

Reg. No. T06FC6835J

**Friends Provident International Limited,
Singapore Branch**

Investment-Linked Funds

Report for the year 1 April 2014 to 31 March 2015

Friends Provident International Limited, Singapore Branch

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**Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 April 2014 to 31 March 2015**

Statement by Directors

In our opinion, the financial statements of the Investment-Linked Funds of Friends Provident International Limited, Singapore Branch (the "Singapore Branch") set out on page 5 to 10 present fairly, in all material respects, the state of affairs of the Investment-Linked Funds of the Singapore Branch as at 31 March 2015 and the capital movements for the year 1 April 2014 to 31 March 2015, in accordance with the stated accounting policies.



Director

KEVIN PHILIP CRACYNALL



Director

CAROLINE JUNE CORNISH

29 June 2015

**Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 April 2014 to 31 March 2015**

Independent Auditors' Report to Friends Provident International Limited, Singapore Branch

We have audited the accompanying financial statements of the Investment-Linked Funds (as set out on page 4) of Friends Provident International Limited, Singapore Branch (the "Singapore Branch"), which comprise the Statement of Assets and Liabilities as at 31 March 2015, the Capital and Income Account for the year from 1 April 2014 to 31 March 2015, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 10.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the stated accounting policies, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair Capital and Income Account and Statement of Assets and Liabilities and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Investment-Linked Funds' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 April 2014 to 31 March 2015**

Independent Auditors' Report to Friends Provident International Limited, Singapore Branch

Opinion

In our opinion, the financial statements present fairly, in all material aspects, the state of affairs of the Investment-Linked Funds of the Singapore Branch as at 31 March 2015 and the capital movements for the year 1 April 2014 to 31 March 2015, in accordance with the stated accounting policies.

Our report is intended solely for the use of the Singapore Branch and our duties are owed solely to the Singapore Branch. We do not accept responsibility and we expressly disclaim liability for loss occasioned to any third party acting or refraining from acting as a result of our report.

This report relates solely to the financial statements of the Investment-Linked Funds of the Singapore Branch and does not extend to the financial statements of the Singapore Branch taken as a whole.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

29 June 2015

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 April 2014 to 31 March 2015

Independent Auditors' Report to Friends Provident International Limited, Singapore Branch

The Statements of Assets and Liabilities, Capital and Income Accounts and a summary of significant accounting policies and other explanatory notes of the following Investment-Linked Funds are covered in this report:

<u>Funds</u>	<u>Commencement Date</u>
F&C Eastern European (R156) (<i>previously reported as Nevsky Capital Eastern European (R156)</i>)	13 March 2014
HSBC Chinese Equity (J55)	31 July 2009
HSBC GEM Debt Total Return (R145)	17 July 2013
HSBC Hong Kong Equity (J56)	31 July 2009
LeggMason Martin Currie Global Resources (R108) (<i>previously reported as Martin Currie GF Global Resources (R108)</i>)	24 August 2011

With the exception of F&C Eastern European, HSBC GEM Debt Total Return and LeggMason Martin Currie Global Resources (R156, R145 and R108) which are segregated Investment-Linked Funds, the funds are invested as one part of the sub-fund of Friends Provident International Limited (the Company). These represent the elements of the sub-funds that are dedicated to customers of the Singapore Branch. The segregated Investment-Linked Funds and sub-funds are, in turn, invested in the underlying funds.

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 April 2014 to 31 March 2015

Financial Statements

	F&C Eastern European (R156)	HSBC Chinese Equity (J55)
	S\$	S\$
Capital and Income Account		
For the year 1 April 2014 to 31 March 2015		
Value of Fund as at 1 April 2014	495,628	263,527
Amounts received by the Fund for creation of units	220,924	128,616
Amounts paid by the Fund for liquidation of units	(172,297)	(40,761)
Net amounts received by the Fund	48,627	87,855
Unrealised (diminution)/ appreciation in value of investments	(83,833)	86,279
(Loss)/ gain on sale of investments	(6,932)	19,014
Other income	-	2,621
Management fees	(6,206)	(3,913)
Other expenses	(1,533)	(13)
(Decrease)/ increase in net asset value for the year	(98,504)	103,988
Value of Fund As at 31 March 2015	445,751	455,370

Statement of Assets and Liabilities
As at 31 March 2015

Assets		
Investments in funds	442,174	456,270
Cash and bank balances	3,577	-
Other debtors	-	-
Total assets	445,751	456,270
Liabilities		
Other creditors	-	900
Total liabilities	-	900
Value of Fund As at 31 March 2015	445,751	455,370

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 April 2014 to 31 March 2015

Financial Statements

	HSBC GEM Debt Total Return (R145)	HSBC Hong Kong Equity (J56)
	S\$	S\$
Capital and Income Account		
For the year 1 April 2014 to 31 March 2015		
Value of Fund as at 1 April 2014	441,256	143,808
Amounts received by the Fund for creation of units	83,124	81,856
Amounts paid by the Fund for liquidation of units	(185,278)	(16,048)
Net amounts (paid)/ received by the Fund	(102,154)	65,808
Unrealised appreciation in value of investments	38,616	50,266
Gain/ (loss) on sale of investments	8,569	(11,729)
Other income	1,680	3,119
Management fees	(4,680)	(2,067)
Other expenses	(119)	(11)
Increase in net asset value for the year	44,066	39,578
Value of Fund As at 31 March 2015	383,168	249,194
Statement of Assets and Liabilities		
As at 31 March 2015		
<u>Assets</u>		
Investments in funds	381,613	249,384
Cash and bank balances	1,555	-
Other debtors	-	1,577
Total assets	383,168	250,961
<u>Liabilities</u>		
Other creditors	-	1,767
Total liabilities	-	1,767
Value of Fund As at 31 March 2015	383,168	249,194

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 April 2014 to 31 March 2015

Financial Statements

**LeggMason
Martin Currie
Global Resources
(R108)**

S\$

Capital and Income Account
For the year 1 April 2014 to 31 March 2015

Value of Fund as at 1 April 2014	989,638
Amounts received by the Fund for creation of units	222,610
Amounts paid by the Fund for liquidation of units	(260,923)
Net amounts paid by the Fund	(38,313)
Unrealised diminution in value of investments	(89,635)
Gain on sale of investments	12,912
Other income	-
Management fees	(11,297)
Other expenses	(1,050)
Decrease in net asset value for the year	(89,070)
Value of Fund	
As at 31 March 2015	862,255

Statement of Assets and Liabilities
As at 31 March 2015

Assets	
Investments in funds	857,576
Cash and bank balances	-
Other debtors	17,832
Total assets	875,408
Liabilities	
Other creditors	13,153
Total liabilities	13,153
Value of Fund	
As at 31 March 2015	862,255

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 April 2014 to 31 March 2015

Notes to the Financial Statements

1. Units in issue and net asset value

1.1 The Units in issue and the Net Asset Value per unit of the Investment-Linked Funds of Friends Provident International Limited, Singapore Branch (the "Singapore Branch") as at 31 March 2015 comprise:

<u>Funds</u>	<u>Commencement date</u>	<u>Units in issue as at 31 March 2015</u>	<u>Net asset value per unit S\$</u>
F&C Eastern European (R156) <i>(previously reported as Nevsky Capital Eastern European (R156))</i>	13 March 2014	62,277	7.16
HSBC Chinese Equity (J55)	31 July 2009	115,644	3.94
HSBC GEM Debt Total Return (R145)	17 July 2013	220,375	1.74
HSBC Hong Kong Equity (J56)	31 July 2009	90,589	2.75
LeggMason Martin Currie Global Resources (R108) <i>(previously reported as Martin Currie GF Global Resources (R108))</i>	24 August 2011	645,022	1.34

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 April 2014 to 31 March 2015

Notes to the Financial Statements

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements of the Singapore Branch are presented in Singapore dollars. The financial statements have been prepared on the historical cost basis, except for investments which are carried at fair value.

Where Singapore policy holders are not the only investors in a fund, an apportionment method is applied. This apportionment method is based on Singapore policy holders' unit holdings as a percentage of the total unit holdings of the fund. In the instance that the fund is wholly owned by Singapore investors there is no apportionment method applied.

Customers invested in the fund that went through segregation will have been informed by the Company's customer services department.

2.2 *Investments*

All purchases of investments, which include unit trusts, quoted equities and bonds, are recognised on their trade dates, i.e. the date the commitment exists to purchase the investments. The investments are initially recorded at cost, being the fair value of the consideration given. The attributable transaction costs are recognised in the Capital and Income Account when incurred. Subsequent to initial recognition, the investments are recorded at fair value and the unrealised gains or losses on re-measurement to fair value are taken to the Capital and Income Account. The fair value is determined by using open market valuation at the year-end date.

2.3 *Amounts received by the funds for creation of units*

The amounts received by the funds comprise the gross premiums received by the Singapore Branch (after deducting charges which include bid-offer spread) and switches by the policyholders from other funds.

2.4 *Amounts paid by the funds for liquidation of units*

The amounts paid by the funds for liquidation of units comprise the sale of units in the Investment-Linked Funds for the payment of death claims or surrenders and for switches by the policyholders to the other funds.

2.5 *Gains/losses from sale of investments*

All sales of investments are recognised on their trade dates, the date the fund commits to sell the investments. The cost of disposal of investments is determined on the weighted-average cost basis. Realised gains/losses from the sale of investments are taken to the Capital and Income Account.

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 April 2014 to 31 March 2015

Notes to the Financial Statements

2. Summary of significant accounting policies (cont)

2.6 *Income and expenses*

Income and expenses are accounted for on an accrual basis. Dividend income is recognised in the Capital and Income Account when the right to receive payment is established. Interest income from investments is recognised on an accrual basis. Income and expense balances are apportioned monthly based on the Singapore Branch's unit holding at the month end.

2.7 *Foreign currencies*

Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date. Foreign currency transactions are translated at exchange rates on transaction dates. Differences in exchange are taken to the Capital and Income Account.