

Reg. No. T06FC6835J

**Friends Provident International Limited,
Singapore Branch**

Investment-Linked Funds

Report for the year 1 September 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 August 2012

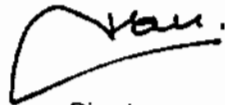
Friends Provident International Limited, Singapore Branch

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**Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 September 2011 to 31 August 2012**

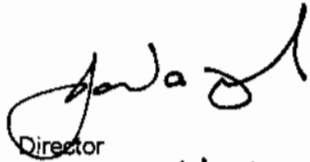
Statement by Directors

In our opinion, the financial statements of the Investment-Linked Funds of Friends Provident International Limited, Singapore Branch ("Singapore Branch") set out on page 5 to 14 present fairly, in all material respects, the state of affairs of the Investment-Linked Funds of the Singapore Branch as at 31 August 2012 and the capital movements for the year 1 September 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 August 2012, in accordance with the stated accounting policies.



Director

JONATHAN MALL



Director

JOMI VAN DER WAAS

27 November 2012

**Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 September 2011 to 31 August 2012**

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 August 2012, the Capital and Income Account for the year from 1 September 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 August 2012, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 14.

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 September 2011 to 31 August 2012**

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 August 2012 and the capital movements for the year 1 September 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 August 2012, 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
Certified Public Accountants
Singapore

27 November 2012

**Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 September 2011 to 31 August 2012**

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>
Baring Korea Feeder	30 September 2010
BlackRock New Energy (P69)	26 November 2008
BlackRock New Energy (R140)	29 August 2012
BlackRock US Flexible Equity Fund (J77)	26 November 2008
BlackRock US Flexible Equity Fund (R130)	27 June 2012
BlackRock World Gold (SGD HDG)	30 March 2012
BlackRock World Gold (R106)	24 August 2011
BlackRock World Gold (M82)	26 November 2008
BlackRock World Mining (SGD HDG)	30 March 2012
BlackRock World Mining (R105)	24 August 2011
BlackRock World Mining (P70)	26 November 2008
M&G Global Basics	26 November 2008
M&G Global Leaders (USD)	26 November 2008

The fund is invested as one part of the sub-fund of Friends Provident International Limited (the Company). This represents the element of the sub-fund that is dedicated to customers of the Company's Singapore Branch (the Branch). The sub-fund is, in turn, invested in the underlying funds.

BlackRock New Energy, BlackRock US Flexible Equity Fund, BlackRock World Gold and BlackRock World Mining funds are part of an on-going fund segregation project. Customers of the Company's Singapore Branch will now have their own sub-fund (R140, R130, R106 and R105) as opposed to being a part of a larger sub-fund. These segregated sub-funds are, in turn, invested in the underlying funds.

Segregation for BlackRock US Flexible Equity Fund, BlackRock World Gold and BlackRock World Mining funds were completed during the financial year while segregation for BlackRock New Energy was still ongoing as at reporting date of 31 August 2012.

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
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Financial Statements

	Baring Korea Feeder S\$	BlackRock New Energy (P69)** S\$
Capital and Income Account		
For the year 1 September 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 August 2012		
Value of Fund as at the date of commencement of the respective Investment-Linked Funds or 1 September 2011, whichever is later	8,032	356,439
Amounts received by the Fund for creation of units	29,174	405,385
Amounts paid by the Fund for liquidation of units	(8,211)	(88,719)
Net amounts received by the Fund	20,963	316,666
Unrealised diminution in value of investments	(465)	(250,332)
(Loss) /gain on sale of investments	(801)	211,289
Other income	-	-
Management fees	(259)	(5,784)
Other expenses	(1)	(21)
Decrease in net asset value for the year	(1,526)	(44,848)
Value of Fund As at 31 August 2012	27,469	628,257
Statement of Assets and Liabilities		
As at 31 August 2012		
<u>Assets</u>		
Investments in funds	27,615	626,796
Cash and bank balances	-	1,440
Other debtors	-	21
Total assets	27,615	628,257
<u>Liabilities</u>		
Other creditors	146	-
Total liabilities	146	-
Value of Fund As at 31 August 2012	27,469	628,257

** The segregation of BlackRock New Energy (P69) to BlackRock New Energy (R140) was still ongoing as at reporting date of 31 August 2012. As there are no transactions yet in the segregated fund R140 prior to 31 August 2012, this will be reported at the next reporting date of 31 August 2013.

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 September 2011 to 31 August 2012

Financial Statements

	BlackRock US Flexible Equity Fund (J77) S\$	BlackRock US Flexible Equity Fund (R130) S\$
Capital and Income Account		
For the year 1 September 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 August 2012		
Value of Fund as at the date of commencement of the respective Investment-Linked Funds or 1 September 2011, whichever is later	355,115	-
Amounts received by the Fund for creation of units	638,997	1,153,367
Amounts paid by the Fund for liquidation of units	(1,032,628)	(25,823)
Net amounts (paid) /received by the Fund	(393,631)	1,127,544
Unrealised appreciation in value of investments	32,019	37,466
Gain on sale of investments	13,473	-
Other income	-	1,150
Management fees	(6,941)	(2,030)
Other expenses	(35)	(47)
Increase in net asset value for the year	38,516	36,539
Value of Fund		
As at 31 August 2012	-	1,164,083
Statement of Assets and Liabilities		
As at 31 August 2012		
<u>Assets</u>		
Investments in funds	-	1,164,772
Cash and bank balances	-	10,526
Other debtors	-	-
Total assets	-	1,175,298
<u>Liabilities</u>		
Other creditors	-	11,215
Total liabilities	-	11,215
Value of Fund		
As at 31 August 2012	-	1,164,083

**Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 September 2011 to 31 August 2012**

Financial Statements

	BlackRock World Gold (SGD HDG) (R122)* S\$
Capital and Income Account	
For the year 1 September 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 August 2012	
Value of Fund as at the date of commencement of the respective Investment-Linked Funds or 1 September 2011, whichever is later	-
Amounts received by the Fund for creation of units	143,598
Amounts paid by the Fund for liquidation of units	(1,298)
Net amounts received by the Fund	<u>142,300</u>
Unrealised appreciation in value of investments	4,509
Gain on sale of investments	-
Other income	-
Management fees	(235)
Other expenses	(287)
Increase in net asset value for the year	<u>3,987</u>
Value of Fund As at 31 August 2012	<u>146,287</u>
Statement of Assets and Liabilities	
As at 31 August 2012	
<u>Assets</u>	
Investments in funds	145,658
Cash and bank balances	11,633
Other debtors	-
Total assets	<u>157,291</u>
<u>Liabilities</u>	
Other creditors	11,004
Total liabilities	<u>11,004</u>
Value of Fund As at 31 August 2012	<u>146,287</u>

* The Net Asset Value ("NAV") of this fund includes seed investments of SGD10,000 made by the Company. These investments are to be liquidated in future at a NAV derived on the date of liquidation.

Friends Provident International Limited, Singapore Branch
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Financial Statements

	BlackRock World Gold (R106) S\$	BlackRock World Gold (M82) S\$
Capital and Income Account		
For the year 1 September 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 August 2012		
Value of Fund as at the date of commencement of the respective Investment-Linked Funds or 1 September 2011, whichever is later	2,737,822	25,158
Amounts received by the Fund for creation of units	3,342,497	16,710
Amounts paid by the Fund for liquidation of units	(358,384)	(43,183)
Net amounts received / (paid) by the Fund	2,984,113	(26,473)
Unrealised diminution in value of investments	(1,040,203)	(7,738)
(Loss) / gain on sale of investments	(20,694)	9,072
Other income	-	-
Management fees	(43,261)	(19)
Other expenses	(377)	-
(Decrease) / increase in net asset value for the year	(1,104,535)	1,315
Value of Fund		
As at 31 August 2012	4,617,400	-
Statement of Assets and Liabilities		
As at 31 August 2012		
<u>Assets</u>		
Investments in funds	4,614,692	-
Cash and bank balances	37,587	-
Other debtors	-	-
Total assets	4,652,279	-
<u>Liabilities</u>		
Other creditors	34,879	-
Total liabilities	34,879	-
Value of Fund		
As at 31 August 2012	4,617,400	-

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
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Financial Statements

	BlackRock World Mining (SGD HDG) (R121)* S\$	BlackRock World Mining (R105) S\$
Capital and Income Account		
For the year 1 September 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 August 2012		
Value of Fund as at the date of commencement of the respective Investment-Linked Funds or 1 September 2011, whichever is later	-	2,363,599
Amounts received by the Fund for creation of units	50,342	2,982,428
Amounts paid by the Fund for liquidation of units	(1,998)	(371,259)
Net amounts received by the Fund	48,344	2,611,169
Unrealised diminution in value of investments	(3,334)	(1,058,588)
Loss on sale of investments	-	(28,353)
Other income	-	-
Management fees	(102)	(37,734)
Other expenses	(371)	(386)
Decrease in net asset value for the year	(3,807)	(1,125,061)
Value of Fund As at 31 August 2012	44,537	3,849,707
Statement of Assets and Liabilities		
As at 31 August 2012		
<u>Assets</u>		
Investments in funds	39,650	3,852,713
Cash and bank balances	4,888	113,329
Other debtors	-	-
Total assets	44,538	3,966,042
<u>Liabilities</u>		
Other creditors	1	116,335
Total liabilities	1	116,335
Value of Fund As at 31 August 2012	44,537	3,849,707

* The Net Asset Value ("NAV") of this fund includes seed investments of SGD10,000 made by the Company. These investments are to be liquidated in future at a NAV derived on the date of liquidation.

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
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Financial Statements

	BlackRock World Mining (P70) S\$	M&G Global Basics S\$
Capital and Income Account		
For the year 1 September 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 August 2012		
Value of Fund as at the date of commencement of the respective Investment-Linked Funds or 1 September 2011, whichever is later	5,076	365,811
Amounts received by the Fund for creation of units	4,989	235,595
Amounts paid by the Fund for liquidation of units	(10,212)	(56,793)
Net amounts (paid)/ received by the Fund	(5,223)	178,802
Unrealised diminution in value of investments	(527)	(41,763)
Gain on sale of investments	678	7,367
Other income	-	-
Management fees	(4)	(5,395)
Other expenses	-	(27)
Increase/ (decrease) in net asset value for the year	147	(39,818)
Value of Fund		
As at 31 August 2012	-	504,795
Statement of Assets and Liabilities		
As at 31 August 2012		
<u>Assets</u>		
Investments in funds	-	507,093
Cash and bank balances	-	6
Other debtors	-	-
Total assets	-	507,099
<u>Liabilities</u>		
Other creditors	-	2,304
Total liabilities	-	2,304
Value of Fund		
As at 31 August 2012	-	504,795

Friends Provident International Limited, Singapore Branch
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Financial Statements

	M&G Global Leaders (USD) S\$
Capital and Income Account	
For the year 1 September 2011 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 August 2012	
Value of Fund as at 1 September 2011	46,692
Amounts received by the Fund for creation of units	43,142
Amounts paid by the Fund for liquidation of units	(6,120)
Net amounts received by the Fund	37,022
Unrealised appreciation in value of investments	6,505
Loss on sale of investments	(527)
Other income	1,551
Management fees	(810)
Other expenses	(12)
Increase in net asset value for the year	6,707
Value of Fund	
As at 31 August 2012	90,421
Statement of Assets and Liabilities	
As at 31 August 2012	
<u>Assets</u>	
Investments in funds	90,030
Cash and bank balances	-
Other debtors	781
Total assets	90,811
<u>Liabilities</u>	
Other creditors	390
Total liabilities	390
Value of Fund	
As at 31 August 2012	90,421

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
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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 as at 31 August 2012 comprise:

<u>Funds</u>	<u>Commencement date</u>	<u>Units in issue as at 31 August 2012</u>	<u>Net asset value per unit S\$</u>
Baring Korea Feeder	30 September 2010	11,217	2.45
**BlackRock New Energy (P69)	26 November 2008	910,216	0.69
**BlackRock New Energy (R140)	29 August 2012	-	-
BlackRock US Flexible Equity Fund (J77)	26 November 2008	-	-
BlackRock US Flexible Equity Fund (R130)	27 June 2012	1,031,494	1.13
BlackRock World Gold (SGD HDG)	30 March 2012	172,229	0.85
BlackRock World Gold (R106)	24 August 2011	1,831,013	2.52
BlackRock World Gold (M82)	26 November 2008	-	-
BlackRock World Mining (SGD HDG)	30 March 2012	58,154	0.77
BlackRock World Mining (R105)	24 August 2011	3,481,950	1.11
BlackRock World Mining (P70)	26 November 2008	-	-
M&G Global Basics	26 November 2008	503,307	1.00
M&G Global Leaders (USD)	26 November 2008	110,054	0.82

** The segregation of BlackRock New Energy (P69) to BlackRock New Energy (R140) was still ongoing as at reporting date of 31 August 2012. As there are no transactions yet in the segregated fund R140 prior to 31 August 2012, this will be reported at the next reporting date of 31 August 2013.

**Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
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Notes to the Financial Statements

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Investment-Linked Funds of Friends Provident International Limited, Singapore Branch ("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.

BlackRock New Energy, BlackRock US Flexible Equity Fund, BlackRock World Gold and BlackRock World Mining funds are part of an on-going fund segregation project. Customers of the Company's Singapore Branch will now have their own sub-fund (R140, R130, R106 and R105) as opposed to being a part of a larger sub-fund. These segregated sub-funds are, in turn, invested in the underlying funds.

Segregation for BlackRock US Flexible Equity Fund, BlackRock World Gold and BlackRock World Mining funds were completed during the financial year while segregation for BlackRock New Energy was still ongoing as at reporting date of 31 August 2012.

Customers invested in the funds that went through or are under-going 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.

Notes to the Financial Statements

2. Summary of significant accounting policies (cont)

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 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.