

Reg. No. T06FC6835J

Friends Provident International Limited,  
Singapore Branch

Investment-Linked Funds

Report for the financial period ended 31 August 2021

## Friends Provident International Limited, Singapore Branch

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**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH  
INVESTMENT-LINKED FUNDS**

**STATEMENT BY DIRECTORS**

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In our opinion, the financial statements of the Investment-Linked Funds of Friends Provident International Limited, Singapore Branch (the "Singapore Branch") set out on pages 6 to 12 present fairly, in all material respects, the state of affairs of the Investment-Linked Funds of the Singapore Branch as at 31 August 2021 and the capital and income movements for the financial period from 1 September 2020 (or the date of commencement of the fiscal period of the respective Investment-Linked Funds) to 31 August 2021, in accordance with the stated accounting policies.

Director

Director

18 November 2021

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH  
INVESTMENT-LINKED FUNDS**

**INDEPENDENT AUDITOR'S REPORT**

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***Our Opinion***

In our opinion, the accompanying financial statements of the investment-linked funds as set out on page 5 (the "Funds") of Friends Provident International Limited, Singapore Branch (the "Branch") are prepared, in all material respects, in accordance with the stated accounting policies as set out in Note 2 to the financial statements (the "Notes").

*What we have audited*

The financial statements of the Funds comprise:

- the Capital and Income Accounts for the financial year from 1 September 2020 (or the date of commencement of the fiscal period of the respective Investment-Linked Funds) to 31 August 2021;
- the Statements of Assets and Liabilities as at 31 August 2021; and
- the notes to the financial statements, including a summary of significant accounting policies.

***Basis for Opinion***

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

*Independence*

We are independent of the Branch in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

***Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use***

We draw attention to Note 2 to the financial statements which describes the basis of accounting. The financial statements are prepared to assist the Branch to comply with MAS Notice 307 Investment-Linked Policies. As a result, the financial statements may not be suitable for another purpose.

This report is intended for the sole benefit and use of the Branch and is not intended to nor may it be relied upon by any other party, other than the Branch. We accept no liability or responsibility to any other party to whom this report is disclosed or otherwise made available to.

This report relates solely to the financial statements of the Funds of the Branch and does not extend to the financial statements of the Branch taken as a whole. Our report is not modified in respect of this matter.

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH  
INVESTMENT-LINKED FUNDS**

**INDEPENDENT AUDITOR'S REPORT**

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***Other Information***

Management is responsible for the other information. The other information comprises the Statement by Directors and List of Investment-Linked Funds, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of the Management and those Charged with Governance for the Financial Statements***

The Branch's management is responsible for the preparation of these financial statements in accordance with the accounting policies as set out in Note 2 to the financial statements, and for such internal control as the Branch's management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Branch's management is responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Branch's management either intends to terminate the Funds or to cease the Funds' operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH  
INVESTMENT-LINKED FUNDS**

**INDEPENDENT AUDITOR'S REPORT**

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***Auditor's Responsibilities for the Audit of the Financial Statements (continued)***

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any or all of the Funds to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Public Accountants and Chartered Accountants  
Singapore, 18 November 2021

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH  
INVESTMENT-LINKED FUNDS**

**LIST OF INVESTMENT-LINKED FUNDS**

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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>Fund</u>	<u>Commencement Date</u>
BlackRock Asian Dragon (SGD HDG) (R165)	13 November 2014
BlackRock Asian Dragon (USD) (R164)	13 November 2014
BlackRock Emerging Markets Corporate Bond (USD) (R231)	17 February 2021
BlackRock United Kingdom (GBP) (R230)	05 August 2020
BlackRock US Flexible Equity (R130)	27 June 2012
BlackRock World Gold (R106)	24 August 2011
BlackRock World Gold (SGD HDG) (R122)	29 March 2012
BlackRock World Mining (R105)	24 August 2011
BlackRock World Mining (SGD HDG) (R121)	29 March 2012

These funds are segregated Investment-Linked Funds dedicated to customers of the Singapore Branch. The segregated Investment-Linked Funds are invested in the underlying funds.

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH  
INVESTMENT-LINKED FUNDS**

**CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES**

*For the financial period ended 31 August 2021*

	<b>BlackRock Asian Dragon (SGD HDG) (R165)</b>	<b>BlackRock Asian Dragon (USD) (R164)</b>
	<b>S\$</b>	<b>S\$</b>
<b>Capital and Income Account</b>		
<b>For the period 1 September 2020 to 31 August 2021</b>		
Value of Fund as at 1 September 2020	3,366,903	825,996
Amounts received by the Fund for creation of units	1,172,520	234,333
Amounts paid by the Fund for liquidation of units	(825,126)	(52,850)
Net amounts received by the Fund	347,394	181,483
Unrealised appreciation in value of investments	439,066	129,489
Gain/ (Loss) on sale of investments	125,028	(65)
Management fees	(48,416)	(12,951)
Other expenses	(2,803)	(1,256)
Increase in net asset value for the period	512,875	115,217
<b>Value of Fund As at 31 August 2021</b>	<b>4,227,172</b>	<b>1,122,696</b>
<b>Statement of Assets and Liabilities As at 31 August 2021</b>		
<u>Assets</u>		
Investments in funds	4,241,738	1,123,914
Cash and bank balances	-	6,927
Total assets	4,241,738	1,130,841
<u>Liabilities</u>		
Other creditors	14,566	8,145
Total liabilities	14,566	8,145
<b>Value of Fund As at 31 August 2021</b>	<b>4,227,172</b>	<b>1,122,696</b>



**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH  
INVESTMENT-LINKED FUNDS**

**CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES**

*For the financial period ended 31 August 2021*

	<b>BlackRock Emerging Markets Corporate Bond (USD) (R231)* S\$</b>	<b>BlackRock United Kingdom (GBP) (R230)** S\$</b>
<b>Capital and Income Account</b>		
<b>For the period from the commencement of the respective Investment-Linked Funds to 31 August 2021</b>		
Value of Fund as at 17 February 2021 / 5 August 2020	-	-
Amounts received by the Fund for creation of units	1,883,867	1,967,952
Amounts paid by the Fund for liquidation of units	(205,663)	(194,350)
Net amounts received by the Fund	<u>1,678,204</u>	<u>1,773,602</u>
Unrealised appreciation in value of investments	53,494	209,910
Gain/ (Loss) on sale of investments	1,551	(34,192)
Investment income	-	13
Management fees	(4,635)	(11,411)
Other expenses	(1,167)	(1,975)
Increase in net asset value for the period	<u>49,243</u>	<u>162,345</u>
<b>Value of Fund As at 31 August 2021</b>	<b><u>1,727,447</u></b>	<b><u>1,935,947</u></b>
<b>Statement of Assets and Liabilities As at 31 August 2021</b>		
<u>Assets</u>		
Investment in funds	7,673,212	1,934,098
Cash and bank balances	-	2,103
Total assets	<u>7,673,212</u>	<u>1,936,201</u>
<u>Liabilities</u>		
Other creditors	5,945,765	254
Total liabilities	<u>5,945,765</u>	<u>254</u>
<b>Value of Fund As at 31 August 2021</b>	<b><u>1,727,447</u></b>	<b><u>1,935,947</u></b>

\*The financial period of the investment-linked fund is from 17 February 2021 to 31 August 2021 as the fund has been newly created.

\*\*The financial period of the investment-linked fund is from 5 August 2020 to 31 August 2021 as the fund has been newly created.

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH  
INVESTMENT-LINKED FUNDS**

**CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES**

*For the financial period ended 31 August 2021*

	<b>BlackRock US Flexible Equity (R130)</b>	<b>BlackRock World Gold (R106)</b>
	<b>S\$</b>	<b>S\$</b>
<b>Capital and Income Account</b>		
<b>For the period 1 September 2020 to 31 August 2021</b>		
Value of Fund as at 1 September 2020	7,919,561	10,917,170
Amounts received by the Fund for creation of units	1,214,393	1,293,001
Amounts paid by the Fund for liquidation of units	(2,997,136)	(2,885,406)
Net amounts paid by the Fund	(1,782,743)	(1,592,405)
Unrealised appreciation/(diminution) in value of investments	1,068,697	(2,723,994)
Gain on sale of investments	946,735	404,589
Management fees	(94,777)	(99,053)
Other expenses	(2,626)	(3,103)
Increase /(Decrease) in net asset value for the period	1,918,029	(2,421,561)
<b>Value of Fund As at 31 August 2021</b>	<b>8,054,847</b>	<b>6,903,204</b>
<b>Statement of Assets and Liabilities As at 31 August 2021</b>		
<u>Assets</u>		
Investments in funds	8,032,176	6,916,563
Cash and bank balances	23,731	-
Total assets	8,055,907	6,916,563
<u>Liabilities</u>		
Other creditors	1,060	13,359
Total liabilities	1,060	13,359
<b>Value of Fund As at 31 August 2021</b>	<b>8,054,847</b>	<b>6,903,204</b>

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH  
INVESTMENT-LINKED FUNDS**

**CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES**

*For the financial period ended 31 August 2021*

	<b>BlackRock World Gold (SGD HDG) (R122)</b>	<b>BlackRock World Mining (R105)</b>
	<b>S\$</b>	<b>S\$</b>
<b>Capital and Income Account</b>		
<b>For the period 1 September 2020 to 31 August 2021</b>		
Value of Fund as at 1 September 2020	3,973,978	4,784,949
Amounts received by the Fund for creation of units	911,592	640,306
Amounts paid by the Fund for liquidation of units	(1,092,542)	(2,012,075)
Net amounts paid by the Fund	(180,950)	(1,371,769)
Unrealised (diminution)/appreciation in value of investments	(1,119,751)	1,175,590
Gain on sale of investments	225,440	393,536
Investment income	-	358
Management fees	(39,864)	(64,833)
Other expenses	(2,881)	(2,204)
(Decrease) / Increase in net asset value for the period	(937,056)	1,502,447
<b>Value of Fund As at 31 August 2021</b>	<b>2,855,972</b>	<b>4,915,627</b>
<b>Statement of Assets and Liabilities As at 31 August 2021</b>		
<u>Assets</u>		
Investments in funds	2,858,829	4,921,925
Other debtors	15,102	-
Total assets	2,873,931	4,921,925
<u>Liabilities</u>		
Other creditors	17,959	6,298
Total liabilities	17,959	6,298
<b>Value of Fund As at 31 August 2021</b>	<b>2,855,972</b>	<b>4,915,627</b>

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH  
INVESTMENT-LINKED FUNDS**

**CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES**

*For the financial period ended 31 August 2021*

	<b>BlackRock World Mining (SGD HDG) (R121)</b>
	<b>S\$</b>
<b>Capital and Income Account</b>	
<b>For the period 1 September 2020 to 31 August 2021</b>	
Value of Fund as at 1 September 2020	1,549,206
Amounts received by the Fund for creation of units	665,033
Amounts paid by the Fund for liquidation of units	(916,285)
Net amounts paid by the Fund	(251,252)
Unrealised appreciation in value of investments	218,140
Gain on sale of investments	305,000
Investment Income	1,187
Management fees	(21,442)
Other expenses	(2,800)
Increase in net asset value for the period	500,085
<b>Value of Fund As at 31 August 2021</b>	<b>1,798,039</b>
<b>Statement of Assets and Liabilities As at 31 August 2021</b>	
<u>Assets</u>	
Investments in funds	1,797,711
Cash and bank balances	564
Total assets	1,798,275
<u>Liabilities</u>	
Other creditors	236
Total liabilities	236
<b>Value of Fund As at 31 August 2021</b>	<b>1,798,039</b>

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH  
INVESTMENT-LINKED FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial period ended 31 August 2021*

**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 August 2021 comprise:

<u>Funds</u>	<u>Commencement date</u>	<u>Units in issue as at 31 August 2021</u>	<u>Net asset value per unit S\$</u>
BlackRock Asian Dragon (SGD HDG) (R165)	13 November 2014	3,008,470	1.41
BlackRock Asian Dragon (USD) (R164)	13 November 2014	562,950	1.99
BlackRock Emerging Markets Corporate Bond (USD) (R231)	17 February 2021	1,359,649	1.27
BlackRock United Kingdom (GBP) (R230)	05 August 2020	926,239	2.09
BlackRock US Flexible Equity (R130)	27 June 2012	2,268,667	3.55
BlackRock World Gold (R106)	24 August 2011	3,632,926	1.9
BlackRock World Gold (SGD HDG) (R122)	29 March 2012	5,230,382	0.55
BlackRock World Mining (R105)	24 August 2011	3,911,077	1.26
BlackRock World Mining (SGD HDG) (R121)	29 March 2012	2,458,754	0.73

**2. Summary of significant accounting policies**

**2.1 Basis of preparation**

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

**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.

**FRIENDS PROVIDENT INTERNATIONAL LIMITED, SINGAPORE BRANCH  
INVESTMENT-LINKED FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the financial period ended 31 August 2021*

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**2. Summary of significant accounting policies (continued)**

**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.

**2.6 *Management fee***

The annual management charges for each Fund are accrued on a monthly basis and payable to the Singapore Branch.

**2.7 *Income and expenses***

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

**2.8 *Foreign currencies***

Foreign currency transactions are translated into the functional currency, British Pound, at exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date.

Assets and liabilities are translated from the functional currency into the presentation currency, Singapore dollar, at the closing rate at the reporting date, and income and expenses are translated at average exchange rates for the period. Differences in exchange are taken to the Capital and Income Account.

**2.9 *Other debtors and creditors***

Other debtors and creditors arise as a result of outstanding settlement of creations and liquidations of units respectively as at year end. Other creditors may also include bank overdrafts.

**2.10 *Cash and bank balances***

Cash and bank balances represent deposits with financial institutions, which are subject to an insignificant risk of change in value.