustee.

- (c) Income earned by the Plan and its constituent funds from the shareholders of the Trustee was as follows:

	<u>2019</u> HK\$	<u>2018</u> HK\$
Bank interest	743,999	230,779
Interest income from fixed deposits	57,449,388	35,367,998
Net gain from debt securities and certificates of deposit	2,591,063	491,763

- (d) Interest receivable from the shareholders of the Trustee at the year end date was as follows:

	<u>2019</u> HK\$	<u>2018</u> HK\$
Interest receivable	8,286,733	4,718,270

- (e) For the years ended 31 December 2019 and 2018, the Plan and its constituent funds received rebate of fee expenses from the Trustee amounted to HK\$492,519 and HK\$20,063,668 respectively.

- (f) During the year, there was no expense of Core Accumulation Fund and Age 65 Plus Fund borne by BCT Financial Limited, which acts as the sponsor of the constituent funds (2018: HK\$49,008).

- (g) During the year, there was no expense reimbursed to Core Accumulation Fund and Age 65 Plus Fund from BCT Financial Limited, which acts as the sponsor of the constituent funds (2018: HK\$367).

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**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\$
<u>2019</u>			
Open forward contracts:			
EUR21,934,000	HK\$193,083,905	29 January 2020	1,125,133
JPY150,000,000	HK\$10,854,192	29 January 2020	81,112
JPY1,490,160,000	HK\$108,254,657	29 January 2020	1,230,571
US\$2,400,000	HK\$18,796,123	29 January 2020	99,717
US\$39,209,000	HK\$307,350,725	29 January 2020	1,905,981
		Total unrealised gain	4,442,514
Open forward contracts:			
EUR1,300,000	HK\$11,293,673	29 January 2020	(83,477)
GBP4,621,000	HK\$47,112,643	29 January 2020	(178,426)
		Total unrealised loss	(261,903)
		Net unrealised gain	4,180,611
Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2018</u>			
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
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

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**E50 Mixed Asset Fund**

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2019</u>			
Open forward contracts:			
EUR17,218,000	HK\$151,569,193	29 January 2020	883,220
JPY172,000,000	HK\$12,446,141	29 January 2020	93,009
JPY1,353,418,000	HK\$98,320,853	29 January 2020	1,117,650
US\$2,700,000	HK\$21,145,638	29 January 2020	112,181
US\$31,773,000	HK\$249,061,557	29 January 2020	1,544,511
		Total unrealised gain	3,750,571
<hr/>			
Open forward contracts:			
EUR1,400,000	HK\$12,162,417	29 January 2020	(89,899)
GBP4,249,000	HK\$43,319,978	29 January 2020	(164,062)
		Total unrealised loss	(253,961)
		Net unrealised gain	3,496,610
<hr/>			
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
<hr/>			
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
<hr/>			

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**E70 Mixed Asset Fund**

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2019</u>			
Open forward contracts:			
EUR17,872,000	HK\$157,326,322	29 January 2020	916,767
JPY283,000,000	HK\$20,478,243	29 January 2020	153,032
JPY1,667,861,000	HK\$121,163,983	29 January 2020	1,377,317
US\$4,200,000	HK\$32,893,215	29 January 2020	174,504
US\$34,392,000	HK\$269,591,322	29 January 2020	1,671,823
		Total unrealised gain	4,293,443
Open forward contracts:			
EUR2,200,000	HK\$19,112,369	29 January 2020	(141,269)
GBP5,294,000	HK\$53,974,103	29 January 2020	(204,412)
		Total unrealised loss	(345,681)
		Net unrealised gain	3,947,762
<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

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**Global Bond Fund**

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2019</u>			
Open forward contracts:			
EUR18,177,000	HK\$160,011,222	29 January 2020	932,413
JPY95,000,000	HK\$6,874,322	29 January 2020	51,371
JPY1,003,944,000	HK\$72,932,849	29 January 2020	829,055
US\$1,200,000	HK\$9,398,061	29 January 2020	49,859
US\$31,248,000	HK\$244,946,197	29 January 2020	1,518,990
		Total unrealised gain	3,381,688
Open forward contracts:			
EUR850,000	HK\$7,384,325	29 January 2020	(54,581)
GBP3,153,000	HK\$32,145,891	29 January 2020	(121,744)
		Total unrealised loss	(176,325)
		Net unrealised gain	3,205,363

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

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**Global Equity Fund**

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2019</u>			
Open forward contracts:			
EUR16,748,000	HK\$147,431,807	29 January 2020	859,110
JPY90,000,000	HK\$6,466,804	29 January 2020	2,956
JPY1,281,494,000	HK\$93,095,838	29 January 2020	1,058,255
US\$4,000,000	HK\$31,329,928	29 January 2020	169,251
US\$70,923,000	HK\$555,949,794	29 January 2020	3,447,624
		Total unrealised gain	5,537,196
Open forward contracts:			
EUR700,000	HK\$6,062,080	29 January 2020	(64,078)
GBP6,713,000	HK\$68,441,284	29 January 2020	(259,202)
		Total unrealised loss	(323,280)
		Net unrealised gain	5,213,916
<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



**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**European Equity Fund**

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2019</u>			
Open forward contracts:			
EUR13,471,000	HK\$118,584,539	29 January 2020	691,012
GBP550,000	HK\$5,701,526	29 January 2020	72,855
		Total unrealised gain	763,867
			-----
Open forward contracts:			
CHF1,666,000	HK\$13,342,657	29 January 2020	(98,168)
EUR500,000	HK\$4,354,507	29 January 2020	(21,320)
EUR916,000	HK\$7,995,422	29 January 2020	(21,093)
GBP500,000	HK\$5,041,780	29 January 2020	(75,194)
GBP5,502,000	HK\$56,094,733	29 January 2020	(212,443)
		Total unrealised loss	(428,218)
			-----
		Net unrealised gain	335,649
			=====
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
			=====

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**E90 Mixed Asset Fund**

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2019</u>			
Open forward contracts:			
EUR1,087,000	HK\$9,568,807	29 January 2020	55,760
JPY130,187,000	HK\$9,457,608	29 January 2020	107,508
US\$2,224,000	HK\$17,433,447	29 January 2020	108,110
		Total unrealised gain	271,378
		Net unrealised gain	271,378
<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

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**World Equity Fund**

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2019</u>			
Open forward contracts:			
GBP93,408	HK\$974,000	4 February 2020	17,868
GBP107,160	HK\$1,106,000	4 February 2020	9,104
GBP142,000	HK\$1,467,730	4 February 2020	14,208
HK\$631,000	GBP62,018	4 February 2020	3,817
HK\$1,145,941	GBP113,000	4 February 2020	10,735
HK\$2,289,269	GBP225,000	4 February 2020	13,848
US\$54,316	HK\$426,000	4 February 2020	2,853
US\$75,977	HK\$595,000	4 February 2020	3,097
US\$137,639	HK\$1,078,000	4 February 2020	5,716
US\$146,583	HK\$1,148,000	4 February 2020	6,037
US\$149,227	HK\$1,164,000	4 February 2020	1,442
US\$150,805	HK\$1,182,000	4 February 2020	7,150
US\$163,912	HK\$1,277,000	4 February 2020	36
US\$177,503	HK\$1,390,000	4 February 2020	7,158
US\$187,157	HK\$1,461,000	4 February 2020	2,946
US\$204,581	HK\$1,603,000	4 February 2020	9,202
US\$204,605	HK\$1,603,000	4 February 2020	9,020
US\$321,243	HK\$2,511,000	4 February 2020	8,343
US\$326,516	HK\$2,555,000	4 February 2020	11,261
US\$362,986	HK\$2,829,000	4 February 2020	1,141
US\$403,000	HK\$3,159,222	4 February 2020	19,636
US\$478,000	HK\$3,746,618	4 February 2020	22,741
US\$688,000	HK\$5,387,932	4 February 2020	28,043
US\$4,562,299	HK\$35,750,768	4 February 2020	208,010
US\$4,562,299	HK\$35,750,951	4 February 2020	208,193
US\$4,562,299	HK\$35,751,658	4 February 2020	208,900
US\$4,562,299	HK\$35,752,912	4 February 2020	210,155
US\$4,562,299	HK\$35,754,372	4 February 2020	211,615
US\$4,562,299	HK\$35,757,019	4 February 2020	214,261
Total unrealised gain			<u>1,476,536</u>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**World Equity Fund (Continued)**

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<b><u>2019 (Continued)</u></b>			
Open forward contracts:			
GBP44,421	HK\$448,000	4 February 2020	(6,698)
GBP54,276	HK\$555,000	4 February 2020	(574)
GBP63,150	HK\$639,000	4 February 2020	(7,405)
GBP74,853	HK\$760,000	4 February 2020	(6,197)
GBP76,614	HK\$777,000	4 February 2020	(7,226)
GBP76,832	HK\$777,000	4 February 2020	(9,462)
GBP92,000	HK\$937,488	4 February 2020	(4,231)
GBP98,514	HK\$996,000	4 February 2020	(12,401)
GBP117,000	HK\$1,187,934	4 February 2020	(9,687)
GBP126,500	HK\$1,278,000	4 February 2020	(16,866)
GBP1,383,485	HK\$14,048,322	4 February 2020	(113,134)
GBP1,383,485	HK\$14,050,787	4 February 2020	(110,669)
GBP1,383,485	HK\$14,052,489	4 February 2020	(108,967)
GBP1,383,485	HK\$14,052,749	4 February 2020	(108,707)
GBP1,383,485	HK\$14,052,832	4 February 2020	(108,624)
GBP1,383,486	HK\$14,048,563	4 February 2020	(112,908)
HK\$1,270,585	US\$163,000	4 February 2020	(728)
HK\$1,673,000	US\$213,413	4 February 2020	(10,398)
HK\$2,005,204	US\$256,000	4 February 2020	(10,827)
US\$408,707	HK\$3,184,000	4 February 2020	(51)
			<hr/> (765,760) <hr/>
Open spot contracts:			
HK\$572,891	GBP56,000	3 January 2020	(591)
HK\$9,206,007	US\$1,182,000	3 January 2020	(2,304)
			<hr/> (2,895) <hr/>
		Total unrealised loss	<hr/> (768,655) <hr/>
		Net unrealised gain	<hr/> 707,881 <hr/>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**World Equity Fund (Continued)**

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			468,767

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**World Equity Fund (Continued)**

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<b><u>2018 (Continued)</u></b>			
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)
			<hr/> (51,218) <hr/>
Open spot contracts:			
HK\$2,232,633	US\$285,000	3 January 2019	(469)
HK\$162,423	GBP16,300	3 January 2019	(584)
			<hr/> (1,053) <hr/>
		Total unrealised loss	<hr/> (52,271) <hr/>
		Net unrealised gain	<hr/> 416,496 <hr/>

**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**RMB Bond Fund**

Contract to deliver	In exchange for	Settlement date	Unrealised gain/(loss) HK\$
<u>2019</u>			
Open forward contracts: CNY186,500,000	HK\$206,448,040	27 March 2020	(1,305,724)
		Total unrealised loss	(1,305,724)
		Net unrealised loss	(1,305,724)
<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

## BCT (MPF) PRO CHOICE

### NOTES TO THE FINANCIAL STATEMENTS

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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.



**BCT (MPF) PRO CHOICE**

**NOTES TO THE FINANCIAL STATEMENTS**

**During the year ended 31 December 2019 and 31 December 2018**

	BCT (Pro) Core Accumulation Fund ("DIS Fund")		BCT (Pro) Age 65 Plus Fund ("DIS Fund")	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	HK\$	HK\$	HK\$	HK\$
<b>Payment for services</b>				
- Trustee, administration and custodian fees	4,315,393	2,716,649	1,831,067	1,060,823
<b>Total payment for services of each DIS Fund</b>	<u>4,315,393</u>	<u>2,716,649</u>	<u>1,831,067</u>	<u>1,060,823</u>
<b>Total payment for services of each DIS Fund*</b>	0.59%	0.59%	0.59%	0.59%
<b>Proportionate of the underlying investment funds fee rate of the underlying investment funds of each DIS Fund**</b>	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>	<u>0.16%</u>
<b>Total Payment for Services expressed as a percentage of net asset value of the DIS funds</b>	<u>0.75%</u>	<u>0.75%</u>	<u>0.75%</u>	<u>0.75%</u>
	HK\$	HK\$	HK\$	HK\$
<b>Out-of-pocket expenses</b>				
- Safe custody and bank charges	5,272	4,723	5,129	4,648
- Auditors' remuneration	28,891	17,516	12,219	6,748
- Professional indemnity insurance	5,441	3,700	2,303	1,442
- Miscellaneous expenses	163,347	108,403	74,154	49,201
<b>Total payments for out-of-pocket expense</b>	<u>202,951</u>	<u>134,342</u>	<u>93,805</u>	<u>62,039</u>
<b>Other payments</b>				
- Legal and other professional fees (non-recurring)	7,714	934	3,174	372
<b>Total payments on each DIS Fund</b>	<u>4,526,058</u>	<u>2,851,925</u>	<u>1,928,046</u>	<u>1,123,234</u>
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	<u>0.03%</u>	<u>0.03%</u>	<u>0.03%</u>	<u>0.03%</u>

*\*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 2019, all expenses of Core Accumulation Fund and Age 65 Plus Fund were borne by the funds.

During the year 2018, 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.

NOTES TO THE FINANCIAL STATEMENTS

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**14. Financial instruments by category**

For the year ended 31 December 2019, 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" (2018: "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" (2018: "financial assets at amortised cost").

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" (2018: "other financial liabilities").

**15. 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**

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**16. Security lending arrangements**

The Plan and its constituent funds had no security lending arrangements as at 31 December 2019 (2018: Nil).

**17. Bank loans and other borrowings**

As at 31 December 2019, the Plan and its constituent funds had no bank loans and other borrowings (2018: Nil).

**18. Negotiability of assets**

As at 31 December 2019, there were no statutory or contractual requirements restricting the negotiability of the assets of the Plan and its constituent funds (2018: Nil).

**19. Commitments**

The Plan and its constituent funds had no commitments as at 31 December 2019 (2018: Nil).

**20. Contingent liabilities**

The Plan and its constituent funds had no contingent liabilities as at 31 December 2019 (2018: Nil).

**21. 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 2019 (2018: Nil).

**22. Approval of financial statements**

The financial statements were approved for issue by the Trustee on 19 June 2020.

**BCT (MPF) PRO CHOICE**

**INDEPENDENT AUDITOR'S ASSURANCE REPORT**

**FOR THE YEAR ENDED**

**31 DECEMBER 2019**

## **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 2019 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 19 June 2020.

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 2019 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 2019, 30 August 2019 and 30 April 2019; 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 2019, 30 August 2019 and 30 April 2019; 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 2019.
- (b) as at 31 December 2019, 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 2019 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.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', is written over the printed name of the firm.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 19 June 2020