



## Second Addendum to the Offering Document for AXA MPF – Smart Plan

### IMPORTANT INFORMATION

1. The AXA Guaranteed Fund invests solely in a single approved pooled investment fund in the form of an insurance policy issued by AXA China Region Insurance Company (Bermuda) Limited (**Sponsor**). The guarantee of the AXA Guaranteed Fund Policy, in which the AXA Guaranteed Fund of the Plan invests, is given by the Sponsor. Your investments in this fund, if any, are therefore subject to the credit risks of the Sponsor. The guarantee applies in specified circumstances only. Please refer to Section 5.1(6) of the relevant offering document for details of the credit risk, guarantee features and guarantee conditions. Upon realisation of units in this fund other than under the guarantee conditions, the proceeds of realisation are subject to a reduction by the Sponsor of a certain percentage of the member's account balance (or the relevant part of the account balance). The rate of reduction is determined by the Sponsor at its sole discretion and can be changed by the Sponsor at any time. The current maximum rate of reduction is 5%. Subject to the approval of the Mandatory Provident Fund Schemes Authority (**Authority**), the maximum rate may be increased.
2. The AXA MPF Conservative Fund in the Plan does not guarantee the repayment of capital.
3. You should consider your own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of funds, you are in doubt as to whether a certain fund is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice and choose the fund(s) most suitable for you taking into account your circumstances.
4. Please be reminded that in the event that you do not make any investment choices or if you submit an investment mandate which is invalid in the circumstances set out in the relevant scheme enrolment form, your contributions made and/or benefits transferred into AXA MPF – Smart Plan will be invested into the AXA MPF Conservative Fund in accordance with the default fund arrangement as stated in Section 6.5 of the relevant offering document, and such fund may not necessarily be suitable for you.
5. Fees and charges of a MPF conservative fund can be deducted from either: (i) the assets of the fund; or (ii) members' account by way of unit deduction. The AXA MPF Conservative Fund uses method (i) and, therefore, unit prices/ NAV/ fund performance quoted have incorporated the impact of fees and charges.
6. You should read the relevant offering document for further details including product features, fees and charges and risk factors.

This Addendum should be read in conjunction with the Offering Document for AXA MPF – Smart Plan (November 2010 edition) (the "Offering Document") and the first addendum to the Offering Document dated 18 July 2011 (the "First Addendum") and forms part of the Offering Document.

By this Addendum, the Offering Document shall be amended as follows:

#### **1. Change of investment structure of the AXA Guaranteed Fund**

With effect from 28 November 2011, the following amendments will be effective:

- i) The last paragraph under section “**3. AXA MPF – Smart Plan**” on page 2 shall be deleted and replaced by the following:

In respect of the AXA Guaranteed Fund, it invests solely in a single APIF in the form of an insurance policy issued by the Sponsor (“Insurance Policy APIF”), which in turn invests in an APIF in the form of a unit trust (“Unit Trust APIF”). Such Unit Trust APIF will in turn invest in other APIFs, which are also in the form of a unit trust.

- ii) The description of the constituent funds immediately under the table setting out the 11 constituent funds under section “**5. Constituent Funds**” on page 7 shall be deleted and replaced by the following:

All constituent funds are currently denominated in Hong Kong dollars. Each of the constituent funds (other than the AXA Guaranteed Fund) is currently a feeder fund investing entirely in a single Unit Trust APIF managed by investment managers as described in Section 3.4. above. The AXA Guaranteed Fund is currently denominated in Hong Kong dollars and is a feeder fund that currently invests in an Insurance Policy APIF issued by the Sponsor, which in turn invests in a Unit Trust APIF. Such Unit Trust APIF will in turn invest in other Unit Trust APIFs.

- iii) The description set out under the sub-section “**(6) AXA Guaranteed Fund**” of section “**5.1. Investment Objectives and Policies**” on page 9 shall be deleted and replaced by the following:

**Investment Objective:** The fund aims to achieve a return in excess of the ‘prescribed savings rate’ (i.e. broadly the average rate of interest on a Hong Kong dollar savings account) published by the Authority.

**Investment Policy:** The fund, through an Insurance Policy APIF, the AXA Guaranteed Fund Policy, in turn invests in a Unit Trust APIF, the AXA IM MPF Capital Stable Fund. The Unit Trust APIF will invest through other Unit Trust APIFs to gain exposure to a diversified portfolio of bonds, equities and deposits, with heavier weighting in bonds. Normally around 60% to 90% of the assets will be invested in bonds, 10% to 25% in equities and up to 25% in deposits.

**Risk and Return Profile:** The fund has a low risk profile in terms of fluctuations in the value of the assets of the fund. However, the return on the fund may still fluctuate significantly, particularly in the short term. In the long term, however, the return is expected to be in line with the fund’s investment objective.

This fund invests in an Insurance Policy APIF, which in turn invests in a Unit Trust APIF. Such Unit Trust APIF will in turn invest in other Unit Trust APIFs. The Insurance Policy APIF involved a guarantee, which is guaranteed by the Sponsor.

Investments in the Insurance Policy APIF are held as assets of the Sponsor. In the event where the Sponsor is liquidated, investors may not have access to their investments temporarily, or their value may be reduced.

Before you invest in this fund, you should consider the risk posed by the Sponsor (referred to as credit risk) under the circumstances set out above and, if necessary, seek additional information or advice.

- iv) All references to the wording of “APIF” under the sub-sections “Features of Guarantee” and “Dilution of Performance” under the sub-section “(6) AXA Guaranteed Fund” of section “5.1. Investment Objectives and Policies” on pages 9 to 11, the second paragraph under section “6.6. Switching Instructions” on page 17, the second paragraph under section “7.3. Realisation of Units” on page 19, the last bullet point under section “7.4. Withdrawal of Special Voluntary Contributions” on page 19, the third to fifth paragraphs of section “9.5. Calculation of Offer and Bid Prices of the APIFs” on page 23, and the definition of “Guarantee fee” under the section “DEFINITIONS” on page 26 shall be amended to “Insurance Policy APIF”.

## 2. Reduction of Management Fee for 5 Constituent Funds

The management fee for each of the AXA MPF Conservative Fund, AXA Growth Fund, AXA Balanced Fund, AXA Stable Fund and AXA Cash Fund has been decreased by 0.01% p.a. of NAV respectively effective on 10 January 2011. Accordingly, the following amendments will be made:

- (a) The table “(C) Annual Fund Operating Charges & Expenses Of Constituent Funds & Underlying Funds” under section “10.1. Fee Table” on page 25 shall be deleted and replaced by the following table:

<b>(C) Annual Fund Operating Charges &amp; Expenses Of Constituent Funds &amp; Underlying Funds</b> All management fees shown in this Part are inclusive of all management fees imposed by the constituent funds and their underlying APIFs.			
<b>Type of charges &amp; expenses</b>	<b>Name of constituent fund</b>	<b>Current level</b>	<b>Deducted from</b>
Management fee <sup>7</sup> (Note e)	AXA MPF Conservative Fund (Note f)	0.99% p.a. of NAV	Relevant assets of the Constituent Fund and/or the underlying Unit Trust APIF/Insurance Policy APIF
	AXA Growth Fund AXA Balanced Fund AXA Stable Fund	1.79% p.a. of NAV	
	AXA Cash Fund	0.99% p.a. of NAV	
	AXA Guaranteed Fund	1.00% p.a. of NAV	
	AXA – Fidelity Global Equity Fund (Note g)	1.90% p.a. of NAV	
	AXA – Fidelity Asia Pacific Equity Fund (Note g)	1.90% p.a. of NAV	
	AXA – Templeton Global Bond Fund (Note h)	1.75% p.a. of NAV	
	AXA – Templeton Japan Equity Fund (Note h)	1.90% p.a. of NAV	
	AXA – RCM Hong Kong Fund	1.90% p.a. of NAV	
	Guarantee fee <sup>8</sup> (Note i)	AXA Guaranteed Fund	

**(C) Annual Fund Operating Charges & Expenses Of Constituent Funds & Underlying Funds**  
**All management fees shown in this Part are inclusive of all management fees imposed by the constituent funds and their underlying APIFs.**

**Other expenses (Note j)**

Charges and expenses include (but are not limited to) the charges and expenses of investing and realising the investments of the constituent funds/APIFs, fees and expenses of the custodians/sub-custodians of the assets of the Plan/APIFs, fees and expenses of the auditors, establishment costs of the Plan and constituent funds/APIFs, valuation costs, legal fees, other professional fees, charges and expenses incurred in connection with any regulatory approval, any disbursements of out-of-pocket expenses properly incurred, costs and expenses incurred to effect any indemnity insurance, compensation fund levy, and charges and expenses incurred in the preparation and printing of any offering document, accounts and reports of the Plan/APIFs.

- (b) The table setting out the breakdown of management fees at the APIF level on pages 27 and 28 under section “10.1. Fee Table” shall be deleted and replaced by the following table:

APIFs under the following Constituent Fund	Management Fee		The Percentages consist of
	Current Level	Maximum Level	
	(% p.a. of NAV)		
AXA MPF Conservative Fund^	up to 0.02% *	0.50%	Trustee Fee
AXA Growth Fund^	up to 0.02% *	0.50%	
AXA Balanced Fund^	up to 0.02% *	0.50%	
AXA Stable Fund^	up to 0.02% *	0.50%	
AXA Cash Fund^	up to 0.02% *	0.50%	
AXA Guaranteed Fund	1.00%	1.00%	Investment Management Fee
AXA – Fidelity Global Equity Fund#	up to 0.875%	2.50%	Trustee Fee, Investment Management Fee
AXA – Fidelity Asia Pacific Equity Fund#	up to 0.875%	2.50%	
AXA – Templeton Global Bond Fund	up to 0.99%	3.80%	Trustee Fee, Investment Management Fee, Maintenance Fee and Administration Fee
AXA – Templeton Japan Equity Fund	up to 1.09%	3.80%	
AXA – RCM Hong Kong Fund^	0.08%	0.25%	Trustee Fee

\* This percentage does not include the administration fee. Currently, the administration fee is up to USD1,500 per month per APIF managed by AXA IM and up to a maximum of 0.50% of the NAV per annum.

# This percentage does not include the amount of incentive fee (if any) that will be charged by Fidelity. Currently, no incentive fee is charged.

^ The Trustee and/or the Sponsor may, at the constituent fund level, pay AXA IM and RCM investment management fees for managing their respective APIFs. Please refer to the management fees at the constituent fund level in the paragraph above for further information.

### **3. Amendment with respect to the Illustrative Example on AXA MPF Conservative Fund**

In light of the revised level of management fee for AXA MPF Conservative Fund, the fifth paragraph of section “**13. ILLUSTRATIVE EXAMPLE ON AXA MPF CONSERVATIVE FUND**” on page 34 shall be deleted and replaced by the following:

Based on these assumptions, the **total amounts of annual fees** you need to pay under the Plan (including those payable to the underlying approved pooled investment fund) in one financial period would be: HK\$52.28\*.

\*Note: Fees and charges of a MPF conservative fund can be deducted from either (i) the assets of the fund or (ii) members’ account by way of unit deduction. The AXA MPF Conservative Fund adopts method (i) hence, unit prices/NAV/fund performance quoted have incorporated the impact of such fees and charges.

### **4. Amendment with respect to the Description of the Statutory Levels of Relevant Income for MPF Contributions**

With effect from 1 November 2011, the following amendments will be effective:

- (a) Under section “**6.1. Mandatory Contributions**” on page 15, all references to the wording of “**below the statutory minimum of HK\$5,000 per month or HK\$60,000 per annum**” shall be amended to “**below the statutory minimum amount\*\***” and all references to the wording of “**not exceed HK\$1,000 per month or HK\$12,000 per annum**” shall be amended to “**not exceed the statutory maximum amount\*\***”.
- (b) All references to the wording of “**(up to a maximum of HK\$12,000 per annum)**” under section “**11.2. For Employees**” and “**11.3. For Self-employed Persons**” on page 31 shall be amended to “**(up to the statutory maximum amount)\*\***”.
- (c) A footnote “**\*\* Please contact our Customer Service Hotline (at 2802 2812) for the updated information on the statutory minimum and maximum levels of relevant income for MPF contributions stipulated under the current legislation**” shall be added at the bottom of page 15 and page 31 respectively.

### **5. Change of Various Addresses of the Sponsor and Trustee**

With effect from 31 October 2011, the following amendments will be effective:

- (a) The last sentence of the last paragraph of section “**10.1. Fee Table**” on page 30 shall be deleted and replaced by the following:

A copy of these documents can be viewed on our website at [www.axa.com.hk](http://www.axa.com.hk) and obtained from the Customer Services Centre at Room 1601, 16/F, Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

- (b) The third paragraph under section “**12.2. Accounts, Reports and Statements**” on page 32 shall be deleted and replaced by the following:

This consolidated report will be open for inspection by members free of charge at any time during normal business hours on any business day at the office of the Sponsor in Hong Kong (Room 1601, 16/F, Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong).

- (c) The first paragraph under section “**12.6. Documents available for Inspection**” on page 33 shall be deleted and replaced by the following:

Copies of the Trust Deed and the latest consolidated report for the Plan (if any) are available for inspection free of charge at any time during normal business hours on any business day at the office of the Sponsor in Hong Kong (Room 1601, 16/F, Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong).

- (d) The office address of the Trustee in Hong Kong as set out under section “**13. ILLUSTRATIVE EXAMPLE ON AXA MPF CONSERVATIVE FUND**” on page 34 shall be deleted and replaced by the following:

**AXA China Region Trustees Limited**  
20/F., AXA Centre, 151 Gloucester Road, Wanchai, Hong Kong  
Tel: (852) 2802 2812 Fax: (852) 2511 9559  
Website: www.axa.com.hk Email: customer.services@axa.com.hk

**6. Change of Office Address of FIL Investment Management (Hong Kong) Limited (one of the investment managers of the underlying APIFs)**

The office address of FIL Investment Management (Hong Kong) Limited (which has been changed effective on 11 June 2011) as set out on page 1 shall be deleted and replaced by the following:

Level 21, Two Pacific Place  
88 Queensway  
Admiralty  
Hong Kong

Except as amended by this Addendum and the First Addendum, the Offering Document remains in full force and effect.

**AXA China Region Trustees Limited**

31<sup>st</sup> October 2011