

Reg. No. T06FC6835J

Friends Provident International Limited,  
Singapore Branch

Investment-Linked Funds

Report for the financial year ended 31 March 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 17 present fairly, in all material respects, the state of affairs of the Investment-Linked Funds of the Singapore Branch as at 31 March 2021 and the capital and income movements for the financial year from 1 April 2020 to 31 March 2021, in accordance with the stated accounting policies.

Director

Director

17 June 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 April 2020 to 31 March 2021;
- the Statement of Assets and Liabilities as at 31 March 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, 17 June 2021

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

**LIST OF INVESTMENT-LINKED FUNDS**

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The Statement 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>
CGWM Affinity (R196)	26 October 2016
CGWM Affinity (GBP) (R202)	12 April 2017
CGWM Diversity (R133)	27 June 2012
CGWM Diversity (GBP) (R186)	17 August 2016
CGWM Diversity (SGD HDG) (R135)	25 July 2012
CGWM Opportunity (R102)	31 March 2011
CGWM Opportunity (GBP) (R103)	31 March 2011
CGWM Opportunity (SGD HDG) (R136)	25 July 2012
HSBC Chinese Equity (R190)	17 August 2016
HSBC GEM Debt Total Return (R145)	17 July 2013
HSBC Hong Kong Equity (R204)	12 April 2017
Quilter Investors Compass 3 Portfolio (GBP HDG) (R207)	19 July 2017
Quilter Investors Compass 3 Portfolio (SGD HDG) (R208)	19 July 2017
Quilter Investors Compass 3 Portfolio (USD HDG) (R206)	12 December 2018
Quilter Investors Compass 4 Portfolio (GBP HDG) (R210)	19 July 2017
Quilter Investors Compass 4 Portfolio (SGD HDG) (R211)	19 July 2017
Quilter Investors Compass 4 Portfolio (USD HDG) (R209)	12 December 2018

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 year ended 31 March 2021*

	<b>CGWM Affinity (R196)</b>	<b>CGWM Affinity (GBP) (R202)</b>
	<b>S\$</b>	<b>S\$</b>
<b>Capital and Income Account</b>		
<b>For the year 1 April 2020 to 31 March 2021</b>		
Value of Fund as at 1 April 2020	1,341,900	212,889
Amounts received by the Fund for creation of units	916,409	152,923
Amounts paid by the Fund for liquidation of units	(445,386)	(94,344)
Net amounts received by the Fund	471,023	58,579
Unrealised appreciation in value of investments	432,089	96,849
Gain on sale of investments	45,280	9,983
Management fees	(21,937)	(3,805)
Other expenses	(2,638)	(1,617)
Increase in net asset value for the year	452,794	101,410
<b>Value of Fund As at 31 March 2021</b>	<b>2,265,717</b>	<b>372,878</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 31 March 2021</b>		
<u>Assets</u>		
Investments in funds	2,268,120	374,189
Cash and bank balances	9,828	-
Total assets	2,277,948	374,189
<u>Liabilities</u>		
Other creditors	12,231	1,311
Total liabilities	12,231	1,311
<b>Value of Fund As at 31 March 2021</b>	<b>2,265,717</b>	<b>372,878</b>



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

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

*For the financial year ended 31 March 2021*

	<b>CGWM Diversity (R133)</b>	<b>CGWM Diversity (GBP) (R186)</b>
	<b>S\$</b>	<b>S\$</b>
<b>Capital and Income Account</b>		
<b>For the year 1 April 2020 to 31 March 2021</b>		
Value of Fund as at 1 April 2020	3,246,382	586,683
Amounts received by the Fund for creation of units	1,243,549	296,842
Amounts paid by the Fund for liquidation of units	(720,544)	(197,901)
Net amounts received by the Fund	523,005	98,941
Unrealised appreciation in value of investments	753,461	220,627
Gain on sale of investments	77,302	15,892
Investment income	-	1,023
Management fees	(49,068)	(9,951)
Other expenses	(2,624)	(1,058)
Increase in net asset value for the year	779,071	226,533
<b>Value of Fund</b>		
<b>As at 31 March 2021</b>	<b>4,548,458</b>	<b>912,157</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 31 March 2021</b>		
<u>Assets</u>		
Investments in funds	4,533,599	913,224
Cash and bank balances	15,008	5,319
Total assets	4,548,607	918,543
<u>Liabilities</u>		
Other creditors	149	6,386
Total liabilities	149	6,386
<b>Value of Fund</b>		
<b>As at 31 March 2021</b>	<b>4,548,458</b>	<b>912,157</b>

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

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

*For the financial year ended 31 March 2021*

	<b>CGWM Diversity (SGD HDG) (R135)</b>	<b>CGWM Opportunity (R102)</b>
	<b>S\$</b>	<b>S\$</b>
<b>Capital and Income Account</b>		
<b>For the year 1 April 2020 to 31 March 2021</b>		
Value of Fund as at 1 April 2020	3,283,913	30,703,848
Amounts received by the Fund for creation of units	1,437,592	2,351,581
Amounts paid by the Fund for liquidation of units	(982,954)	(10,905,280)
Net amounts received/ (paid) by the Fund	454,638	(8,553,699)
Unrealised appreciation in value of investments	935,094	6,879,731
Gain on sale of investments	73,679	2,616,120
Investment income	1,616	-
Management fees	(48,741)	(387,286)
Other expenses	(2,405)	(6,512)
Increase in net asset value for the year	959,243	9,102,053
<b>Value of Fund</b>		
<b>As at 31 March 2021</b>	<b>4,697,794</b>	<b>31,252,202</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 31 March 2021</b>		
<u>Assets</u>		
Investments in funds	4,692,106	31,383,083
Cash and bank balances	31,195	-
Other debtors	-	255,974
Total assets	4,723,301	31,639,057
<u>Liabilities</u>		
Other creditors	25,507	386,855
Total liabilities	25,507	386,855
<b>Value of Fund</b>		
<b>As at 31 March 2021</b>	<b>4,697,794</b>	<b>31,252,202</b>

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

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

*For the financial year ended 31 March 2021*

	<b>CGWM Opportunity (GBP) (R103)</b>	<b>CGWM Opportunity (SGD HDG) (R136)</b>
	<b>S\$</b>	<b>S\$</b>
<b>Capital and Income Account</b>		
<b>For the year 1 April 2020 to 31 March 2021</b>		
Value of Fund as at 1 April 2020	5,781,047	29,899,857
Amounts received by the Fund for creation of units	731,781	5,447,431
Amounts paid by the Fund for liquidation of units	(1,060,520)	(8,752,170)
Net amounts paid by the Fund	(328,739)	(3,304,739)
Unrealised appreciation in value of investments	2,370,515	10,623,517
Gain on sale of investments	265,975	1,158,450
Management fees	(85,862)	(420,259)
Other expenses	(2,136)	(6,711)
Increase in net asset value for the year	2,548,492	11,354,997
<b>Value of Fund As at 31 March 2021</b>	<b>8,000,800</b>	<b>37,950,115</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 31 March 2021</b>		
<u>Assets</u>		
Investments in funds	8,025,762	37,986,878
Total assets	8,025,762	37,986,878
<u>Liabilities</u>		
Other creditors	24,962	36,763
Total liabilities	24,962	36,763
<b>Value of Fund As at 31 March 2021</b>	<b>8,000,800</b>	<b>37,950,115</b>

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

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

*For the financial year ended 31 March 2021*

	<b>HSBC Chinese Equity (R190)</b>	<b>HSBC GEM Debt Total Return (R145)</b>
	<b>S\$</b>	<b>S\$</b>
<b>Capital and Income Account</b>		
<b>For the year 1 April 2020 to 31 March 2021</b>		
Value of Fund as at 1 April 2020	470,297	5,664,337
Amounts received by the Fund for creation of units	125,005	1,961,556
Amounts paid by the Fund for liquidation of units	(95,552)	(585,618)
Net amounts received by the Fund	29,453	1,375,938
Unrealised appreciation in value of investments	172,911	544,257
Gain on sale of investments	20,869	3,457
Investment income	836	-
Management fees	(7,338)	(81,892)
Other expenses	(789)	(2,633)
Increase in net asset value for the year	186,489	463,189
<b>Value of Fund As at 31 March 2021</b>	<b>686,239</b>	<b>7,503,464</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 31 March 2021</b>		
<u>Assets</u>		
Investments in funds	684,038	7,485,306
Cash and bank balances	2,224	18,405
Total assets	686,262	7,503,711
<u>Liabilities</u>		
Other creditors	23	247
Total liabilities	23	247
<b>Value of Fund As at 31 March 2021</b>	<b>686,239</b>	<b>7,503,464</b>

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

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

*For the financial year ended 31 March 2021*

	<b>HSBC Hong Kong Equity (R204)</b>	<b>Quilter Investors Compass 3 Portfolio (GBP HDG) (R207)</b>
	<b>S\$</b>	<b>S\$</b>
<b>Capital and Income Account</b>		
<b>For the year 1 April 2020 to 31 March 2021</b>		
Value of Fund as at 1 April 2020	308,362	2,985,270
Amounts received by the Fund for creation of units	16,945	508,933
Amounts paid by the Fund for liquidation of units	(284,785)	(1,395,741)
Net amounts paid by the Fund	(267,840)	(886,808)
Unrealised appreciation in value of investments	37,290	928,354
Gain on sale of investments	60,788	46,084
Investment income	4,103	-
Management fees	(3,530)	(39,425)
Other expenses	(317)	(1,337)
Increase in net asset value for the year	98,334	933,676
<b>Value of Fund As at 31 March 2021</b>	<b>138,856</b>	<b>3,032,138</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 31 March 2021</b>		
<u>Assets</u>		
Investments in funds	139,531	3,036,162
Other debtors	-	71,430
Total assets	139,531	3,107,592
<u>Liabilities</u>		
Other creditors	675	75,454
Total liabilities	675	75,454
<b>Value of Fund As at 31 March 2021</b>	<b>138,856</b>	<b>3,032,138</b>

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

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

*For the financial year ended 31 March 2021*

	<b>Quilter Investors Compass 3 Portfolio (SGD HDG) (R208)</b>	<b>Quilter Investors Compass 3 Portfolio (USD HDG) (R206)</b>
	<b>S\$</b>	<b>S\$</b>
<b>Capital and Income Account</b>		
<b>For the year 1 April 2020 to 31 March 2021</b>		
Value of Fund as at 1 April 2020	13,915,118	885,517
Amounts received by the Fund for creation of units	3,476,907	280,004
Amounts paid by the Fund for liquidation of units	(5,791,975)	(248,763)
Net amounts (paid)/ received by the Fund	(2,315,068)	31,241
Unrealised appreciation in value of investments	3,728,389	184,574
Gain on sale of investments	133,606	28,140
Management fees	(184,382)	(12,848)
Other expenses	(4,082)	(1,587)
Increase in net asset value for the year	3,673,531	198,279
<b>Value of Fund As at 31 March 2021</b>	<b>15,273,581</b>	<b>1,115,037</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 31 March 2021</b>		
<u>Assets</u>		
Investments in funds	15,240,394	1,128,187
Cash and bank balances	33,689	13,214
Total assets	15,274,083	1,141,401
<u>Liabilities</u>		
Other creditors	502	26,364
Total liabilities	502	26,364
<b>Value of Fund As at 31 March 2021</b>	<b>15,273,581</b>	<b>1,115,037</b>

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

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

*For the financial year ended 31 March 2021*

	<b>Quilter Investors Compass 4 Portfolio (GBP HDG) (R210)</b>	<b>Quilter Investors Compass 4 Portfolio (SGD HDG) (R211)</b>
	<b>S\$</b>	<b>S\$</b>
<b>Capital and Income Account</b>		
<b>For the year 1 April 2020 to 31 March 2021</b>		
Value of Fund as at 1 April 2020	6,016,361	28,340,532
Amounts received by the Fund for creation of units	460,436	6,696,506
Amounts paid by the Fund for liquidation of units	(2,961,471)	(12,416,543)
Net amounts paid by the Fund	(2,501,035)	(5,720,037)
Unrealised appreciation in value of investments	2,305,109	10,471,796
Gain on sale of investments	244,876	441,320
Management fees	(79,856)	(384,586)
Other expenses	(2,301)	(6,980)
Increase in net asset value for the year	2,467,828	10,521,550
<b>Value of Fund As at 31 March 2021</b>	<b>5,983,154</b>	<b>33,142,045</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 31 March 2021</b>		
<u>Assets</u>		
Investments in funds	5,976,313	33,183,013
Cash and bank balances	7,038	128,920
Total assets	5,983,351	33,311,933
<u>Liabilities</u>		
Other creditors	197	169,888
Total liabilities	197	169,888
<b>Value of Fund As at 31 March 2021</b>	<b>5,983,154</b>	<b>33,142,045</b>

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

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

*For the financial year ended 31 March 2021*

	<b>Quilter Investors Compass 4 Portfolio (USD HDG) (R209)</b>
	<b>S\$</b>
<b>Capital and Income Account</b>	
<b>For the year 1 April 2020 to 31 March 2021</b>	
Value of Fund as at 1 April 2020	1,293,046
Amounts received by the Fund for creation of units	82,358
Amounts paid by the Fund for liquidation of units	(838,143)
Net amounts paid by the Fund	(755,785)
Unrealised appreciation in value of investments	245,842
Gain on sale of investments	102,588
Management fees	(14,343)
Other expenses	(767)
Increase in net asset value for the year	333,320
<b>Value of Fund As at 31 March 2021</b>	<b>870,581</b>
<b>Statement of Assets and Liabilities</b>	
<b>As at 31 March 2021</b>	
<u>Assets</u>	
Investments in funds	871,553
Cash and bank balances	3,594
Total assets	875,147
<u>Liabilities</u>	
Other creditors	4,566
Total liabilities	4,566
<b>Value of Fund As at 31 March 2021</b>	<b>870,581</b>



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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 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 the Singapore Branch as at 31 March 2021 comprise:

<u>Funds</u>	<u>Commencement date</u>	<u>Units in issue as at 31 March 2021</u>	<u>Net asset value per unit S\$</u>
CGWM Affinity (R196)	26 October 2016	910,852	2.49
CGWM Affinity (GBP) (R202)	12 April 2017	106,815	3.49
CGWM Diversity (R133)	27 June 2012	2,161,303	2.10
CGWM Diversity (GBP) (R186)	17 August 2016	301,581	3.02
CGWM Diversity (SGD HDG) (R135)	25 July 2012	3,635,872	1.29
CGWM Opportunity (R102)	31 March 2011	5,997,434	5.21
CGWM Opportunity (GBP) (R103)	31 March 2011	1,200,756	6.66
CGWM Opportunity (SGD HDG) (R136)	25 July 2012	23,746,145	1.60
HSBC Chinese Equity (R190)	17 August 2016	111,871	6.13
HSBC GEM Debt Total Return (R145)	17 July 2013	4,392,986	1.71
HSBC Hong Kong Equity (R204)	12 April 2017	36,877	3.77
Quilter Investors Compass 3 Portfolio (GBP HDG) (R207)	19 July 2017	1,668,855	1.82
Quilter Investors Compass 3 Portfolio (SGD HDG) (R208)	19 July 2017	15,053,417	1.01
Quilter Investors Compass 3 Portfolio (USD HDG) (R206)	12 December 2018	750,057	1.49
Quilter Investors Compass 4 Portfolio (GBP HDG) (R210)	19 July 2017	3,099,000	1.93
Quilter Investors Compass 4 Portfolio (SGD HDG) (R211)	19 July 2017	30,589,743	1.08
Quilter Investors Compass 4 Portfolio (USD HDG) (R209)	12 December 2018	545,058	1.60

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

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

*For the financial year ended 31 March 2021*

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

**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.

**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.

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

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

*For the financial year ended 31 March 2021*

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

**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 year. 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 investment units respectively as at year end. Other debtors may include interest receivable while other creditors may also include bank overdrafts.

**2.10 Cash and bank balances**

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