

Reg. No. T06FC6835J

**Friends Provident International Limited,
Singapore Branch**

Investment-Linked Funds

**Report for the year 1 April 2013 (or the date of
commencement of the respective Investment-Linked Funds,
whichever is later) to 31 March 2014**

Friends Provident International Limited, Singapore Branch


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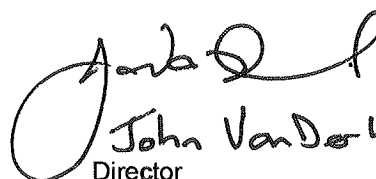
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**Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 April 2013 to 31 March 2014**

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 12 present fairly, in all material respects, the state of affairs of the Investment-Linked Funds of the Singapore Branch as at 31 March 2014 and the capital movements for the year 1 April 2013 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 March 2014, in accordance with the stated accounting policies.


MARIUS ADAM
Director


John Van Der Wielen
Director

26 June 2014

**Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 April 2013 to 31 March 2014**

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

We have audited the accompanying financial statements of the Investment-Linked Funds (as set out on page 4) of Friends Provident International Limited, Singapore Branch (the "Singapore Branch"), which comprise the Statement of Assets and Liabilities as at 31 March 2014, the Capital and Income Account for the year from 1 April 2013 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 March 2014, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 12.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

**Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 April 2013 to 31 March 2014**

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

Opinion

In our opinion, the financial statements present fairly, in all material aspects, the state of affairs of the Investment-Linked Funds of the Singapore Branch as at 31 March 2014 and the capital movements for the period 1 April 2013 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 March 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

26 June 2014

**Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 April 2013 to 31 March 2014**

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>
HSBC Chinese Equity (J55)	31 July 2009
HSBC GEM Debt Total Return (R71)	02 February 2009
HSBC GEM Debt Total Return (R145)	17 July 2013
HSBC Hong Kong Equity (J56)	31 July 2009
Martin Currie GF Asia Pacific (EUR) (P95)	30 September 2010
Martin Currie GF Asia Pacific (USD) (P94)	31 August 2008
Martin Currie GF Global Resources (R108)	24 August 2011
Nevsky Capital Eastern European (P06)	31 July 2009
Nevsky Capital Eastern European (R156)	13 March 2014

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

HSBC GEM Debt Total Return and Nevsky Capital Eastern European (R145 and R156) are part of an on-going fund segregation project and the segregations were completed during the financial year. Customers of the Company's Singapore Branch will now have their own sub-funds (R145 and R156) as opposed to being a part of a larger sub-fund.

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

	HSBC Chinese Equity (J55)	HSBC GEM Debt Total Return (R71)
	S\$	S\$
Capital and Income Account		
For the year 1 April 2013 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 March 2014		
Value of Fund as at date of commencement of the respective Investment-Linked Funds or 1 April 2013, whichever is later	350,156	638,290
Amounts received by the Fund for creation of units	62,077	142,380
Amounts paid by the Fund for liquidation of units	(155,944)	(785,395)
Net amounts paid by the Fund	(93,867)	(643,015)
Unrealised diminution in value of investments	(39,016)	(14,540)
Gain on sale of investments	47,026	21,322
Other income	3,049	1
Management fees	(3,806)	(2,040)
Other expenses	(15)	(18)
Increase in net asset value for the year	7,238	4,725
Value of Fund		
As at 31 March 2014	263,527	-
Statement of Assets and Liabilities		
As at 31 March 2014		
<u>Assets</u>		
Investments in funds	264,759	-
Cash and bank balances	-	-
Other debtors	-	-
Total assets	264,759	-
<u>Liabilities</u>		
Other creditors	1,232	-
Total liabilities	1,232	-
Value of Fund		
As at 31 March 2014	263,527	-

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 April 2013 to 31 March 2014

Financial Statements

	HSBC GEM Debt Total Return (R145)	HSBC Hong Kong Equity (J56)
	S\$	S\$
Capital and Income Account		
For the year 1 April 2013 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 March 2014		
Value of Fund as at date of commencement of the respective Investment-Linked Funds or 1 April 2013, whichever is later	-	116,529
Amounts received by the Fund for creation of units	782,862	51,270
Amounts paid by the Fund for liquidation of units	(362,500)	(19,569)
Net amounts received by the Fund	420,362	31,701
Unrealised appreciation/ (diminution) in value of investments	17,629	(15,914)
Gain on sale of investments	10,066	11,044
Other income	-	2,037
Management fees	(3,862)	(1,580)
Other expenses	(2,939)	(9)
Increase/ (decrease) in net asset value for the year	20,894	(4,422)
Value of Fund As at 31 March 2014	441,256	143,808
Statement of Assets and Liabilities		
As at 31 March 2014		
Assets		
Investments in funds	437,030	144,505
Cash and bank balances	4,226	-
Other debtors	-	-
Total assets	441,256	144,505
Liabilities		
Other creditors	-	697
Total liabilities	-	697
Value of Fund As at 31 March 2014	441,256	143,808

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 April 2013 to 31 March 2014

Financial Statements

	Martin Currie GF Asia Pacific (EUR) (P95)	Martin Currie GF Asia Pacific (USD) (P94)
	S\$	S\$
Capital and Income Account		
For the year 1 April 2013 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 March 2014		
Value of Fund as at date of commencement of the respective Investment-Linked Funds or 1 April 2013, whichever is later	-	388,768
Amounts received by the Fund for creation of units	7,346	118,864
Amounts paid by the Fund for liquidation of units	(3)	(113,943)
Net amounts received by the Fund	7,343	4,921
Unrealised appreciation/ (diminution) in value of investments	447	(66,299)
(Loss)/ gain on sale of investments	(1,064)	64,956
Other income	674	4,285
Management fees	(11)	(4,777)
Other expenses	-	(104)
Increase/ (decrease) in net asset value for the year	46	(1,939)
Value of Fund		
As at 31 March 2014	7,389	391,750
Statement of Assets and Liabilities		
As at 31 March 2014		
<u>Assets</u>		
Investments in funds	6,716	390,066
Cash and bank balances	-	-
Other debtors	674	11,957
Total assets	7,390	402,023
<u>Liabilities</u>		
Other creditors	1	10,273
Total liabilities	1	10,273
Value of Fund		
As at 31 March 2014	7,389	391,750

Friends Provident International Limited, Singapore Branch
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	Martin Currie GF Global Resources (R108)	Nevsky Capital Eastern European (P06)
	S\$	S\$
Capital and Income Account		
For the year 1 April 2013 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 March 2014		
Value of Fund as at date of commencement of the respective Investment-Linked Funds or 1 April 2013, whichever is later	1,186,721	500,328
Amounts received by the Fund for creation of units	375,376	236,413
Amounts paid by the Fund for liquidation of units	(658,282)	(649,971)
Net amounts paid by the Fund	(282,906)	(413,558)
Unrealised appreciation/ (diminution) in value of investments	64,482	(351,904)
Gain on sale of investments	33,983	271,516
Other income	1,603	-
Management fees	(13,668)	(6,358)
Other expenses	(577)	(24)
Increase/ (decrease) in net asset value for the year	85,823	(86,770)
Value of Fund As at 31 March 2014	989,638	-
Statement of Assets and Liabilities		
As at 31 March 2014		
<u>Assets</u>		
Investments in funds	984,278	-
Cash and bank balances	-	-
Other debtors	32,150	-
Total assets	1,016,428	-
<u>Liabilities</u>		
Other creditors	26,790	-
Total liabilities	26,790	-
Value of Fund As at 31 March 2014	989,638	-

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	Nevsky Capital Eastern European (R156)
	S\$
Capital and Income Account	
For the year 1 April 2013 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 31 March 2014	
Value of Fund as at date of commencement of the respective Investment-Linked Funds or 1 April 2013, whichever is later	-
Amounts received by the Fund for creation of units	501,468
Amounts paid by the Fund for liquidation of units	(31,666)
Net amounts received by the Fund	469,802
Unrealised appreciation in value of investments	15,095
Gain on sale of investments	998
Other income	9,852
Management fees	(119)
Other expenses	-
Increase in net asset value for the year	25,826
Value of Fund	
As at 31 March 2014	495,628
Statement of Assets and Liabilities	
As at 31 March 2014	
<u>Assets</u>	
Investments in funds	495,004
Cash and bank balances	-
Other debtors	31,438
Total assets	526,442
<u>Liabilities</u>	
Other creditors	30,814
Total liabilities	30,814
Value of Fund	
As at 31 March 2014	495,628

Friends Provident International Limited, Singapore Branch
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For the year 1 April 2013 to 31 March 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 as at 31 March 2014 comprise:

<u>Funds</u>	<u>Commencement date</u>	<u>Units in issue as at 31 March 2014</u>	<u>Net asset value per unit S\$</u>
HSBC Chinese Equity (J55)	31 July 2009	91,839	2.87
HSBC GEM Debt Total Return (R71)	02 February 2009	-	-
HSBC GEM Debt Total Return (R145)	17 July 2013	284,718	1.55
HSBC Hong Kong Equity (J56)	31 July 2009	65,872	2.18
Martin Currie GF Asia Pacific (EUR) (P95)	30 September 2010	4,344	1.70
Martin Currie GF Asia Pacific (USD) (P94)	31 August 2008	321,211	1.22
Martin Currie GF Global Resources (R108)	24 August 2011	668,609	1.48
Nevsky Capital Eastern European (P06)	31 July 2009	-	-
Nevsky Capital Eastern European (R156)	13 March 2014	57,167	8.67

Friends Provident International Limited, Singapore Branch
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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.

HSBC GEM Debt Total Return and Nevsky Capital Eastern European (R145 and R156) are part of an on-going fund segregation project and the segregations were completed during the financial year. Customers of the Company's Singapore Branch will now have their own sub-funds (R145 and R156) 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
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Notes to the Financial Statements

2. Summary of significant accounting policies (cont)

2.6 *Income and expenses*

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

2.7 *Foreign currencies*

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