

# AXA Central Provident Fund

## IMPORTANT INFORMATION

1. The AXA Central Provident Fund (the “**AXA CPF**”) is a master trust designed to comply with the Occupational Retirement Schemes Ordinance (“**ORSO**”).
2. The guarantee of the Guaranteed Fund Policy is given by AXA China Region Insurance Company (Bermuda) Limited (the “**Insurer**”). Your investments in this insurance policy, if any, are therefore subject to the credit risks of the Insurer. The Insurer will only provide a guarantee of capital and a prescribed guarantee rate of return in certain specified circumstances. Please refer to the Appendix of this Principal Brochure for details of the guarantee features and guarantee conditions.
3. Each of the (a) Stable Fund Policy, (b) Balanced Fund Policy, (c) Growth Fund Policy; (d) AXA Stable Fund Policy; (e) AXA Balanced Fund Policy; (f) AXA Growth Fund Policy; and (g) AXA – RCM Hong Kong Fund Policy under the AXA CPF is an insurance policy issued by AXA China Region Insurance Company (Bermuda) Limited. Your investments in any of these policies, if any, are therefore subject to the credit risk of AXA China Region Insurance Company (Bermuda) Limited.
4. You should consider your own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of investment choices, you are in doubt as to whether a particular investment choice is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice and choose the investment option(s) most suitable for you taking into account your circumstances.
5. You should read this Principal Brochure for further details including product features, fees and charges and risk factors.

At AXA, we've always done our utmost to serve our customers on a personal level. Because no two companies are alike, and nor are their financial needs, we've developed a comprehensive range of innovative financial products and services.

It is on this basis that we design, administer and invest retirement funds on behalf of our clients.

Because we look after the needs of each individual and corporate customer personally, we've become one of the world's leading and most progressive financial institutions.

## **AXA China Region (Bermuda) Limited**

(Incorporated in Bermuda with limited liability)

(Not for use in Mainland China)

Effective from 20 June, 2011

# Benefits of Establishing a Retirement Scheme

## Attract and Retain Staff

The key to an employer's success is the ability to attract and retain good employees. An effective way of retaining valued employees is to provide them with a professionally managed retirement fund such as the AXA Central Provident Fund (the "AXA CPF").

## Taxation Advantages

A Recognised Occupational Retirement Scheme is one of the most tax efficient forms of retirement investments available. There are a number of tax advantages associated with recognised schemes such as the AXA CPF.

In general,

- Employer's contributions of up to 15% of the total annual payroll are tax deductible
- Employer's contributions are not treated as employee's taxable income
- Lump sum benefits paid to employees upon retirement, death, incapacity or leaving service after 10 years or more, are exempt from salaries tax

Participants in the AXA CPF should seek professional advice regarding their own particular tax circumstances.

## Long Service Payment / Severance Payment Offset

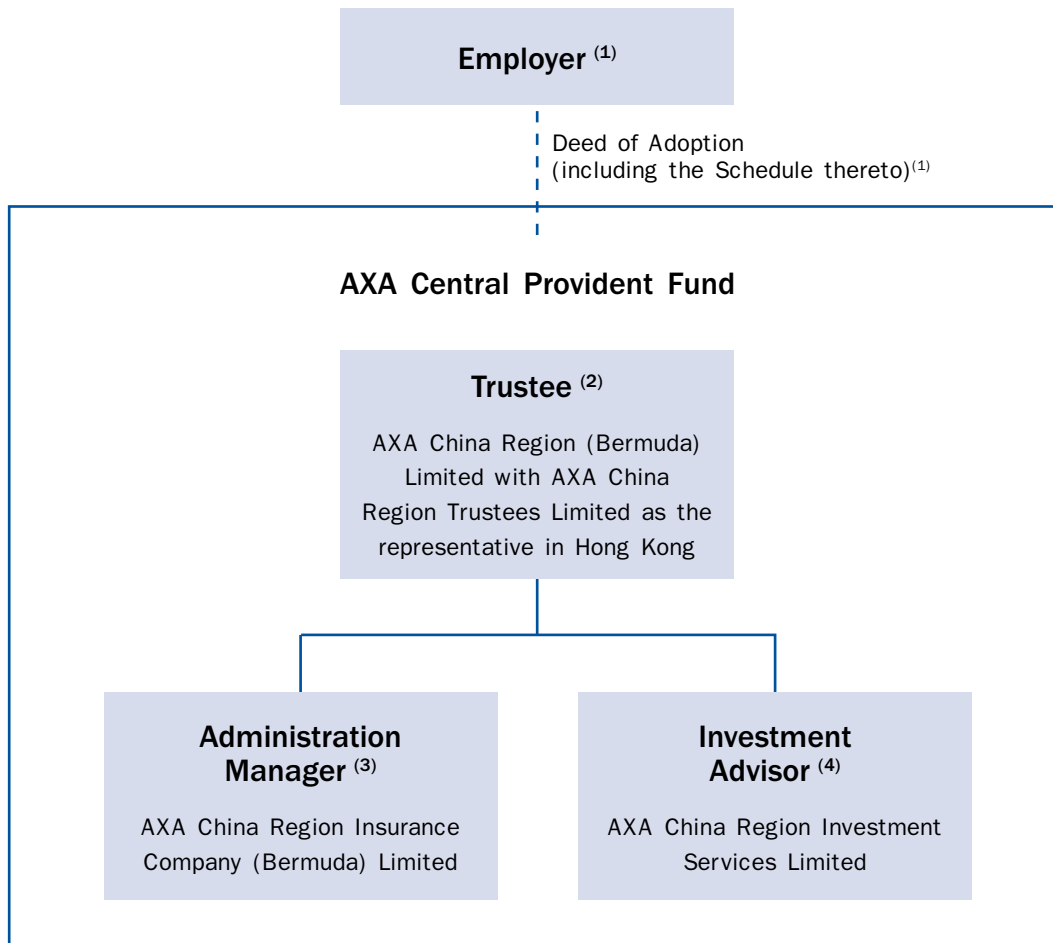
The AXA CPF is a convenient and effective vehicle for making advance provision for long service and severance payments.

In general, employers are obliged under the Employment Ordinance to make

- long service payments to employees who have been employed for more than 5 years and are dismissed, die in service, retire at or after the age of 65, or resign on the grounds of ill health
- severance payments to employees who have been employed for more than 2 years and are dismissed by reason of redundancy or laid off

Long service payments and severance payments may be offset by retirement benefits in respect of employer's contributions.

# Structure of the AXA CPF



- (1) In order to participate in the AXA CPF, an employer needs to execute a Deed of Adoption (including the Schedule thereto) with AXA China Region (Bermuda) Limited, the trustee to the AXA CPF. By entering into the Deed of Adoption (including the Schedule thereto), the employer will be bound by the terms and conditions of the master trust deed (the "**Trust Deed**") entered into by AXA China Region (Bermuda) Limited as the trustee, which is the constitutive document under which the AXA CPF is established.
- (2) AXA China Region (Bermuda) Limited with AXA China Region Trustees Limited as the representative in Hong Kong acts as the trustee (the "**Trustee**") to the AXA CPF.
- (3) AXA China Region Insurance Company (Bermuda) Limited acts as the administration manager (the "**Administration Manager**") of the AXA CPF.
- (4) AXA China Region Investment Services Limited acts as the investment advisor (the "**Investment Advisor**") of the AXA CPF.

# Structure of the AXA CPF

## A Simple and Flexible Approach

The AXA CPF is a ready made provident fund which facilitates compliance with the Occupational Retirement Schemes Ordinance (the “**ORSO**”) and the Mandatory Provident Fund Schemes (Exemption) Regulation (the “**Exemption Regulation**”). This means that any employer can simply participate in the AXA CPF without going through all the procedures of setting up a new retirement scheme. The documentation of the AXA CPF has been authorised by the Securities and Futures Commission (the “**Commission**”). Please note that authorization by the Commission does not imply an official recommendation.

## The trustee to the AXA CPF

The AXA CPF is established under a master trust deed (the “**Trust Deed**”) with AXA China Region (Bermuda) Limited - a company incorporated in Bermuda - as the trustee (the “**Trustee**”). The Trust Deed not only caters to the investment objectives of different employees but also provides flexibility for employers in both benefit design and investment options. The Trustee is represented in Hong Kong by AXA China Region Trustees Limited.

## Administration of the AXA CPF

The Trustee has appointed AXA China Region Insurance Company (Bermuda) Limited as the administration manager of the AXA CPF.

The AXA CPF was set up in the form of a pooling arrangement for all participating retirement schemes. It is a cost effective and efficient way for employers participating in the AXA CPF to fulfil registration and on-going reporting and compliance requirements.

By joining the AXA CPF, employers are relieved of administrative burdens in providing a retirement scheme for their employees. They can then concentrate on what they perform best - managing their own businesses. Employers need only to complete simple forms specifying the plan features and investment options. AXA China Region Insurance Company (Bermuda) Limited will look after the rest.

# Benefit Design of the AXA CPF

The AXA CPF allows employers full flexibility on the choice of benefit design. It is effectively a tailor-made retirement scheme which is designed to provide different options to suit the particular circumstances of different participating employers and employees. The full flexibility that can be enjoyed by employers participating in the AXA CPF is demonstrated in terms of the features of (i) the eligibility of the employees to join the AXA CPF; (ii) the retirement age which can be specified by the employer; and (iii) the contribution rate of the employer and the employees. These features are explained generally in the ILLUSTRATIVE examples below.

## **(i) Eligibility of the employees to join the AXA CPF**

All full time employees of the employer joining the AXA CPF are eligible to and shall join on the first day of the month coincident with or next following the probationary period; or if the employer has been granted an exemption certificate under the Exemption Regulation, within the permitted period under the meaning of section 7 of the Mandatory Provident Fund Schemes Ordinance (the “MPF Ordinance”) which is currently 60 days after the employee’s employment begins), whichever is earlier.

## **(ii) The Retirement Age which can be specified by the employer**

The normal retirement age is 65 years old under the AXA CPF. However, each participating employer is entitled to specify another age as the retirement age.

## **(iii) The Contribution Rate of the employer and the employees**

The contribution rate as a percentage of salary is usually between 5% and 15% for employer contributions and 5% for employee contributions.

## **(iv) Benefits**

Upon retirement, death or permanent disability, benefits payable are the aggregate of the employer’s contributions and the employee’s contributions adjusted by investment performance.

On termination of employment in other circumstances, a cash lump sum will be payable equal to the sum of (i) the employee’s contributions and (ii) a vesting percentage of the employer’s contributions, with such sum adjusted by investment performance. In computing such cash lump sum, the vesting percentage to be applied to the employer’s contributions varies depending on the number of years for which the employee has completed service with that employer. The table below sets out the various vesting percentages applicable to the employer’s contributions based on the different number of years for which the employee has completed service. By way of example, in computing such cash lump sum, the vesting percentage to be applied to the employer’s contributions for an employee who has completed 3 years of service is 30%.

Completed Years of Service of the Employee	The vesting percentage to be applied to the employer's contributions
Less than 3	Nil
3	30%
4	40%
5	50%
6	60%
7	70%
8	80%
9	90%
10 or more	100%

For employees who joined the AXA CPF after 1 December 2000 with an employer who has been granted an exemption certificate under the Exemption Regulation, the benefits of that employee upon termination of employment will be dealt with in accordance with the Exemption Regulation. For example, the minimum MPF benefits of that employee, as defined in the Exemption Regulation, will have to be preserved until retirement.

# Investment Options

## Investment Options

The AXA CPF provides flexibility in the choice of investment options. From the diverse range of investment options providing access to the following insurance policies and unit trusts, an employee's contributions can be invested in one or more investment options whilst an employer's contributions can be invested in the same or other investment options.

### 1. Guaranteed Fund Policy

- an insurance policy which makes direct investment in a diversified portfolio of equities, bonds and deposits with heavier weighting in bonds
- aims at preserving the invested capital while achieving long term capital appreciation
- a capital guaranteed policy where the guarantee applies in specified circumstances, HK\$ denominated
- the guarantee of the Guaranteed Fund Policy is given by AXA China Region Insurance Company (Bermuda) Limited (the "Insurer"). Your investments in this policy, if any, are therefore subject to the credit risks of the Insurer. The Insurer will only provide a guarantee of capital and a prescribed guarantee rate of return in certain specified circumstances

### 2. AXA Unit Trusts - Global Fund

- a unit trust which invests in equities in global markets, e.g. North America, Europe, Japan
- unitised, no capital guarantee, US\$ denominated

### 3. AXA Unit Trusts - Pacific Fund

- a unit trust which invests in equities in the Pacific region
- unitised, no capital guarantee, US\$ denominated

### 4. AXA Unit Trusts - Currency and Bond Fund

- a unit trust which invests in major international currencies and bonds
- unitised, no capital guarantee, US\$ denominated

### 5. Stable Fund Policy<sup>1</sup>

- an insurance policy which aims to achieve stable long-term capital growth by investing in the AXA IM MPF Stable Fund (a sub-fund of the AXA IM MPF Fund), which ultimately invests in a diversified portfolio of equities, bonds and deposits
- unitised, with a medium risk profile, HK\$ denominated
- Stable Fund Policy is an insurance policy issued by AXA China Region Insurance Company (Bermuda) Limited. Your investment in this policy, if any, is therefore subject to the credit risk of AXA China Region Insurance Company (Bermuda) Limited

<sup>1</sup> Available as an investment option from 1 May 2004.

#### **6. Balanced Fund Policy<sup>2</sup>**

- an insurance policy which aims to achieve long-term capital growth by investing in the AXA IM MPF Balanced Fund (a sub-fund of the AXA IM MPF Fund), which ultimately invests in a diversified portfolio of equities, bonds and deposits
- unitised, with a medium to high risk profile, HK\$ denominated
- Balanced Fund Policy is an insurance policy issued by AXA China Region Insurance Company (Bermuda) Limited. Your investment in this policy, if any, is therefore subject to the credit risk of AXA China Region Insurance Company (Bermuda) Limited

#### **7. Growth Fund Policy<sup>2</sup>**

- an insurance policy which aims to achieve significant long-term capital growth by investing in the AXA IM MPF Growth Fund (a sub-fund of the AXA IM MPF Fund), which ultimately invests in a diversified portfolio of equities, bonds and deposits
- unitised, with a high risk profile, HK\$ denominated
- Growth Fund Policy is an insurance policy issued by AXA China Region Insurance Company (Bermuda) Limited. Your investment in this policy, if any, is therefore subject to the credit risk of AXA China Region Insurance Company (Bermuda) Limited

#### **8. AXA Stable Fund Policy<sup>3</sup>**

- an insurance policy which aims to achieve stable long-term capital growth by investing in the AXA IM MPF Stable Fund (a sub-fund of the AXA IM MPF Fund), which ultimately invests in a diversified portfolio of equities, bonds and deposits
- unitised, with a medium risk profile, HK\$ denominated
- AXA Stable Fund Policy is an insurance policy issued by AXA China Region Insurance Company (Bermuda) Limited. Your investment in this policy, if any, is therefore subject to the credit risk of AXA China Region Insurance Company (Bermuda) Limited

#### **9. AXA Balanced Fund Policy<sup>3</sup>**

- an insurance policy which aims to achieve long-term capital growth by investing in the AXA IM MPF Balanced Fund (a sub-fund of the AXA IM MPF Fund), which ultimately invests in a diversified portfolio of equities, bonds and deposits
- unitised, with a medium to high risk profile, HK\$ denominated
- AXA Balanced Fund Policy is an insurance policy issued by AXA China Region Insurance Company (Bermuda) Limited. Your investment in this policy, if any, is therefore subject to the credit risk of AXA China Region Insurance Company (Bermuda) Limited

#### **10. AXA Growth Fund Policy<sup>3</sup>**

- an insurance policy which aims to achieve significant long-term capital growth by investing in the AXA IM MPF Growth Fund (a sub-fund of the AXA IM MPF Fund), which ultimately invests in a diversified portfolio of equities, bonds and deposits
- unitised, with a high risk profile, HK\$ denominated
- AXA Growth Fund Policy is an insurance policy issued by AXA China Region Insurance Company (Bermuda) Limited. Your investment in this policy, if any, is therefore subject to the credit risk of AXA China Region Insurance Company (Bermuda) Limited

<sup>2</sup> Available as an investment option from 1 May 2004.

<sup>3</sup> Available as an investment option from 19 January 2005.

## 11. AXA – RCM Hong Kong Fund Policy<sup>3</sup>

- an insurance policy which aims to achieve capital growth over the long term by investing in a unit trust known as RCM Hong Kong Fund, which in turn invests primarily in Hong Kong equities, including Chinese securities listed in Hong Kong. RCM Hong Kong Fund is a sub-fund of the RCM Choice Fund
- unitised, with a high risk profile, HK\$ denominated
- AXA – RCM Hong Kong Fund Policy is an insurance policy issued by AXA China Region Insurance Company (Bermuda) Limited. Your investment in this policy, if any, is therefore subject to the credit risk of AXA China Region Insurance Company (Bermuda) Limited

The respective constitutive documents or policy documents for the insurance policies or unit trusts corresponding to the investment options above have set out provisions for the suspension of the determination of the net asset value of their respective portfolio of investments in certain circumstances. These circumstances include, but are not limited to (i) where there is a closure of or the restriction or suspension of trading on any securities market on which the investments maintained by the relevant insurance policy or unit trust is normally traded; (ii) where the determination of the value of an investment maintained by the relevant insurance policy or unit trust is suspended, or otherwise cannot be reasonably, promptly, accurately and fairly ascertained. In circumstances such as those, the issue and realisation of units will be suspended and investment of contributions and payment of benefits under the AXA CPF will be delayed. The constitutive documents or policy documents for the insurance policies or unit trusts corresponding to the investment options above also have provisions to limit the number of units of the respective insurance policy or unit trust realised to 10% of the total number of units in issue on any valuation date.

For further details of the insurance policies or unit trusts corresponding to the investment options above, please see the Appendix.

### Investment Switching

Subject to the arrangement agreed between the Trustee and each employer under the AXA CPF, switching may be performed up to the agreed number of times (if any) per year at no additional cost. Where an employer wishes to carry out switching in addition to the agreed number per year, the Trustee may in its discretion allow such switching, and may, in such circumstance, charge a switching fee for such switching. At present, a minimum of HK\$1,000 is chargeable as such switching fee for switchings performed for 20 or less members. For switchings to be performed for over 20 members, a switching fee of HK\$50 per member is chargeable. The switching fee is payable by the employer to the Trustee, and is payable by cheque. For more details of this switching fee, please refer to the sub-section “**Switching Fee**” in the section “**Charges**” in this Principal Brochure. Currently, the constitutive documents or policy documents of the insurance policies or unit trusts corresponding to the investment options above permit switching in a single lump sum to another investment option. At the time when the request for switching is made, provided that there is no outstanding contribution which otherwise would be required to be made, the switch will be completed as soon as practicable after receipt of the proceeds from the previous investment option. In the case where the option of switching out be made in instalments is available, the first instalment will be made as soon as practicable after the trustee has received the proceeds from the previous investment option.

<sup>3</sup> Available as an investment option from 19 January 2005.

# Parties involved in the management of the AXA CPF

## (i) Investment advisor at the AXA CPF level

### **AXA China Region Investment Services Limited**

AXA China Region Investment Services Limited is the investment advisor of the AXA CPF, pursuant to the appointment by the Trustee. AXA China Region Investment Services Limited is licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under Part V of the Securities and Futures Ordinance. It advises the Trustee generally in relation to the investments in the AXA CPF.

## (ii) Manager or investment manager at the underlying unit trust level

### **AXA Investment Managers Asia Limited**

AXA Investment Managers Asia Limited is the investment manager of the AXA IM MPF Fund, the sub-funds of which are the AXA IM MPF Stable Fund, AXA IM MPF Balanced Fund and AXA IM MPF Growth Fund. These sub-funds are the respective underlying funds of the investment options of Stable Fund Policy, Balanced Fund Policy, Growth Fund Policy, AXA Stable Fund Policy, AXA Balanced Fund Policy and AXA Growth Fund Policy. AXA Investment Managers Asia Limited may, from time to time, delegate its function to other parties.

AXA Investment Managers Asia Limited is a wholly owned subsidiary of the asset management arm of the AXA Group. Its approach to investment management enables itself to have the ability to deliver stable results in the market place in both certain and uncertain times. It is an active and research based fund manager.

### **ipac financial planning Hong Kong Limited**

ipac financial planning Hong Kong Limited is the manager of AXA Unit Trusts-Currency and Bond Fund, AXA Unit Trusts-Global Fund and AXA Unit Trusts-Pacific Fund (the “AXA Unit Trusts”). It has appointed AXA Rosenberg Investment Management Asia Pacific Limited as the investment advisor of the AXA Unit Trusts effective 30 April 2004.

### **AXA Rosenberg Investment Management Asia Pacific Limited**

AXA Rosenberg Investment Management Asia Pacific Limited provides investment advice on the management of the underlying assets held in respect of the Guaranteed Fund Policy. With effect from 30 April 2004, it also provides investment advice on the management of the underlying assets of the AXA Unit Trusts.

AXA Rosenberg Investment Management Asia Pacific Limited was formed in 1999 as an active equity manager, combining fundamental knowledge with technology to analyse more companies than traditional managers. AXA Rosenberg Investment Management Asia Pacific Limited provides specialised investment management services to retail and institutional investors around the world, including pension funds, profit sharing plans, foundations and endowments.

AXA Rosenberg Investment Management Asia Pacific Limited may, from time to time, delegate its investment advisory function to other parties.

Effective from 20 June, 2011

**RCM Asia Pacific Limited**

RCM Asia Pacific Limited is the manager of the RCM Choice Fund. The AXA – RCM Hong Kong Fund Policy currently invests into the RCM Hong Kong Fund, which is one of the sub funds of the RCM Choice Fund. RCM Asia Pacific Limited is part of RCM, a global specialist equity manager of Allianz Global Investors. RCM Asia Pacific Limited, in its capacity as the manager of the RCM Choice Fund, has the ability to appoint other members of Allianz Group to act as investment adviser(s) to the RCM Hong Kong Fund.

# Administration

## Administration System

At AXA China Region Insurance Company (Bermuda) Limited, we do our utmost to provide you with a full range of top quality administration services.

We have specially developed a computer system called **Employee Benefit Advanced Insurance and Retirement System (EB AIRS)** which enables us to administer your retirement scheme with flexibility, accuracy and efficiency.

## Employee's Accounts

There are two separate accounts kept for each employee:

(i) **The Employee's Accumulation Account**

This includes all contributions made by the employee, plus investment earnings.

(ii) **The Employer's Accumulation Account**

This includes all contributions made by the employer plus (i) investment earnings and (ii) any distribution from the Employer's Reserve Account (see below). Administration charges may be deducted, if applicable.

## Employer's Reserve Account

Whenever an employee is paid less than his or her accrued retirement benefit (as a result of vesting less than 100% of Employer's Accumulation Account), then the balance is credited to a special account established for the employer, called the Reserve Account. Monies in the Reserve Account can be:

- used to pay administration charges and the employer's contributions; or to increase the benefits of employees through distribution to the employees' Employer's Accumulation Account
- refunded to the Employer upon request

The balance of the Reserve Account is automatically invested in the Hong Kong dollar savings account.

## Transfer from Existing Retirement Schemes

If an employer already has a recognised retirement scheme in operation, employees' benefits can be transferred to the AXA CPF. Appropriate amounts will be credited to the Employee's Accumulation Account and Employer's Accumulation Account of employees.

## Daily Operations

For the employer, upon implementation of a scheme, we will:

- help in preparing scheme documents
- apply for recognition from relevant Government authorities

For on-going administration, we will:

- assign an experienced officer for co-ordination of scheme administration matters
- keep records of employees' data and changes
- provide monthly billings and supporting statements
- maintain employer's reserve account
- provide annual statements, such as Summary of Member's Accounts and Fund Transaction Statements
- prepare and file the necessary compliance documentation for continual recognition with Government authorities
- provide up-to-date information on employee benefits matters through periodic newsletters

For employees, we will:

- provide member's booklets and benefit illustrations
- conduct member enrolment meetings
- issue Member's Benefit Statements showing member's account balance and entitlements at each Annual Report Date
- process benefit payments when members' benefits become payable

These services, provided by our specialist staff, will assure you of our personal and efficient services at all times.

## Contributions Payment

Contributions should be made by cheque to AXA China Region Insurance Company (Bermuda) Limited at G/F, AXA Centre, 151 Gloucester Road, Hong Kong.

## Benefits Payment

Under normal circumstances, when a member's benefits becomes payable, payment could be made within two weeks from the date of the receipt of an Employee Changes and Termination Report.

## Other Services

Optional services such as On-line Enquiry Facility, Electronic Data Transfer and calculation of Long Service Liability are also available upon request. Additional charge(s) may be imposed for the subscription of any of these or other optional services. These charges (subject to change from time to time) will be made available before the subscription of the optional services by the employer. The provision of any of these optional services is conditional upon the charge(s) being agreed by the relevant employer.

# Charges

## (A) At the AXA CPF level

### 1. Administration Charge

The Administration Charge is an annual fee chargeable under the AXA CPF. It is the aggregate of three components: (i) the Contribution Charge; (ii) the Flat Charge; and (iii) the Membership Charge.

The Administration Charge is determined at the beginning of each financial year of each individual scheme under the AXA CPF, it is calculated in accordance with the Contribution Charge and Membership Charge mentioned in the following table by referring to the annual contributions and number of members of the scheme recorded by the Administration Manager at the time of calculation plus the Flat Charge as stated in the same table. Such administration charge will then be expressed as a percentage (the “Administration Charge Rate”) of the annual contribution and applied to the Normal Contribution (as defined below) made to the scheme during the financial year. The maximum Administration Charge Rate payable shall be the lower of (a) the percentage determined by the aggregate of the Contribution Charge, Flat Charge and Membership Charge and (b) 7.5%. “Normal Contribution” is defined as the amount of contribution as required to be made under the Schedule to the Deed of Adoption (entered into by the employer at the time of joining the AXA CPF).

Once such percentage has been determined, it will remain unchanged until the expiration of the financial year of the scheme, even though there may be changes to the number of employees during the financial year due to reasons such as termination of employment, etc.. As soon as practicable after the determination of the Administration Charge, each employer (but not the employees) will be issued with a notice informing the Administration Charge so determined.

The bases of the determination of (i) the Contribution Charge; (ii) the Flat Charge; (iii) the Membership Charge are set out in the table below.

TABLE OF THE COMPONENTS OF ADMINISTRATION CHARGE

<b>(i) Contribution Charge</b>	
Annual Contributions (HK\$)	Contribution Charge (as % of the Annual Contributions)
First 100,000	4.00%
Next 100,000	3.00%
Next 300,000	2.00%
Next 500,000	1.00%
Excess	0.75%
<b>(ii) Flat Charge</b>	HK\$500 per employer per annum
<b>(iii) Membership Charge</b>	HK\$30 per member per annum

No Administration Charge or Special Contribution Levy (please refer to the next sub-section – **Special Contribution Levy**) is chargeable on any amounts transferred from another recognised retirement scheme.

Both the Administration Charge and the Special Contribution Levy (please refer to the next sub-section – **Special Contribution Levy**) may be paid by the employer in addition to contributions made or such charges may be deducted from the contributions. The employer retains the discretion.

The charge bases in the table above may not be varied unless one (1) month’s notice has been given.

Effective from 20 June, 2011

### Example of Charges (for illustration only)

By way of example, assuming the average annual contributions for each member is HK\$8,000, the total Administration Charges for different number of members are shown in the table below:

No. of Members	Annual Contributions	Contribution Charge	Membership Charge	Flat Charge	Total Administration Charge Payable	
(A)	(B)	(C)	(D)	(E)	(F)	(G)
	$B = (\text{HK}\$8,000 \times A)$	(a variable charge depending on amount of annual contributions)	(HK\$30 per member per annum)	(HK\$500 per employer per annum)	$(F = C + D + E)$	$G = [(C + D + E) / B] \times 100\%$
	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	As a % of Annual Contribution
1	8,000	320	30	500	600**	7.50**
10	80,000	3,200	300	500	4,000	5.00
50	400,000	11,000	1,500	500	13,000	3.25
100	800,000	16,000	3,000	500	19,500	2.44
250	2,000,000	25,500	7,500	500	33,500	1.68

\*\* There is a cap of 7.5% on the Administration Charge (as a percentage of the amount of annual contributions). Accordingly, while the Administration Charge here is supposed to be  $[(\text{HK}\$(320 + 30 + 500) / 8,000) \times 100\% = 10.625\%$ , it is capped at 7.5%. The amount of Administration Charge payable as such is HK\$600 instead of HK\$850.

## 2. Special Contribution Levy (IF APPLICABLE)

In the case that an amount of contribution (the “Special Contribution”) is made in addition to the amount of Normal Contribution, a 1% Special Contribution Levy will be levied on the Special Contribution. The Special Contribution will not be subject to the Administration Charge.

## 3. Occupational Retirement Schemes Ordinance (ORSO) Charges

The charge for compliance with ORSO per year is:

<b>First year</b>	HK\$2,000 (inclusive of HK\$1,200 ORSO re-registration fee)  There are also other fees such as solicitors' fee, auditors' fee, fee payable to the Mandatory Provident Fund Schemes Authority for applying for the approval of the appointment of a trustee, etc., which are fees not subject to the control of the Administration Manager, but are payable by the participating employer to the AXA CPF, which will in turn directly pay them in whole to the relevant parties charging those fees.
<b>Starting from the second year</b>	HK\$800 (exclusive of ORSO periodic fee which is payable by the employer directly to the Mandatory Provident Fund Schemes Authority)

## 4. Early Termination Fee

Should the employer withdraw his participation from the AXA CPF, and request that the benefits be paid to their members or transferred to another recognised retirement scheme, a termination charge shall apply. This charge is determined as a percentage of the total amount accumulated in respect of the employer and members under the employer's scheme according to the following scale:

Whole Years of Participation by Employer	Percentage of the total amount accumulated in respect of the employer and members under the employer's scheme
0	5%
1	4%
2	3%
3	2%
4	1%
5 or more	0%

## (B) At the investment option level

### 1. Management Charges

There are different rates of management charge for various investment options under the AXA CPF. Management Charges will be imposed at the investment option level and (if applicable) the underlying unit trust level. A summary of the current rates of management charge (inclusive of both the investment option level and (if applicable) the underlying unit trust level) is as follows:

	Management Charge (% p.a. of net asset value maintained by the relevant investment option)
Guaranteed Fund Policy	2%
AXA Unit Trusts - Global Fund	1.25%
AXA Unit Trusts - Pacific Fund	1.25%
AXA Unit Trusts - Currency & Bond Fund	1%
Stable Fund Policy	1.97%
Balanced Fund Policy	1.97%
Growth Fund Policy	1.97%
AXA Stable Fund Policy	1.97%
AXA Balanced Fund Policy	1.97%
AXA Growth Fund Policy	1.97%
AXA – RCM Hong Kong Fund Policy	2%

### 2. Switching Fee

For the performance of any switching which exceeds the number of times agreed to be performed at no additional costs annually between the Trustee and each employer, a minimum switching fee of HK\$1,000 is chargeable for switchings performed for 20 or less members. For switchings performed for over 20 members, a switching fee of HK\$50 per member is chargeable. The switching fee is payable by the employer to the Trustee, and is payable by cheque.

## **(C) At the underlying level**

### **1. Other fees and charges**

The charge bases set out in this sub-section may not be varied unless one (1) month's notice has been given.

#### **(i) Guaranteed Fund Policy**

For the **Guaranteed Fund Policy**, there are currently no other fees and charges.

#### **(ii) AXA Unit Trusts – Global Fund, AXA Unit Trusts – Pacific Fund and AXA Unit Trusts – Currency and Bond Fund**

For the **AXA Unit Trusts – Global Fund, AXA Unit Trusts – Pacific Fund and AXA Unit Trusts – Currency and Bond Fund** (each a “Unit Trust”, collectively the “Unit Trusts”), a trustee fee is currently chargeable at the underlying unit trust level. The trustee fee is currently 0.25% p.a. for up to US\$10 million of the net asset value maintained by each of the Unit Trusts, 0.1875% p.a. for the next US\$10 million of the net asset value maintained by each of the Unit Trusts and 0.125% p.a. for over US\$20 million of the net asset value maintained by each of the Unit Trusts, subject to a minimum of US\$10,000 p.a.. The trustee fee of each of the Unit Trusts at the underlying unit trust level is charged by the trustee of the respective Unit Trusts. There are other fees and charges (including, but not limited to, the costs incurred in the administration and investing the assets of each of the Unit Trusts, the cost of borrowing, of unitholders' meetings, of preparing, printing and distributing reports and statements; certain cost incurred to comply with legislative requirements and to obtain regulatory approval in any other jurisdiction).

For more details of these fees and charges, please refer to the explanatory memorandum of the respective Unit Trusts, a copy of which may be obtained from the Administration Manager.

#### **(iii) Stable Fund Policy, Balanced Fund Policy and Growth Fund Policy**

For the **Stable Fund Policy, Balanced Fund Policy and Growth Fund Policy** (the “**Lifestyle Fund Policies**”), which invest in the respective sub-funds of the AXA IM MPF Fund (the “**Respective Sub-Funds**”), a trustee fee at 0.03% (up to a maximum of 0.50%) per annum of the net asset value maintained by each of the Respective Sub-Funds is chargeable by the trustee of the AXA IM MPF Fund to the assets of the Respective Sub-Funds.

In addition to the trustee fee, an administration fee is currently chargeable to the assets of the Respective Sub-Funds. Such administration fee is up to USD 1,500 per month and up to a maximum of 0.50% per annum of the net asset value maintained by each of the Respective Sub-Funds. Such administration fee is chargeable at the underlying unit trust level.

Other fees and expenses incurred in connection with or with regard to the Respective Sub-Funds may, subject to the constitutive document of the AXA IM MPF Fund, be chargeable to the assets of the Respective Sub-Funds. Such fees and expenses may include, but are not limited to, any fees charges or levies payable to any relevant regulatory bodies, exchange operators or related bodies, insurance premiums, license fees, transaction fees and costs (including but not limited to stamp and other duties, taxes, governmental charges, brokerage commission, foreign exchange costs and transfer fees and expenses) in relation to any acquisition or realization of any investment or other property or cash or deposit or loan (including any fees and expenses incurred by the investment manager or trustee of the AXA IM MPF Fund or any of their associate in rendering any service in the claiming or collection of income or other rights in relation thereof), the fees and expenses of the registrar, valuation costs, any out of pocket expenses, audit and legal and tax advisor and other professional fees, sub-custodian fees, cost of convening meetings of unitholders and the cost of preparing and translating printing and distribution of documents, forms, reports or other information relating to the Respective Sub-Funds.

The trustee of the AXA IM MPF Fund may also deduct from the assets of the Respective Sub-funds, any fees and charges in accordance with the provisions of the relevant trust deed and offering documents, including without limitation those incurred in the administration and operation of the Respective Sub-Funds. The trustee of the AXA IM MPF Fund may also from time to time increase the level of trustee fee up to the maximum level or impose any other additional fees and charges in relation to the Respective Sub-Funds, subject to the approval of the Securities and Futures Commission and the Mandatory Provident Fund Schemes Authority and the prescribed notice period of the AXA IM MPF Fund for such change.

No advertising expenses will be charged to the assets maintained under the Respective Sub-Funds.

In addition, each of the Respective Sub-Funds may bear a due proportion of the costs and expenses incurred by the investment manager and the trustee of the AXA IM MPF Fund in establishing the Respective Sub-Funds.

The above fees and charges shall be levied against the Respective Sub-Funds only and shall not be deducted from the Lifestyle Fund Policies at the investment option level. As such, such fees and charges will be reflected in the unit prices of the Respective Sub-Funds and borne by all the unitholders of the Respective Sub-Funds.

**(iv) AXA Stable Fund Policy, AXA Balanced Fund Policy and AXA Growth Fund Policy**

For the **AXA Stable Fund Policy, AXA Balanced Fund Policy and AXA Growth Fund Policy** (i.e. **AXA Lifestyle Fund Policies**), which invest in the sub-funds of the AXA IM MPF Fund (the "**Respective Sub-Funds**"), a trustee fee at 0.03% (up to a maximum of 0.50%) per annum of the net asset value maintained by each of the Respective Sub-Funds is chargeable by the trustee of the AXA IM MPF Fund to the assets of the Respective Sub-Funds.

In addition to the trustee fee, an administration fee is currently chargeable to the assets of the Respective Sub-Funds. Such administration fee is up to USD 1,500 per month and up to a maximum of 0.50% per annum of the net asset value maintained by each of the Respective Sub-Funds. Such administration fee is chargeable at the underlying unit trust level.

Other fees and expenses incurred in connection with or with regard to the Respective Sub-Funds may, subject to the constitutive document of the AXA IM MPF Fund, be chargeable to the assets of the Respective Sub-Funds. Such fees and expenses may include, but are not limited to, any fees charges or levies payable to any relevant regulatory bodies, exchange operators or related bodies, insurance premiums, license fees, transaction fees and costs (including but not limited to stamp and other duties, taxes, governmental charges, brokerage commission, foreign exchange costs and transfer fees and expenses) in relation to any acquisition or realization of any investment or other property or cash or deposit or loan (including any fees and expenses incurred by the investment manager or trustee of the AXA IM MPF Fund or any of their associate in rendering any service in the claiming or collection of income or other rights in relation thereof), the fees and expenses of the registrar, valuation costs, any out of pocket expenses, audit and legal and tax advisor and other professional fees, sub-custodian fees, cost of convening meetings of unitholders and the cost of preparing and translating printing and distribution of documents, forms, reports or other information relating to the Respective Sub-Funds.

The trustee of the AXA IM MPF Fund may also deduct from the assets of the Respective Sub-funds, any fees and charges in accordance with the provisions of the relevant trust deed and offering documents, including without limitation those incurred in the administration and operation of the Respective Sub-Funds. The trustee of the AXA IM MPF Fund may also from time to time increase the level of trustee fee up to the maximum level or impose any other additional fees and charges in relation to the Respective Sub-Funds, subject to the approval of the Securities and Futures Commission and the Mandatory Provident Fund Schemes Authority and the prescribed notice period of the AXA IM MPF Fund for such change.

No advertising expenses will be charged to the assets maintained under the Respective Sub-Funds.

In addition, each of the Respective Sub-Funds may bear a due proportion of the costs and expenses incurred by the investment manager and the trustee of the AXA IM MPF Fund in establishing the Respective Sub-Funds.

The above fees and charges shall be levied against the Respective Sub-Funds only and shall not be deducted from the AXA Stable Fund Policy, AXA Balanced Fund Policy and AXA Growth Fund Policy at the investment option level. As such, such fees and charges will be reflected in the unit prices of the Respective Sub-Funds and borne by all the unitholders of the Respective Sub-Funds.

**(v) AXA – RCM Hong Kong Fund Policy**

For the **AXA – RCM Hong Kong Fund Policy**, which invests in one of the sub-funds of the RCM Choice Fund, RCM Hong Kong Fund, a trustee fee at 0.08% (up to a maximum of 0.25%) per annum of the net asset value maintained by the RCM Hong Kong Fund is chargeable by the trustee of the RCM Choice Fund to the assets of the RCM Hong Kong Fund. Such trustee fee is currently included as part of the management charge imposed at the investment option level for the AXA – RCM Hong Kong Fund Policy.

Other fees and expenses incurred in connection with or with regard to the RCM Hong Kong Fund may, subject to the constitutive document of the RCM Choice Fund, be chargeable to the assets of the RCM Hong Kong Fund. Such fees and expenses may include, but are not limited to, any fees, charges or levies payable to any relevant regulatory bodies, exchange operators or related bodies, insurance premiums, license fees, transaction fees and costs (including but not limited to stamp and other duties, taxes, governmental charges, brokerage commission, foreign exchange costs and transfer fees and expenses) in relation to any acquisition or realisation of any investment or other property or cash or deposit or loan (including any fees and expenses incurred by the investment manager or trustee of the RCM Choice Fund or any of their associate in rendering any service in the claiming or collection of income or other rights in relation thereof), the fees and expenses of the registrar, valuation costs, any out of pocket expenses, audit and legal and tax advisor and other professional fees, subcustodian fees, cost of convening meetings of unitholders and the cost of preparing and translating, printing and distribution of documents, forms, reports or other information relating to the RCM Hong Kong Fund. The trustee of the RCM Choice Fund may also deduct from the assets of the RCM Hong Kong Fund, any fees and charges in accordance with the provisions of the relevant trust deed and offering documents, including without limitation those incurred in the administration and operation of the RCM Hong Kong Fund. The trustee and/or the investment manager of the RCM Choice Fund (as the case may be) of the RCM Choice Fund may also from time to time increase the level of trustee fee up to the maximum level or impose any other additional fees and charges in relation to the relevant RCM Hong Kong Fund, subject to the approval of the Securities and Futures Commission and the Mandatory Provident Fund Schemes Authority and the prescribed notice period of the RCM Choice Fund for such change.

No advertising expenses will be charged to the assets maintained under the RCM Hong Kong Fund.

In addition, the RCM Hong Kong Fund may bear a due proportion of the costs and expenses incurred by the investment manager and the trustee of the RCM Choice Fund in establishing the RCM Choice Fund.

The above fees and charges shall be levied against the RCM Hong Kong Fund only and shall not be deducted from the AXA – RCM Hong Kong Fund Policy at the investment option level. As such, such fees and charges will be reflected in the unit prices of the RCM Hong Kong Fund and borne by all the unitholders of the RCM Hong Kong Fund.

# General Information

## How to participate

To participate in the AXA CPF, an employer simply has to:

- complete a Deed of Adoption (agreeing to follow the provisions of the Trust Deed);
- complete a Schedule to Deed of Adoption (specifying contribution rates, vesting scale etc.);
- complete an Authorised Officer Declaration (specifying names and signatures of those able to sign on behalf of the employer);
- complete documents required for recognition under the Occupational Retirement Schemes Ordinance; and
- have each new member complete an Application for Membership.

The employer will be given copies of:

- the completed documents;
- the Trust Deed;
- an Administration Guide (containing details of day-to-day administration matters); and
- appropriate forms for benefits payments etc.

## Governing Law

The governing law of the AXA CPF and each of the investment options is the laws of Hong Kong. The parties concerned have the right to bring legal actions in a Hong Kong court as well as in any court elsewhere which has a relevant connection with the AXA CPF.

## Borrowing Powers

The trust deed gives the trustee the power to borrow on behalf of the AXA CPF. It is expected that this power would be used only in exceptional circumstances and on a temporary basis to provide liquidity and to meet obligations to pay benefits.

The AXA CPF is also subject to the provisions on investment standards under the Exemption Regulation.

## Rebate

AXA China Region Investment Services Limited currently does not have any soft commission arrangement. AXA Investment Managers Asia Limited and its fellow subsidiaries, and AXA Rosenberg Investment Management Asia Pacific Limited have soft commission arrangements with various brokers. The arrangements specify that a certain percentage of the commission received by the brokers for dealing in the assets will be rebated in the form of goods and services; e.g. research materials, data and quotation services. Other delegates may or may not have any soft commission arrangements with their brokers from time to time. For those who do, commission credits generated by account transactions are used to obtain research-related and/or brokerage-related goods and/or services. Determinations are regularly made by such delegates that a given good or service provides lawful and appropriate assistance to the investment management process and that the cost of such good or service bears a reasonable relationship to the value of the good or service being provided.

Notwithstanding the above, neither AXA China Region Investment Services Limited, AXA Investment Managers Asia Limited and its fellow subsidiary, AXA Rosenberg Investment Management Asia Pacific Limited nor any of their connected persons or delegates may retain cash or other rebates from a broker or dealer in consideration of directing transactions in the investments of the AXA CPF to such broker or dealer, save that goods and services (soft dollars) may be retained if:

- (a) the goods and services to be provided pursuant thereto are of demonstrable benefits to the members of the AXA CPF;
- (b) the transaction executed is consistent with the best execution standard and the brokerage rates are not in excess of customary institutional full-service brokerages rates; and
- (c) adequate prior disclosure is made in the Principal Brochure of the AXA CPF.

For the avoidance of doubt, 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 may be considered as of such benefit to the members of the AXA CPF. Such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries, or direct payments.

### **Termination**

Should an employer wish to withdraw his participation from the AXA CPF, one month's written notice should be given to the Trustee. Please note that a termination fee may be applied, for further information, please refer to the sub-section "**Early Termination Fee**" in the section "**Charges**" above.

If all participating employers agree, the Trustee shall terminate the AXA CPF in accordance with the provisions of the Trust Deed.

### **Authorisation**

The documentation of the AXA CPF has been authorised by the Securities and Futures Commission. Such authorisation does not imply official recommendation.

### **MPF Exemption**

The Trust Deed of the AXA CPF has been amended in accordance with the Exemption Regulation to provide employers with the flexibility to apply for exemption under the Exemption Regulation. Should an employer with a scheme eligible for exemption under the Exemption Regulation elect to do so and upon granting of the exemption certificate by the Mandatory Provident Fund Schemes Authority, the relevant employer and employees can then be exempted from Part III of the MPF Ordinance (e.g. contributions to an MPF scheme) but their participation in the AXA CPF shall be subject to the Exemption Regulation.

AXA China Region Insurance Company (Bermuda) Limited accepts responsibility for the accuracy of the information contained herein.

# Addresses

## Trustee

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**AXA China Region (Bermuda) Limited**  
(Registered Address)  
Canon's Court  
22 Victoria Street  
Hamilton HM  
Bermuda

(Principal place of business in HK)  
20/F AXA Centre  
151 Gloucester Road  
Hong Kong

## Representative of the Trustee in Hong Kong

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**AXA China Region Trustees Limited**  
(Registered Address)  
20/F AXA Centre  
151 Gloucester Road  
Hong Kong

## Administration Manager/Insurer<sup>(a)</sup>

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**AXA China Region Insurance Company (Bermuda) Limited**  
(Registered Address)  
Canon's Court  
22 Victoria Street  
Hamilton HM  
Bermuda

(Principal place of business in HK)  
20/F AXA Centre  
151 Gloucester Road  
Hong Kong

## Investment Advisor

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**AXA China Region Investment Services Limited**  
(Registered Address)  
20/F AXA Centre  
151 Gloucester Road  
Hong Kong

## Trustee of the AXA Unit Trusts<sup>(b)</sup> and the AXA – RCM Hong Kong Fund Policy

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**HSBC Institutional Trust Services (Asia) Limited**  
(Registered Address)  
1 Queen's Road Central  
Hong Kong

## Manager of the AXA Unit Trusts<sup>(b)</sup>

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**ipac financial planning Hong Kong Limited**  
(Registered Address)  
20/F AXA Centre  
151 Gloucester Road  
Hong Kong

## Investment Advisor of the AXA Unit Trusts<sup>(b)</sup> and Guaranteed Fund Policy

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**AXA Rosenberg Investment Management Asia Pacific Limited**  
(Registered Address)  
57/F, One Island East  
18 Westlands Road  
Quarry Bay  
Hong Kong

## Investment Manager of the Lifestyle Fund Policies<sup>(c)</sup> and AXA Lifestyle Fund Policies<sup>(d)</sup>

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**AXA Investment Managers Asia Limited**  
(Registered Address)  
57/F, One Island East  
18 Westlands Road  
Quarry Bay  
Hong Kong

## Manager of the AXA – RCM Hong Kong Fund Policy

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**RCM Asia Pacific Limited**  
(Registered Address)  
27/F, ICBC Tower  
3 Garden Road, Central  
Hong Kong

- (a) “**Insurer**” is defined in this Principal Brochure as AXA China Region Insurance Company (Bermuda) Limited which issued the Guaranteed Fund Policy.
- (b) “**AXA Unit Trusts**” is defined in this Principal Brochure as (i) AXA Unit Trusts – Global Fund; (ii) AXA Unit Trusts – Pacific Fund; and (iii) AXA Unit Trusts – Currency and Bond Fund.
- (c) “**Lifestyle Fund Policies**” is defined in this Principal Brochure as (i) Stable Fund Policy; (ii) Balanced Fund Policy and (iii) Growth Fund Policy.
- (d) “**AXA Lifestyle Fund Policies**” is defined in this Principal Brochure as the (i) AXA Stable Fund Policy; (ii) AXA Balanced Fund Policy and (iii) AXA Growth Fund Policy.

## APPENDIX

The information contained in the Appendix to this Principal Brochure are in respect of:

- (i) the insurance policy corresponding to the investment option of the **Guaranteed Fund Policy**;
- (ii) the unit trusts corresponding to the investment options of the (i) **AXA Unit Trusts - Global Fund**; (ii) **AXA Unit Trusts - Pacific Fund** and (iii) **AXA Unit Trusts - Currency and Bond Fund**;
- (iii) the insurance policies corresponding to the investment options of the (i) **Stable Fund Policy**; (ii) **Balanced Fund Policy**; (iii) **Growth Fund Policy**; (iv) **AXA Stable Fund Policy**; (v) **AXA Balanced Fund Policy**; (vi) **AXA Growth Fund Policy**; and (vii) **AXA - RCM Hong Kong Fund Policy**.

The investment restrictions applicable to the insurance policies and unit trusts corresponding to these investment options are subject to the Occupational Retirement Schemes Ordinance and (as applicable) the Mandatory Provident Fund Schemes (Exemption) Regulation.

# Guaranteed Fund Policy

## Establishment

The Guaranteed Fund Policy is set up and issued by AXA China Region Insurance Company (Bermuda) Limited (the “Insurer”) in Hong Kong on July 31, 2002. The guarantee of the Guaranteed Fund Policy is given by the Insurer. Your investments in this insurance policy are therefore subject to the credit risks of the Insurer.

## Objective

The Guaranteed Fund Policy (the “Policy”) aims at preserving the invested capital while achieving long-term capital appreciation. The Insurer has appointed AXA Rosenberg Investment Management Asia Pacific Limited as the investment advisor for the underlying assets held in respect of the Policy.

There is no fixed asset allocation for the Policy. It may invest in a diversified portfolio of equities, bonds and deposits with heavier weighting in bonds. The Insurer may vary the asset allocation at its sole discretion from time to time.

This is a unitised policy and the use of units is for administrative purpose only. The calculation of offer and bid prices of a unit of the policy is not based on the value of assets held in the Policy. For further details, see the sub-section “Operation” below.

The rate of return of the Policy is determined by the Insurer at its absolute discretion through a declared crediting rate and is independent of the value of assets held in the Policy. The declared crediting rate is reviewed regularly by the Insurer having regard to various matters including actual return, value and nature of assets, the level of guarantee, investment and operating expenses, market conditions and taxes. Upon any change of the declared crediting rate, the new rate will be applied to the Account Balance (as defined below) on a prospective basis. The declared crediting rate for the past five (5) calendar years from the effective date of this Principal Brochure can be found in the sub-section “Declared Crediting Rate” below.

## Declared Crediting Rate

The declared crediting rates for the Policy since its inception date (i.e. 31 July 2002), up to the effective date of this Principal Brochure, are set out in the following table. For the latest declared crediting rate, please refer to the fund fact sheet which is available at our website [www.axa.com.hk](http://www.axa.com.hk) or call our customer services hotline at 2802 2812 for information.

Period covering	Declared Crediting Rate
31 July 2002 to 31 May 2011	5% per annum
1 June 2011 to the effective date of this Principal Brochure	3% per annum

**Investment involves risk. Past performance information presented is not indicative of future performance. Please refer to the Principal Brochure of the AXA CPF.**

## Features of the Guarantee

The “**Account Balance**” of a member in the Policy means the amount in Hong Kong dollars invested in the Policy (net of charges, if any) for that member accrued with the declared crediting rate as determined by the Insurer. For administrative purpose, the Account Balance is calculated at the bid price per unit.

The guarantee operates in the following manner:

### Scenario (a)

Upon realisation of the units under the Policy in the following events, the Insurer guarantees that the amount payable under the Policy for the member shall be the Account Balance (in the case of realisation of all units under the Policy) or the proportional part of the Account Balance (in the case of realisation of part of the units under the Policy) of that member in the Policy:

- retirement within the meaning of the master trust deed or subsequent request for payment of benefits that have been retained in the Policy after retirement;
- death;
- request for payment of benefits that have been retained in the Policy after leaving service provided that the member has at that time attained the age of 60; or
- withdrawal of minimum MPF benefits under the Exemption Regulation relating to death, retirement, total incapacity or long service payment.

### Scenario (b)

Upon realisation of the units under the Policy in the following events, the Insurer guarantees that the amount payable under the Policy for the member shall be the greater of (i) the amount (or the proportion thereof), depending on whether units are realised in whole or in part under the Policy, in Hong Kong dollars invested in the Policy (net of charges, if any) for that member and (ii) the Account Balance (in the case of realisation of all units under the Policy) or the proportional part of the Account Balance (in the case of realisation of part of the units under the Policy) of that member in the Policy after applying the Reduction (as defined below), if any, as explained below:

- leaving service;
- request for payment of benefits that have been retained in the Policy after leaving service provided that the member has at that time not attained the age of 60;
- the termination of the Policy;
- request for payment of benefits where the accrued rights or vested benefits of the member in the AXA Central Provident Fund (the “**AXA CPF**”) have been altered to his/her detriment as a result of an amendment to the trust deed or the term of participation of the employer in the AXA CPF;
- the termination of the AXA CPF or the termination of the employer’s participation in the AXA CPF, where benefits are paid to the member directly and are not transferred to another retirement scheme; or
- withdrawal of minimum MPF benefits under the Exemption Regulation relating to permanent departure from Hong Kong or severance payment.

In the event that a Reduction is applied in Scenario (b), there is a risk that the member may suffer a substantial loss of his or her investment.

Effective from 20 June, 2011

### Scenario (c)

Upon realization of units under the Policy in all events other than those described in Scenario (a) and (b) above, no guarantee shall be applied by the Insurer and the amount payable under the Policy for the member shall only be the Account Balance (in the case of realisation of all units under the Policy) or the proportional part of the Account Balance (in the case of realisation of part of the units under the Policy) of that member in the Policy after applying the Reduction, if any. By way of example only, no guarantee shall be applied by the Insurer in the events including but not limited to:

- Switching any amount invested in the Policy to another investment option in the AXA CPF; or
- Transferring any amount invested in the Policy to another retirement scheme.

In the event that a Reduction is applied in Scenario (c), there is a risk that the member may suffer a substantial loss of his or her investment.

The “**Reduction**” means upon realisation of units, the amount by which the Insurer may reduce the proceeds in respect of the realization of such units, at its absolute discretion, having regard to various factors including market conditions, the level of guarantee being provided, and market value of the underlying assets. The rate of reduction is not subject to any limit and can be imposed at the Insurer’s absolute discretion.

### Operation

The Policy is denominated in Hong Kong dollars.

“**Valuation Date**” means such day as the Insurer may from time to time determine the bid and offer price for the purpose of determining the Account Balance.

The bid price of a unit in the Policy on a Valuation Date shall be, (i) on the first issue of units under the Policy, such amount as the Insurer may determine; and (ii) on any subsequent Valuation Date, the bid price of a unit on the preceding Valuation Date as increased by such rate as determined by the Insurer in its absolute discretion rounded down to the nearest cent. In determining such rate of increase, the Insurer may consider various factors including actual return, value and nature of assets, the level of the guarantee, investment and operating expenses, market conditions and taxes.

The offer price of a unit in the Policy on a Valuation Date shall be (i) on the first issue of units under the Policy, such amount as the Insurer may determine; and (ii) on any subsequent Valuation Date, the aggregate of a preliminary charge and the bid price of a unit on the Valuation Date rounded up to the nearest cent. Currently, this preliminary charge is waived for the AXA CPF.

There will be a dilution of performance due to the guaranteed structure in place. A guarantee fee may be imposed in the Policy to cover the cost of guarantee. Currently, this guarantee fee does not apply. The Insurer has the right to retain the investment income in respect of the Policy in excess of that required to be set aside to meet the guarantee under the Policy.

There will be a reserve in respect of the Policy which will be the difference between the value of the assets held in respect of the Policy and the multiplication of bid price by the number of outstanding units in issue. This reserve is the property of the Insurer which has the sole discretion to retain all or part of it or use it to smooth the bid price of the Policy.

## Termination

The Policy may be terminated by the Insurer by giving one month's notice to the Trustee. If the value of all units in issue calculated at the bid price on the latest Valuation Date before the termination of the Policy (the "Value") is less than HK\$30 million, the Insurer shall realize and pay the proceeds of the realisation of all units within one month. If the Value is more than HK\$30 million, the Insurer shall (i) realize one-eighth of all units held immediately before the termination of the Policy; and (ii) pay the proceeds of the realisation of such units at every three (3) month interval for the two (2) years immediately after the termination of the Policy. The calculation of proceeds of realisation upon termination of the Policy is set out in the sub-section "Guarantee" above.

## Authorisation

The Policy, being part of the AXA CPF, is subject to the investment restrictions set out in Chapter 7 of the Code on Unit Trusts and Mutual Funds. The Policy is not authorised by the Securities and Futures Commission under the Code on Unit Trusts and Mutual Funds, but it is authorized by the Securities and Futures Commission under the Code on Pooled Retirement Funds. Such authorization does not imply official recommendation.

For details and charges, please refer to the policy document of the Guaranteed Fund Policy which will be made available by the administration manager.

\* Please note that investment return may fall as well as rise. Market movements and currency movements may cause the value of the assets held in respect of the Policy to fall as well as rise.

# AXA Unit Trusts - Global Fund

## Establishment

A U.S. dollar denominated unit trust fund established on 15th January 1990 and authorised in Hong Kong. All assets of the AXA Unit Trusts – Global Fund (the “**Global Fund**”) are held by or to the order of the trustee, HSBC Institutional Trust Services (Asia) Limited (the “**Trustee**”), which is a registered trust company under the laws of Hong Kong.

## Objective

The Global Fund aims to achieve long-term capital growth and pursues a totally flexible global investment policy. This allows the Manager (as defined below) to take advantage of opportunities that may exist anywhere in the world. However, the underlying investments will normally be shares in companies in any sector of the stock markets of North America, Europe, Japan, Australia and the Far East. From time to time, the Manager (as defined below) may retain all or part of the Global Fund in cash, fixed interest securities or short term money market investments where it is considered appropriate for the protection of the Global Fund. Thus, the Manager (as defined below) can take advantage of mobility between investment sectors and national economies, as circumstances and prospects vary.

## Operation

The manager of the Global Fund, ipac financial planning Hong Kong Limited (the “**Manager**”), is incorporated and based in Hong Kong. The Manager has appointed AXA Rosenberg Investment Management Asia Pacific Limited as investment advisor to the Global Fund.

The net asset value of the Global Fund is calculated by reference to the value of investments at the close of each business day in accordance with the method established under the Global Fund’s trust deed (the “**Trust Deed**”). The net asset value per unit is calculated by dividing the net asset value of the Global Fund by the number of units in issue. The bid price for redemption of units is the amount equal to the net asset value per unit less an appropriate deduction allowed by the Trust Deed. The offer price for purchasing units is the amount equal to the net asset value per unit with addition of a surcharge and a maximum initial charge of 6% of the offer price. Currently, this 6% initial charge is waived for the AXA Central Provident Fund.

The Trust Deed allows the Trustee of the Global Fund to borrow on behalf of the Global Fund not more than 25% of the net asset value of the Global Fund for the purpose of payments required under the Trust Deed or in connection with the investment of assets of the Global Fund.

## Authorisation and Investment Restrictions

The Global Fund is authorised by the Securities and Futures Commission and is subject to the investment restrictions set out in Chapter 7 of the Code on Unit Trusts and Mutual Funds. Such authorisation does not imply official recommendation.

\* Please note that unit price may fall as well as rise. Market movements and currency movements may cause the value of the assets held in respect of the Global Fund to fall as well as rise.

# AXA Unit Trusts - Pacific Fund

## Establishment

A U.S. dollar denominated unit trust fund established on 15th July 1987 and authorised in Hong Kong. All assets of the AXA Unit Trusts – Pacific Fund (the “**Pacific Fund**”) are held by or to the order of the trustee, HSBC Institutional Trust Services (Asia) Limited (the “**Trustee**”), which is a registered trust company under the laws of Hong Kong.

## Objective

The Pacific Fund is established to provide professional investment management for those seeking to invest in the Pacific Region. Its principle aim is to achieve maximum capital growth through investments in the securities of companies based or predominantly trading in the region, providing a broad range of holdings in both leading companies and special situations. It is the Manager (as defined below)’s intention to invest not less than 70% of the Pacific Fund in the Pacific Region.

## Operation

The manager of the Pacific Fund, ipac financial planning Hong Kong Limited (the “**Manager**”), is incorporated and based in Hong Kong. The Manager has appointed AXA Rosenberg Investment Management Asia Pacific Limited as investment advisor to the Pacific Fund.

The net asset value of the Pacific Fund is calculated by reference to the value of investments at the close of each business day in accordance with the method established under the Pacific Fund’s trust deed (the “**Trust Deed**”). The net asset value per unit is calculated by dividing the net asset value of the Pacific Fund by the number of units in issue. The bid price for redemption of units is the amount equal to the net asset value per unit less a service charge allowed by the Trust Deed. The offer price for purchasing units is the amount equal to the net asset value per unit with addition of a surcharge, and a maximum initial charge of 6% of the offer price. Currently, this 6% initial charge is waived for the AXA Central Provident Fund.

The Trust Deed allows the Trustee to borrow on behalf of the Pacific Fund not more than 25% of the net asset value of the Pacific Fund for the purpose of paying the proceeds of redemption of units when the Pacific Fund has insufficient cash to meet such payment, provided that the Trustee has contracted to sell sufficient investments to meet such payment.

## Authorisation and Investment Restrictions

The Pacific Fund is authorised by the Securities and Futures Commission and is subject to the investment restrictions set out in Chapter 7 of the Code on Unit Trusts and Mutual Funds. Such authorisation does not imply official recommendation.

\* Please note that unit price may fall as well as rise. Market movements and currency movements may cause the value of the assets held in respect of the Pacific Fund to fall as well as rise.

# AXA Unit Trusts - Currency And Bond Fund

## Establishment

A U.S. dollar denominated unit trust fund established on 21st April 1989 and authorised in Hong Kong. All assets of the AXA Unit Trusts – Currency and Bond Fund (the “**Currency and Bond Fund**”) are held by or to the order of the trustee, HSBC Institutional Trust Services (Asia) Limited (the “**Trustee**”), which is a registered trust company under the laws of Hong Kong.

## Objective

The Currency and Bond Fund was established as a stable alternative to equity funds which could at times be more volatile. Its principle aim is to achieve long term capital appreciation through investment in major international currencies, together with an income yield from international interest-bearing securities.

## Operation

The manager of the Currency and Bond Fund, ipac financial planning Hong Kong Limited (the “**Manager**”), is incorporated and based in Hong Kong. The Manager has appointed AXA Rosenberg Investment Management Asia Pacific Limited as investment advisor to the Currency and Bond Fund.

The net asset value of the Currency and Bond Fund is calculated by reference to the value of investments at the close of each business day in accordance with the method established under the Currency and Bond Fund’s trust deed (the “**Trust Deed**”). The net asset value per unit is calculated by dividing the net asset value of the Currency and Bond Fund by the number of units in issue. The bid price for redemption of units is the amount equal to the net asset value per unit less an appropriate deduction allowed by the Trust Deed. The offer price for purchasing units is the amount equal to the net asset value per unit with addition of a surcharge, and a maximum initial charge of 6% of the offer price. Currently, the initial charge is set at 3%, but this is waived for the AXA Central Provident Fund.

The Trust Deed allows the Trustee to borrow on behalf of the Currency and Bond Fund not more than 10% of the net asset value of the Currency and Bond Fund for the purpose of payments required under the Trust Deed or in connection with the investment of assets of the Currency and Bond Fund.

## Authorisation and Investment Restrictions

The Currency and Bond Fund is authorised by the Securities and Futures Commission and is subject to the investment restrictions set out in Chapter 7 of the Code on Unit Trusts and Mutual Funds. Such authorisation does not imply official recommendation.

\* Please note that unit price may fall as well as rise. Market movements and currency movements may cause the value of the assets held in respect of the Currency and Bond Fund to fall as well as rise.

# Stable Fund Policy

## Balanced Fund Policy

## Growth Fund Policy

### Establishment

Stable Fund Policy, Balanced Fund Policy and Growth Fund Policy (collectively the “**Lifestyle Fund Policies**”, each a “**Lifestyle Fund Policy**”) were set up and issued by AXA China Region Insurance Company (Bermuda) Limited (the “**Insurer**”) in Hong Kong on 1 May 2004. Your investments in a Lifestyle Fund Policy, if any, are therefore subject to the credit risks of the Insurer.

### Objectives

The Lifestyle Fund Policies are specially constructed to simplify your investment strategy and help you achieve your retirement goals by offering a choice of funds with different return and risk profiles.

<b>Stable Fund Policy</b>	<p>Stable Fund Policy aims to achieve a stable long-term capital growth. It pursues its investment objective by investing in the AXA IM MPF Stable Fund, which ultimately invests in a diversified portfolio of equities, bonds and deposits. Normally around 15% to 45% of the assets will be invested in global equities and around 45% to 75% in global bonds. The remaining assets will be invested in deposits as appropriate.</p> <p>The Stable Fund Policy has a medium risk profile.</p>
<b>Balanced Fund Policy</b>	<p>Balanced Fund Policy aims to achieve a long-term capital growth. It pursues its investment objective by investing in the AXA IM MPF Balanced Fund, which ultimately invests in a diversified portfolio of equities, bonds and deposits. Normally around 55% to 85% of the assets will be invested in global equities and around 10% to 40% in global bonds. The remaining assets will be invested in deposits as appropriate.</p> <p>This Balanced Fund Policy has a medium to high risk profile.</p>
<b>Growth Fund Policy</b>	<p>Growth Fund Policy aims to achieve significant long-term capital growth. It pursues its investment objective by investing in the AXA IM MPF Growth Fund, which ultimately invests in a diversified portfolio of equities, bonds and deposits, with heavier weighting in equities. Normally around 75% to 100% of the assets will be invested in global equities and up to 25% in global bonds. The remaining assets will be invested in deposits as appropriate.</p> <p>This Growth Fund Policy has a high risk profile.</p>

Currently, the assets under each Lifestyle Fund Policy invest in the respective sub-fund of the AXA IM MPF Fund. Hence, each Lifestyle Fund Policy has the same investment objectives and strategies as the relevant sub-fund of the AXA IM MPF Fund.

### Operation

The Lifestyle Fund Policies are denominated in Hong Kong dollars. The net asset value per unit of each policy is calculated by valuing the assets held in respect of each policy, deducting the liabilities attributable to each policy and dividing the resultant sum by the number of units of each policy in issue respectively. The bid price of a unit of each policy on a valuation date is the net asset value per unit rounded down to the nearest cent. The offer price of a unit of each policy on a valuation date is the aggregate of a preliminary charge and net asset value per unit rounded up to the nearest cent. Currently, this preliminary charge is waived for the AXA Central Provident Fund.

### **Authorisation and Investment Restriction**

The Lifestyle Fund Policies, being part of the AXA Central Provident Fund, are subject to the investment restrictions set out in Chapter 7 of the Code on Unit Trusts and Mutual Funds.

The AXA IM MPF Stable Fund, AXA IM MPF Balanced Fund and AXA IM MPF Growth Fund have been authorised by the Securities and Futures Commission and approved by the Mandatory Provident Fund Schemes Authority. Such authorisations do not imply official recommendation.

\* Please note that the unit price may fall as well as rise. Market movements and currency movements may cause the value of the assets held in respect of the relevant Lifestyle Fund Policy to fall as well as rise.

# AXA Stable Fund Policy

## AXA Balanced Fund Policy

## AXA Growth Fund Policy

### Establishment

AXA Stable Fund Policy (formerly known as ipac Multi-Manager Stable Fund Policy), AXA Balanced Fund Policy (formerly known as ipac Multi-Manager Balanced Fund Policy) and AXA Growth Fund Policy (formerly known as ipac Multi-Manager Growth Fund Policy) (collectively the “AXA Lifestyle Fund Policies”, each an “AXA Lifestyle Fund Policy”) were set up and issued by AXA China Region Insurance Company (Bermuda) Limited (the “Insurer”) in Hong Kong on 5 January 2005. Your investments in an AXA Lifestyle Fund Policy, if any, are therefore subject to the credit risks of the Insurer.

### Objectives

The AXA Lifestyle Fund Policies are specially constructed to simplify your investment strategy and help you achieve your retirement goals by offering a choice of funds with different return and risk profiles.

<b>AXA Stable Fund Policy</b>	<p>AXA Stable Fund Policy aims to achieve a stable long-term capital growth. It pursues its investment objective by investing in the AXA IM MPF Stable Fund, which ultimately invests in a diversified portfolio of equities, bonds and deposits. Normally around 15% to 45% of the assets will be invested in global equities and around 45% to 75% in global bonds. The remaining assets will be invested in deposits as appropriate.</p> <p>The AXA Stable Fund Policy has a medium risk profile.</p>
<b>AXA Balanced Fund Policy</b>	<p>AXA Balanced Fund Policy aims to achieve a long-term capital growth. It pursues its investment objective by investing in the AXA IM MPF Balanced Fund, which ultimately invests in a diversified portfolio of equities, bonds and deposits. Normally around 55% to 85% of the assets will be invested in global equities and around 10% to 40% in global bonds. The remaining assets will be invested in deposits as appropriate.</p> <p>The AXA Balanced Fund Policy has a medium to high risk profile.</p>
<b>AXA Growth Fund Policy</b>	<p>AXA Growth Fund Policy aims to achieve significant long-term capital growth. It pursues its investment objective by investing in the AXA IM MPF Growth Fund, which ultimately invests in a diversified portfolio of equities, bonds and deposits, with heavier weighting in equities. Normally around 75% to 100% of the assets will be invested in global equities and up to 25% in global bonds. The remaining assets will be invested in deposits as appropriate.</p> <p>The AXA Growth Fund Policy has a high risk profile.</p>

Currently, the assets under each AXA Lifestyle Fund Policy invest in the respective sub-fund of the AXA IM MPF Fund. Hence, each AXA Lifestyle Fund Policy has the same investment objectives and strategies as the relevant sub-fund of the AXA IM MPF Fund.

## **Operation**

The AXA Lifestyle Fund Policies are denominated in Hong Kong dollars. The net asset value per unit of each policy is calculated by valuing the assets held in respect of each policy, deducting the liabilities attributable to each policy and dividing the resultant sum by the number of units of each policy in issue respectively. The bid price of a unit of each policy on a valuation date is the net asset value per unit rounded down to the nearest cent. The offer price of a unit of each policy on a valuation date is the aggregate of a preliminary charge and net asset value per unit rounded up to the nearest cent. Currently, this preliminary charge is waived for the AXA Central Provident Fund.

## **Authorisation and Investment Restriction**

The AXA Lifestyle Fund Policies, being part of the AXA Central Provident Fund, are subject to the investment restrictions set out in Chapter 7 of the Code on Unit Trusts and Mutual Funds.

The AXA IM MPF Stable Fund, AXA IM MPF Balanced Fund and AXA IM MPF Growth Fund have been authorised by the Securities and Futures Commission and approved by the Mandatory Provident Fund Schemes Authority. Such authorisations do not imply official recommendation.

\* Please note that the unit price may fall as well as rise. Market movements and currency movements may cause the value of the assets held in respect of the relevant AXA Lifestyle Fund Policy to fall as well as rise.

# AXA – RCM Hong Kong Fund Policy

## Establishment

The AXA – RCM Hong Kong Fund Policy (formerly known as ipac Multi-Manager Hong Kong Equity Fund Policy) (the “**RCM Policy**”) was set up and issued by AXA China Region Insurance Company (Bermuda) Limited (the “**Insurer**”) in Hong Kong on 5 January 2005. Your investments in the RCM Policy, if any, is therefore subject to the credit risks of the Insurer.

## Objectives

The RCM Policy aims to assist you in achieving long term capital growth by investing primarily in Hong Kong equities, including Chinese securities listed in Hong Kong. It pursues its investment objective by investing in the RCM Hong Kong Fund, which is a sub-fund of the RCM Choice Fund. The RCM Policy, via the RCM Hong Kong Fund, invests in a diversified portfolio of Hong Kong equities. Normally the assets remain fully invested in Hong Kong equities and where market conditions make it appropriate, cash or short term deposits may be held. Any holding of cash or short term deposits is to provide liquidity and/or for any other purpose as RCM Asia Pacific Limited, the investment manager of the RCM Choice Fund, considers appropriate. The RCM Policy, due to its very high exposure to equities, has a high risk profile in terms of fluctuations in the value of the assets of the RCM Policy. Therefore, the return on the RCM Policy may fluctuate significantly, particularly in the short term. In the long term, however, its return is expected to be in line with its investment objective.

## Operation

The RCM Policy is denominated in Hong Kong dollars. The net asset value per unit of the RCM Policy is calculated by valuing the assets held in the RCM Policy, deducting the liabilities of the RCM Policy and dividing the resultant sum by the number of units of the RCM Policy in issue. The bid price of a unit of the RCM Policy on a valuation date is the net asset value per unit rounded down to the nearest cent. The offer price of a unit of the RCM Policy on a valuation date is the aggregate of a preliminary charge and net asset value per unit rounded up to the nearest cent. Currently, this preliminary charge is waived for the AXA Central Provident Fund.

## Authorisation and Investment Restriction

The RCM Policy, being part of the AXA Central Provident Fund, is subject to the investment restrictions set out in Chapter 7 of the Code on Unit Trusts and Mutual Funds. The RCM Hong Kong Fund has been authorised by the Securities and Futures Commission and approved by the Mandatory Provident Fund Schemes Authority. Such authorisation does not imply official recommendation.

\* Please note that the unit price may fall as well as rise. Market movements and currency movements may cause the value of the assets held in respect of the RCM Policy to fall as well as rise.