

Reg. No. T06FC6835J

**Friends Provident International Limited,  
Singapore Branch**

**Investment-Linked Funds**

**Report for the year 1 May 2013 (or the date of  
commencement of the respective Investment-Linked Funds,  
whichever is later) to 30 April 2014**

**Friends Provident International Limited, Singapore Branch**

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**Friends Provident International Limited, Singapore Branch**  
**Investment-Linked Funds**  
**For the year 1 May 2013 to 30 April 2014**

**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 page 5 to 13 present fairly, in all material respects, the state of affairs of the Investment-Linked Funds of the Singapore Branch as at 30 April 2014 and the capital movements for the year 1 May 2013 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 April 2014, in accordance with the stated accounting policies.



MARCUS ADAMS

Director



Director

30 July 2014

**Friends Provident International Limited, Singapore Branch  
Investment-Linked Funds  
For the year 1 May 2013 to 30 April 2014**

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

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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 30 April 2014, the Capital and Income Account for the year from 1 May 2013 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 April 2014, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 13.

**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 May 2013 to 30 April 2014**

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

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**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 30 April 2014 and the capital movements for the year 1 May 2013 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 April 2014, 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

30 July 2014

**Friends Provident International Limited, Singapore Branch**  
**Investment-Linked Funds**  
**For the year 1 May 2013 to 30 April 2014**

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

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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>Funds</u>	<u>Commencement Date</u>
Baring Australia (M56)	02 February 2009
Baring Eastern Europe (P48)	02 February 2009
Baring High Yield Bond Fund (R117)	22 February 2012
Baring Hong Kong & China (R125) (previously reported as 'Baring Hong Kong & China (SGD HDG) (R125)')	25 April 2012
Baring International Bond (USD) (R109)	24 August 2011
Fidelity Euro Blue Chip (J84)	02 February 2009
Fidelity Euro Blue Chip (R149)	22 January 2014
Fidelity Euro Bond (J87)	30 September 2010
Fidelity Global Property (USD) (P78)	31 August 2008
Fidelity Global Telecommunications (J97)	30 September 2010
Fidelity Multi Asset Strategic (EUR) (R27)	02 February 2009
Fidelity Multi Asset Strategic (USD) (R26)	02 February 2009

With the exception of the Baring High Yield Bond Fund, Baring Hong Kong & China, Baring International Bond (USD) and Fidelity Euro Blue Chip (R117, R125, R109 and R149) which are segregated Investment-Linked Funds, the funds are invested as one part of the sub-fund of Friends Provident International Limited. 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.

Fidelity Euro Blue Chip (R149) is part of an on-going fund segregation project and the segregation was completed during the financial year. Customers of the Singapore Branch will now have their own sub-fund (R149) as opposed to being a part of a larger sub-fund.

**Friends Provident International Limited, Singapore Branch**  
**Investment-Linked Funds**  
**For the year 1 May 2013 to 30 April 2014**

**Financial Statements**

	<b>Baring Australia (M56) S\$</b>	<b>Baring Eastern Europe (P48) S\$</b>
<b>Capital and Income Account</b>		
<b>For the year 1 May 2013 (or the date of commencement of the respective Investment-Linked Funds whichever is later) to 30 April 2014</b>		
Value of Fund as at date of commencement of the respective Investment-Linked Funds or 1 May 2013, whichever is later	357,403	386,933
Amounts received by the Fund for creation of units	97,740	211,715
Amounts paid by the Fund for liquidation of units	(111,231)	(159,224)
Net amounts (paid)/ received by the Fund	(13,491)	52,491
Unrealised diminution in value of investments	(58,681)	(105,623)
Gain on sale of investments	42,810	49,333
Other income	7,193	7,920
Management fees	(3,936)	(4,918)
Other expenses	(53)	(20)
Decrease in net asset value for the year	(12,667)	(53,308)
<b>Value of Fund</b>		
<b>As at 30 April 2014</b>	<b>331,245</b>	<b>386,116</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 30 April 2014</b>		
<u>Assets</u>		
Investments in funds	331,705	386,785
Cash and bank balances	10,788	-
Other debtors	-	3,879
Total assets	342,493	390,664
<u>Liabilities</u>		
Other creditors	11,248	4,548
Total liabilities	11,248	4,548
<b>Value of Fund</b>		
<b>As at 30 April 2014</b>	<b>331,245</b>	<b>386,116</b>

**Friends Provident International Limited, Singapore Branch**  
**Investment-Linked Funds**  
**For the year 1 May 2013 to 30 April 2014**

**Financial Statements**

	<b>Baring High Yield Bond Fund (R117) S\$</b>	<b>Baring Hong Kong &amp; China (R125) S\$</b>
<b>Capital and Income Account</b>		
<b>For the year 1 May 2013 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 April 2014</b>		
Value of Fund as at date of commencement of the respective Investment-Linked Funds or 1 May 2013, whichever is later	2,204,043	1,550,769
Amounts received by the Fund for creation of units	1,218,203	710,209
Amounts paid by the Fund for liquidation of units	(949,219)	(546,930)
Net amounts received by the Fund	268,984	163,279
Unrealised appreciation/ (diminution) in value of investments	13,755	(3,540)
Gain on sale of investments	10,316	16,874
Other income	131,438	9,099
Management fees	(28,125)	(21,455)
Other expenses	(532)	(429)
Increase in net asset value for the year	126,852	549
<b>Value of Fund</b>		
<b>As at 30 April 2014</b>	<b>2,599,879</b>	<b>1,714,597</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 30 April 2014</b>		
<u>Assets</u>		
Investments in funds	2,601,744	1,718,929
Cash and bank balances	207,777	17,009
Other debtors	-	-
Total assets	2,809,521	1,735,938
<u>Liabilities</u>		
Other creditors	209,642	21,341
Total liabilities	209,642	21,341
<b>Value of Fund</b>		
<b>As at 30 April 2014</b>	<b>2,599,879</b>	<b>1,714,597</b>



**Friends Provident International Limited, Singapore Branch**  
**Investment-Linked Funds**  
**For the year 1 May 2013 to 30 April 2014**

**Financial Statements**

	<b>Baring International Bond (USD) (R109) S\$</b>	<b>Fidelity Euro Blue Chip (J84) S\$</b>
<b>Capital and Income Account</b>		
<b>For the year 1 May 2013 (or the date of commencement of the respective Investment-Linked Funds whichever is later) to 30 April 2014</b>		
Value of Fund as at date of commencement of the respective Investment-Linked Funds or 1 May 2013, whichever is later	1,312,029	551,330
Amounts received by the Fund for creation of units	1,212,892	2,392,880
Amounts paid by the Fund for liquidation of units	(796,131)	(3,157,221)
Net amounts received/ (paid) by the Fund	416,761	(764,341)
Unrealised appreciation/ (diminution) in value of investments	20,218	(118,818)
(Loss)/ gain on sale of investments	(14,821)	344,430
Other income	33,798	-
Management fees	(21,423)	(12,542)
Other expenses	(1,091)	(59)
Increase in net asset value for the year	16,681	213,011
<b>Value of Fund</b>		
<b>As at 30 April 2014</b>	<b>1,745,471</b>	<b>-</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 30 April 2014</b>		
<u>Assets</u>		
Investments in funds	1,747,028	-
Cash and bank balances	23,550	-
Other debtors	16,319	-
Total assets	1,786,897	-
<u>Liabilities</u>		
Other creditors	41,426	-
Total liabilities	41,426	-
<b>Value of Fund</b>		
<b>As at 30 April 2014</b>	<b>1,745,471</b>	<b>-</b>

**Friends Provident International Limited, Singapore Branch**  
**Investment-Linked Funds**  
**For the year 1 May 2013 to 30 April 2014**

**Financial Statements**

	<b>Fidelity Euro Blue Chip (R149)* S\$</b>	<b>Fidelity Euro Bond (J87) S\$</b>
<b>Capital and Income Account</b>		
<b>For the year 1 May 2013 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 April 2014</b>		
Value of Fund as at date of commencement of the respective Investment-Linked Funds or 1 May 2013, whichever is later	-	8,431
Amounts received by the Fund for creation of units	4,986,596	18,970
Amounts paid by the Fund for liquidation of units	(544,508)	(4,548)
Net amounts received by the Fund	4,442,088	14,422
Unrealised appreciation in value of investments	139,180	1,741
Gain/ (loss) on sale of investments	5,294	(422)
Other income	7,742	-
Management fees	(11,949)	(142)
Other expenses	-	(1)
Increase in net asset value for the year	140,267	1,176
<b>Value of Fund As at 30 April 2014</b>	<b>4,582,355</b>	<b>24,029</b>

**Statement of Assets and Liabilities**  
**As at 30 April 2014**

<u>Assets</u>		
Investments in funds	4,586,589	23,982
Cash and bank balances	180,271	47
Other debtors	-	-
<b>Total assets</b>	<b>4,766,860</b>	<b>24,029</b>
<u>Liabilities</u>		
Other creditors	184,505	-
<b>Total liabilities</b>	<b>184,505</b>	<b>-</b>
<b>Value of Fund As at 30 April 2014</b>	<b>4,582,355</b>	<b>24,029</b>

\* Note: The financial period for this investment-linked fund is from 22 January 2014 to 30 April 2014, as this fund was segregated from the 'Fidelity Euro Blue Chip' (J84) fund on 22 January 2014.

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

	Fidelity Global Property (USD) (P78) S\$	Fidelity Global Tele- communications (J97) S\$
<b>Capital and Income Account</b>		
<b>For the year 1 May 2013 (or the date of Commencement of the respective Investment-Linked Funds, whichever is later) to 30 April 2014</b>		
Value of Fund as at date of commencement of the respective Investment-Linked Funds or 1 May 2013, whichever is later	251,245	86,031
Amounts received by the Fund for creation of units	233,546	43,267
Amounts paid by the Fund for liquidation of units	(99,987)	(9,934)
Net amounts received by the Fund	133,559	33,333
Unrealised (diminution)/ appreciation in value of investments	(32,603)	2,052
Gain on sale of investments	34,739	8,451
Other income	-	-
Management fees	(3,622)	(1,255)
Other expenses	(203)	(11)
(Decrease)/ increase in net asset value for the year	(1,689)	9,237
<b>Value of Fund</b>		
<b>As at 30 April 2014</b>	<b>383,115</b>	<b>128,601</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 30 April 2014</b>		
<u>Assets</u>		
Investments in funds	383,717	128,406
Cash and bank balances	1,537	195
Other debtors	-	-
Total assets	385,254	128,601
<u>Liabilities</u>		
Other creditors	2,139	-
Total liabilities	2,139	-
<b>Value of Fund</b>		
<b>As at 30 April 2014</b>	<b>383,115</b>	<b>128,601</b>

Friends Provident International Limited, Singapore Branch  
Investment-Linked Funds  
For the year 1 May 2013 to 30 April 2014

Financial Statements

	Fidelity Multi Asset Strategic (EUR) (R27) S\$	Fidelity Multi Asset Strategic (USD) (R26) S\$
<b>Capital and Income Account</b>		
<b>For the year 1 May 2013 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 April 2014</b>		
Value of Fund as at date of commencement of the respective Investment-Linked Funds or 1 May 2013, whichever is later	17,569	79,673
Amounts received by the Fund for creation of units	115,345	82,218
Amounts paid by the Fund for liquidation of units	(52,611)	(20,740)
Net amounts received by the Fund	62,734	61,478
Unrealised appreciation in value of investments	5,151	3,507
(Loss)/ gain on sale of investments	(2,974)	6,923
Other income	-	304
Management fees	(337)	(1,353)
Other expenses	(4)	(6)
Increase in net asset value for the year	1,836	9,375
<b>Value of Fund</b>		
<b>As at 30 April 2014</b>	<b>82,139</b>	<b>150,526</b>
<b>Statement of Assets and Liabilities</b>		
<b>As at 30 April 2014</b>		
<u>Assets</u>		
Investments in funds	82,123	150,438
Cash and bank balances	16	88
Other debtors	-	-
Total assets	82,139	150,526
<u>Liabilities</u>		
Other creditors	-	-
Total liabilities	-	-
<b>Value of Fund</b>		
<b>As at 30 April 2014</b>	<b>82,139</b>	<b>150,526</b>

**Friends Provident International Limited, Singapore Branch**  
**Investment-Linked Funds**  
**For the year 1 May 2013 to 30 April 2014**

**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 30 April 2014 comprise:

<u>Funds</u>	<u>Commencement date</u>	<u>Units in issue as at 30 April 2014</u>	<u>Net asset value per unit S\$</u>
Baring Australia (M56)	02 February 2009	25,554	12.96
Baring Eastern Europe (P48)	02 February 2009	233,060	1.66
Baring High Yield Bond Fund (R117)	22 February 2012	769,672	3.38
Baring Hong Kong & China (R125)	25 April 2012	23,923	71.67
Baring International Bond (USD) (R109)	24 August 2011	229,192	7.62
Fidelity Euro Blue Chip (J84)	02 February 2009	-	-
Fidelity Euro Blue Chip (R149)	22 January 2014	1,935,654	2.37
Fidelity Euro Bond (J87)	30 September 2010	9,955	2.41
Fidelity Global Property (USD) (P78)	31 August 2008	399,968	0.96
Fidelity Global Telecommunications (J97)	30 September 2010	160,492	0.80
Fidelity Multi Asset Strategic (EUR) (R27)	02 February 2009	48,097	1.71
Fidelity Multi Asset Strategic (USD) (R26)	02 February 2009	124,851	1.21

**Friends Provident International Limited, Singapore Branch**  
**Investment-Linked Funds**  
**For the year 1 May 2013 to 30 April 2014**

**Notes to the Financial Statements**

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**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 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 policyholders' 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.

Fidelity Euro Blue Chip (R149) is part of an on-going fund segregation project and the segregation was completed during the financial year. Customers of the Singapore Branch will now have their own sub-fund (R149) as opposed to being a part of a larger sub-fund.

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**  
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**Notes to the Financial Statements**

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**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.