



Second Addendum to the Principal Brochure for Prosperity MPF Master Trust Scheme

This Second Addendum should be read in conjunction with and forms part of the Principal Brochure for Prosperity MPF Master Trust Scheme (December 2005 edition). This Second Addendum takes effect from 29 December 2006.

By this Second Addendum, the Principal Brochure shall be amended as follows:

1. (i) The details of the Approved Trustee, Investment Manager (for Pooled Investment Funds), Auditors, Promoter and Administrator in the “**Management and Administration**” section on page 1 shall be replaced by the following:

“MANAGEMENT AND ADMINISTRATION

Approved Trustee
AXA Financial Services Trustees Limited
36th Floor, Tower 1, Times Square,
1 Matheson Street, Causeway Bay,
Hong Kong
Tel. No. 2828-3838
Fax No. 2598-7623

Investment Manager (for Pooled Investment Funds)
AXA Investment Managers Asia Limited
Suite 2201-5, 22nd Floor,
One Pacific Place,
88 Queensway,
Hong Kong

Auditors
Deloitte Touche Tohmatsu
35th Floor, One Pacific Place
88 Queensway
Hong Kong

Promoter
AXA (Hong Kong) Life Insurance Company Limited
36th Floor, Tower 1, Times Square, 1 Matheson Street, Causeway Bay,
Hong Kong

Administrator
AXA (Hong Kong) Life Insurance Company Limited
36th Floor, Tower 1, Times Square,
1 Matheson Street, Causeway Bay,
Hong Kong”

- (ii) All references to “CIBC Global Asset Management (Asia) Limited” shall be changed to “AXA Investment Managers Asia Limited”.
- 2. The word “(“Regulation”)” shall be inserted in the last paragraph of the “**Preservation**” section on page 3 after the words “Mandatory Provident Fund Schemes (General) Regulation”.
- 3. The words “Mandatory Provident Fund Schemes (General) Regulation” in the last paragraph of the “**Constituent Funds**” section on page 5 shall be replaced by the word “Regulation”.
- 4. In the “**Fees and Charges**” section on page 8,
 - (i) the 2nd sentence of the 1st paragraph shall be replaced by the following:

“The relevant PIF under the Prosperity Templeton Global Equity Fund in turn invests in another underlying approved pooled investment fund (“underlying PIF”) managed by Franklin Templeton Investments (Asia) Limited.”;
 - (ii) the 2nd paragraph shall be replaced by the following:

“The fees of the Approved Trustee and the other service providers at the constituent fund level and underlying PIF level will be payable monthly in arrears and shall be accrued on each dealing day. The fees for the service providers at the relevant PIF level will be payable monthly in arrears and accrued on a daily basis.”
- 5. The following section shall be added to the Principal Brochure after the “**Fees and Charges**” section on page 8,

“Investment Manager

AXA Investment Managers Asia Limited (“AXA IM”) is the investment manager of the relevant PIFs under the Scheme. AXA IM is the Asian specialist asset management arm of the AXA Group. It manages investments locally on behalf of institutional and retail investors, as well as the assets of provident funds, making it a major fund manager in Hong Kong.

AXA IM is research driven and takes a “top-down bottom-up” approach in investment, so that it can potentially add value at every stage of the investment process. AXA IM believes that only a disciplined investment process can provide consistent investment performance that clients expect.

AXA IM may delegate the investment management functions to the following:

**AXA Rosenberg Investment
Management Asia Pacific Limited**

Suite 2201-5, 22nd Floor, One Pacific
Place
88 Queensway
Hong Kong

**AXA Investment Managers,
Paris**

Coeur Défense-Tour B
100 Esplanade du Général de
Gaulle
92932 Paris La Défense ce dex

**AXA Rosenberg Investment
Management LLC**

4 Orinda Way, Building E
Orinda, California
United States of America ”

6. The address of AXA (Hong Kong) Life Insurance Company Limited (previously known as MLC (Hong Kong) Limited) in the “**Inspection of Document**” section on page 10 shall be changed to “36th Floor, Tower 1, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.
7. **Annexure A-1 to Annexure A-3** from pages 11 to 13 shall be replaced by the Annexures set out in Appendix 1.
8. Table C in the “**Fee Table**” section on page 16 shall be amended as follows:
 - (i) the current level of the Management Fees for the Prosperity Capital Preservation Fund, Prosperity Balanced Fund and Prosperity Growth Fund shall be “Nil”;
 - (ii) the 1st paragraph in the “Other Expenses” sub-section shall be replaced by the following:

“A fund administration fee at US\$25,000 per annum is payable out of the assets of each constituent fund (other than the Prosperity Capital Preservation Fund) or its relevant PIF. For details, please refer to explanatory note D.”
9. In Table D of the “**Fee Table**” section on page 16, the current level of the Management Fees of the following constituent funds shall be adjusted as set out below.

Name of constituent fund	Current Level
Prosperity Capital Preservation Fund	Please see [explanatory note E] below
Prosperity Balanced Fund	2% p.a. of NAV
Prosperity Growth Fund	2% p.a. of NAV

10. The “**Explanatory Notes**” on page 17 shall be amended as follows:

(i) paragraph D shall be replaced by the following:

“Such fund administration fee shall (i) for the Prosperity Balanced Fund and Prosperity Growth Fund, be levied wholly on the constituent funds and (ii) for the Prosperity Templeton Global Equity Fund, be allocated between the relevant PIF and the constituent fund in such proportion as agreed between the custodian and the Approved Trustee of the Scheme (currently, US\$10,000 per annum of this fund administration fee is payable out of the assets of the constituent fund, while the remaining US\$15,000 per annum is payable out of the asset of the relevant PIF). No such fee will be levied on the Prosperity Capital Preservation Fund (the fee for which is currently borne by AXA (Hong Kong) Life Insurance Company Limited).”

(ii) a new paragraph E shall be added after the amended paragraph D:

“Fees, charges and expenses will only be payable out of the Double Easy Capital Preservation Fund Policy to the extent permitted by the MPFSO and Regulation. If the return of a relevant PIF in a month exceeds the prescribed savings rate for that month, 100% of the excess will be deducted from the assets of the relevant PIF as scheme administrative expenses and paid to the sponsor of the relevant PIF in its capacity as issuer of the relevant PIF. Scheme administrative expenses are accrued on a daily basis.”

11. A new “**Fee Rebate**” section shall be added after the Explanatory Notes:

Fee Rebate

Effective from 29 December 2006, rebates will be offered by AXA China Region Insurance Company (Bermuda) Ltd., the sponsor of the following three (3) relevant PIFs, to the corresponding constituent funds, as detailed below:

Relevant PIFs	Constituent Funds to which rebates are offered	Amount of Rebate
Double Easy Capital Preservation Fund Policy	Prosperity Capital Preservation Fund	Any fees charged by the relevant PIF in excess of 1.3% per annum of NAV
Double Easy Balanced Fund Policy	Prosperity Balanced Fund	0.5% per annum of NAV
Double Easy Growth Fund Policy	Prosperity Growth Fund	0.05% per annum of NAV

The rebates will be calculated on each dealing day and paid monthly to the constituent funds.

The sponsor of the relevant PIFs reserves the right to cancel any of such rebates by giving not less than 3 months' written notice to the Approved Trustee, subject to the approval of the Authority.”

12. In Table 2 of **Appendix 1** on page 18, the current level of both the Trustee Fee and Administration Fee for the Prosperity Capital Preservation Fund, Prosperity Balanced Fund and Prosperity Growth Fund shall be “Nil”.
13. The 1st three sub-sections under Table 3 of **Appendix 1** on pages 18 and 19 shall be replaced by the following:

“III.	At Relevant Pooled Investment Fund Level (“relevant PIF”)	Current (% per annum on NAV)	Maximum (% per annum on NAV)
	<p>1. <i>For the Double Easy Capital Preservation Fund Policy under the Prosperity Capital Preservation Fund</i></p> <p>Management Fee</p>	Please refer to explanatory note E on page 17	
	<p>2. <i>For the Double Easy Balanced Fund Policy under the Prosperity Balanced Fund</i></p> <p>Management Fee</p> <p>Offer Spread</p>	<p>2%</p> <p>Nil</p>	<p>2%</p> <p>3%</p>
	<p>3. <i>For the Double Easy Growth Fund Policy under the Prosperity Growth Fund</i></p> <p>Management Fee</p> <p>Offer Spread</p>	<p>2%</p> <p>Nil</p>	<p>2%</p> <p>3%</p>

14. Footnote 1 after Table 4 on page 19 shall be replaced by the following:

“¹The custodian will levy a fund administration fee of not more than US\$50,000 per annum out of the assets of the fund. The current rate of the fund administration fee is at US\$25,000 per annum. For details please refer to Explanatory Note D in the Fee Table.”

15. The following section shall be inserted at the end of Appendix 1:

“Other Expenses

Subject as provided above in relation to the Prosperity Capital Preservation Fund and Double Easy Capital Preservation Fund Policy, each constituent fund and each relevant PIF will bear the charges and expenses which are directly attributable to it. Where such charges and expenses are not directly attributable to a constituent fund or a relevant PIF, each constituent fund or each relevant PIF (as the case may be) will bear such charges and expenses in proportion to its respective net asset value or in such manner as the relevant parties shall consider fair. Charges and expenses include but are not limited to the charges and expenses of investing and realising the investments of the constituent funds/relevant PIFs, fees and expenses of the custodians of the assets of the Scheme/relevant PIFs, fees and expenses of the auditors, establishment costs of the Scheme and constituent funds/relevant PIFs, valuation costs, legal fees, charges and expenses incurred in connection with any regulatory approval, costs and expenses incurred to effect any indemnity insurance, compensation fund levy, and charges and expense incurred in the preparation and printing of any offering document, accounts and reports of the Scheme/relevant PIFs.

Expenses are accrued on each dealing day (for each constituent fund) and daily (for each relevant PIF).”

16. The following section shall be inserted at the end of Annexure A- 4:

“Asset Allocations

There is no fixed asset allocation by geographical locations for the constituent funds. The above expected asset allocations of the constituent funds are for indication only and may be changed as appropriate. In order to achieve the investment objectives, the actual asset allocations may at any time vary significantly from the expected asset allocations described above. The Approved Trustee shall not incur any liability for not exercising or utilising its wide powers of investment other than in the manner indicated above. In particular, the Approved Trustee shall not incur any liability if higher returns could have been achieved for any fund if different investments within the stated investment policy had been made.

Changes to the investment policy

Subject to the MPFSO and Regulation, the terms of each relevant PIF may be amended by AXA China Region Insurance Company (Bermuda) Ltd., the sponsor of that relevant PIF, by giving no less than 3 months’ notice to the Approved Trustee. Amendments may be made for any purpose decided by the sponsor, including for the purpose of varying or imposing new charges or fees in respect of the relevant PIF. Subject to the MPFSO and Regulation, each relevant PIF may also be terminated by the sponsor by giving 3 months’ notice (for Prosperity Templeton Global Equity (PIF) Fund) and 1 month’s notice (for other relevant PIFs) to the Approved Trustee in which event all units will be realised in accordance with the terms of the relevant PIF.”

Appendix 1

ANNEXURE A - 1

(a) Name of Constituent Fund

Prosperity Capital Preservation Fund

(b) Type of fund

It is a capital preservation fund.

(c) Structure of the fund

Feeder Fund.

(d) Statement of Investment Policy

(i) Investment Objective

The Fund aims to achieve a return in line with the “prescribed savings rate” (i.e. broadly the average rate of interest on a Hong Kong dollar savings account) published by the MPFA.

(ii) Investment Policy

The Fund will, through a relevant PIF, invest in Hong Kong dollar denominated deposits and debt securities issued by financial institutions, sovereign issuers and corporate issuers, subject to restrictions applicable to capital preservation funds imposed by the MPFSO and Regulation.

(iii) Policy regarding the acquisition, holding and disposal of financial futures contracts and financial option contracts

The Fund will not use any financial futures contracts and financial option contracts. This policy applies both at Constituent Fund and relevant PIF levels.

(iv) Security Lending

The Fund will not enter into any security lending activity.

(v) Investment in one or more pooled investment funds

It will be invested in the Double Easy Capital Preservation Fund Policy issued by AXA China Region Insurance Company (Bermuda) Limited.

(vi) Risk and Return Profile

The Fund is not a guaranteed fund and does not provide any capital or income guarantee. The Fund has a low risk profile and is expected to achieve its investment objective in most months. However, future fluctuations in interest rates and hence the value of the assets of the Fund together with the possibility of defaults by institutions and issuers mean that in some months the return will inevitably fall below the prescribed savings rate.

Investments in the Fund is not the same as placing funds on deposits with a bank or deposit-taking company and that there is no obligation to redeem the investment at the offer value and that the Fund is not subject to the supervision of the Hong Kong Monetary Authority.

Important: As a consequence of the general nature of varied investments and the value of investments and the yield may go down as well as up.

ANNEXURE A - 2

(a) Name of Constituent Fund

Prosperity Balanced Fund

(b) Type of fund

It is a mixed asset fund.

(c) Structure of the fund

Feeder Fund.

(d) Statement of Investment Policy

(i) Investment Objective

The Fund aims to achieve long-term capital growth.

(ii) Investment Policy

The Fund will, through a relevant PIF, invest 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 35% in global bonds. The remaining assets will be invested in deposits as appropriate.

(iii) Policy regarding the acquisition, holding and disposal of financial futures contracts and financial option contracts

The Fund shall not enter into any financial futures and option contract. The relevant PIF under the Fund shall not enter into any financial futures and option contract other than for hedging purpose.

(iv) Security Lending

Although the Fund may lend its assets to third parties in accordance with the terms of its constitutive documents, the Approved Trustee does not intend to exercise this power in the normal course of managing the Fund.

(v) Investment in one or more pooled investment funds

It will be invested in the Double Easy Balanced Fund Policy issued by AXA China Region Insurance Company (Bermuda) Limited.

(vi) Risk and Return Profile

The Fund, due to its high exposure to equities, has a medium to high risk profile in terms of fluctuation in the value of the assets of the Fund. Therefore, the return on the Fund may 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.

Important: As a consequence of the general nature of varied investments and possible exchange or interest rate fluctuations, the value of investments and the yield may go down as well as up.

ANNEXURE A - 3

(a) Name of Constituent Fund

Prosperity Growth Fund

(b) Type of fund

It is a mixed asset fund.

(c) Structure of the fund

Feeder Fund.

(d) Statement of Investment Policy

(i) Investment Objective

The Fund aims to achieve significant long-term capital growth.

(ii) Investment Policy

The Fund will, through a relevant PIF, invest 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 20% in global bonds. The remaining assets will be invested in deposits as appropriate.

(iii) Policy regarding the acquisition, holding and disposal of financial futures contracts and financial option contracts

The Fund shall not enter into any financial futures and option contract. The relevant PIF under the Fund shall not enter into any financial futures and option contract other than for hedging purpose.

(iv) Security Lending

Although the Fund may lend its assets to third parties in accordance with the terms of its constitutive documents, the Approved Trustee does not intend to exercise this power in the normal course of managing the Fund.

(v) Investment in one or more pooled investment funds

It will be invested in the Double Easy Growth Fund Policy issued by AXA China Region Insurance Company (Bermuda) Limited.

(vi) Risk and Return Profile

The Fund, due to its very high exposure to equities, has a high risk profile in terms of fluctuation in the value of the assets of the Fund. Therefore, the return on the Fund may 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.

Important: As a consequence of the general nature of varied investments and possible exchange or interest rate fluctuations, the value of investments and the yield may go down as well as up.

15 November 2006

AXA (Hong Kong) Life Insurance Company Limited