



JF Asset Management

Part of JPMorgan Asset Management

AIA-JF Mandatory Provident Fund Services

News

AIA-JF OFFERS FEE REBATE ON ITS CAPITAL PRESERVATION PORTFOLIO

HONG KONG, August 28, 2007 – American International Assurance Company, Limited (“AIA”) and JF Asset Management Limited (“JF”) today announced a fee rebate* on its Capital Preservation Portfolio (“CPP”) under its three master trust schemes. The rebate will reduce the net effective management fees of CPP under the three schemes to 1.25% per annum. The offer will be effective September 1, 2007.

The CPP focusing on money market funds, is offered by AIA-JF under its master trust schemes - AIA-JF Mandatory Provident Fund Scheme, AIA-JF Premium MPF Scheme and AIA-JF Comprehensive Retirement Benefit MPF Scheme.

Said Mr Peter Crewe, Chief Executive Officer, American International Assurance Company (Trustee) Limited: “At AIA-JF, customers have always been our priority. We undertake a rigorous consultative process with our clients and intermediaries on all product and customer service related issues. Presently, we have elected to lower the net cost to our members on money market funds. We believe that the focus on net returns rather than fees is in the best interest of our members, and we will continue to focus our member education efforts on risk versus return and investing over the long term.”

Added Mr Crewe: “The Mandatory Provident Fund (“MPF”) in Hong Kong is relatively young, having been in existence for seven years. The average fee charge is 2.06%¹ on the total asset under management (“AUM”) of HKD229.9 billion². Direct comparison to other mandatory systems is difficult due to a diversity of charging structures and record-keeping systems. The closest comparison is Australia, which has a similar decentralized

system as Hong Kong. Australia's Superannuation scheme, which has been established for over 25 years, has an average fee charge of 1.3%³ on the total AUM of HKD5,660.6 billion³. Measured by assets, Australia's Superannuation is 25 times bigger than Hong Kong's MPF. In any start-up, there are significant set-up costs involved when establishing a funds platform. At Hong Kong's current stage of evolution, the average fee is clearly at a reasonable level. Therefore, fee levels for actively managed funds with exposure to equities can justifiably remain at current levels."

AIA-JF has a proven history of listening to its customers and taking innovative action. In December 2004, AIA-JF was the first MPF service provider to offer the Greater China Equity Fund for members to grasp the potential investment opportunities in China. Since its launch, the fund has recorded a return of 113.77%⁴. In March 2006, AIA-JF was again the first, and remains the only MPF service provider to offer a Socially Responsible Investment product in Hong Kong by introducing the Green Fund. The Green Fund allows MPF members to capture the long-term growth potential of companies around the world with a reputation and track record for upholding and complying with environmentally-friendly business practices, while producing sustainable financial performance. The Green Fund has recorded an 18.18%⁴ return since its launch.

With 15 fund choices with different risk and return features, AIA-JF will continue to meet customers needs and adhere to the disciplined approach to primary and secondary research to further offer customers more choices.

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Notes

¹ Source: MPFA as at July 13, 2007.

² Source: MPFA as at June 30, 2007.

³ Source: Rice Warner Actuaries as at May 2007.

⁴ Fund performance under AIA-JF Premium MPF Scheme as at July 31, 2007.

* The above-mentioned rebate is subject to change with prior notice.

Investment involves risk. Past performance is not indicative of future performance. Please refer to the respective Principal Brochures for more information, including fees and charges.

JF Asset Management - Asia's Premier Investment House

For over 30 years JF has been at the forefront of investment in Asia. Founded and headquartered in Hong Kong, it has one of the largest investment teams in the region and is widely regarded as the Asian specialist. JF Asset Management is part of JPMorgan Asset Management, one of the world's leading asset management companies, which has a global network of over 680 investment professionals located in some 40 locations worldwide and assets under management of over US\$1.1 trillion[^]. This enormous global investment capability is based on a strong local market presence across four regions - Asia, Europe, Japan and the US - and brings together an incredible pool of specialist investment knowledge and expertise which further enhances our capabilities to provide our clients with the very best products.

With its reputation for innovation and market leadership, JF is committed to helping investors reach their financial goals by providing them with a broad range of professionally managed funds, excellence in investment performance, and the highest quality of client service.

[^] The Asset Management client funds of JPMorgan Chase & Co. as at June 30 2007.

American International Assurance Company, Limited

American International Assurance Company, Limited (“AIA”) is one of the largest life insurers in Southeast Asia, with branch offices, subsidiaries and affiliated companies located in countries and jurisdictions including Mainland China, Hong Kong, Macau, Taiwan, Australia, Brunei, Guam, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Thailand and Vietnam. AIA markets a full line of life insurance products through a multi-channel distribution system, whose core franchise is an extensive agency force. AIA is a wholly-owned subsidiary of American International Group, Inc. (“AIG”), world leaders in insurance and financial services.

American International Group, Inc.

American International Group, Inc. (“AIG”), world leaders in insurance and financial services, is the leading international insurance organization with operations in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer. In addition, AIG companies are leading providers of retirement services, financial services and asset management around the world. AIG's common stock is listed on the New York Stock Exchange, as well as the stock exchanges in Paris, Switzerland and Tokyo.

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