

Reg. No. T06FC6835J

**Friends Provident International Limited,
Singapore Branch**

Investment-Linked Funds

Report for the year 1 July 2014 to 30 June 2015

Friends Provident International Limited, Singapore Branch

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Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 July 2014 to 30 June 2015

Statement by Directors

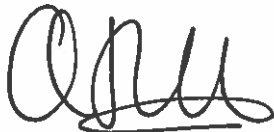
In our opinion, the financial statements of the Investment-Linked Funds of Friends Provident International Limited, Singapore Branch (the "Singapore Branch") set out on page 5 to 18 present fairly, in all material respects, the state of affairs of the Investment-Linked Funds of the Singapore Branch as at 30 June 2015 and the capital movements for the year 1 July 2014 to 30 June 2015, in accordance with the stated accounting policies.

Director



KEVIN CRACKNELL

Director



CAROLINE JOHNSON

30 September 2015

**Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 July 2014 to 30 June 2015**

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 30 June 2015, the Capital and Income Account for the year from 1 July 2014 to 30 June 2015, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 18.

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 July 2014 to 30 June 2015**

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 30 June 2015 and the capital movements for the year 1 July 2014 to 30 June 2015, 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 September 2015

**Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 July 2014 to 30 June 2015**

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>
Amundi Absolute Volatility World Equities (R86)	30 September 2010
Amundi Equity Global Concentrated (P98) (<i>previously reported as Amundi Equity Global Aqua (P98)</i>)	02 February 2009
CF Miton Cautious Multi Asset (GBP) (R141) (<i>previously reported as CF Miton Special Situations (GBP) (R141)</i>)	29 August 2012
CF Miton Cautious Multi Asset (USD) (R116) (<i>previously reported as CF Miton Special Situations (USD) (R116)</i>)	22 February 2012
Franklin US Government (M84)	02 February 2009
Henderson Horizon Asia-Pacific Property Equities (P61)	02 February 2009
Henderson Horizon China (R98)	30 September 2010
JPM Emerging Markets Small Cap (R150)	22 January 2014
JPM Global Unconstrained Equity (L18) (<i>previously reported as JPM Global Consumer Trends (L18)</i>)	25 February 2011
JPMorgan Taiwan (R09)	02 February 2009
JPMorgan USD Money Market (J42)	30 September 2010
Mellon Global Bond (GBP) (R142)	29 August 2012
Templeton Asian Bond (R129)	25 April 2012
Templeton BRIC (R119)	22 February 2012
Templeton Emerging Markets (R110)	05 October 2011
Templeton Global (R159)	15 May 2014
Templeton Global Bond (SGD HDG) (R123)	29 March 2012
Templeton Global Bond (USD) (R131)	27 June 2012
Templeton Global Total Return (EUR) (L03)	30 September 2010
Templeton Global Total Return (SGD HDG) (R124)	29 March 2012
Templeton Global Total Return (USD) (R115)	22 February 2012
Templeton Latin America (R138)	29 August 2012

With the exception of CF Miton Cautious Multi Asset (GBP), CF Miton Cautious Multi Asset (USD), JPM Emerging Markets Small Cap, Mellon Global Bond (GBP), Templeton Asian Bond, Templeton BRIC, Templeton Emerging Markets, Templeton Global, Templeton Global Bond (SGD HDG), Templeton Global Bond (USD), Templeton Global Total Return (SGD HDG), Templeton Global Total Return (USD) and Templeton Latin America (R141, R116, R150, R142, R129, R119, R110, R159, R123, R131, R124, R115 and R138) 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 Singapore Branch. The segregated Investment-Linked Funds and sub-funds are, in turn, invested in the underlying funds.

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 July 2014 to 30 June 2015

Financial Statements

	Amundi Absolute Volatility World Equities (R86)	Amundi Equity Global Concentrated (P98)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2014 to 30 June 2015		
Value of Fund as at 1 July 2014	208,126	456,930
Amounts received by the Fund for creation of units	96,670	114,890
Amounts paid by the Fund for liquidation of units	(51,709)	(48,106)
Net amounts received by the Fund	44,961	66,784
Unrealised appreciation/ (diminution) in value of investments	15,689	(140,516)
(Loss)/ gain on sale of investments	(1,632)	96,238
Other income	-	-
Management fees	(2,819)	(5,817)
Other expenses	(33)	(458)
Increase/ (decrease) in net asset value for the year	11,205	(50,553)
Value of Fund		
As at 30 June 2015	264,292	473,161
Statement of Assets and Liabilities		
As at 30 June 2015		
Assets		
Investments in funds	266,222	475,935
Cash and bank balances	-	-
Other debtors	-	-
Total assets	266,222	475,935
Liabilities		
Other creditors	1,930	2,774
Total liabilities	1,930	2,774
Value of Fund		
As at 30 June 2015	264,292	473,161

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 July 2014 to 30 June 2015

Financial Statements

	CF Miton Cautious Multi Asset (GBP) (R141)	CF Miton Cautious Multi Asset (USD) (R116)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2014 to 30 June 2015		
Value of Fund as at 1 July 2014	1,520,602	3,031,819
Amounts received by the Fund for creation of units	560,594	892,253
Amounts paid by the Fund for liquidation of units	(702,897)	(1,221,216)
Net amounts paid by the Fund	(142,303)	(328,963)
Unrealised appreciation in value of investments	92,283	250,463
Gain on sale of investments	27,860	1,569
Other income	-	-
Management fees	(19,278)	(38,495)
Other expenses	(1,741)	(477)
Increase in net asset value for the year	99,124	213,060
Value of Fund As at 30 June 2015	1,477,423	2,915,916
Statement of Assets and Liabilities As at 30 June 2015		
Assets		
Investments in funds	1,479,091	2,916,008
Cash and bank balances	8,920	24,145
Other debtors	-	-
Total assets	1,488,011	2,940,153
Liabilities		
Other creditors	10,588	24,237
Total liabilities	10,588	24,237
Value of Fund As at 30 June 2015	1,477,423	2,915,916

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 July 2014 to 30 June 2015

Financial Statements

	Franklin US Government (M84)	Hennderson Horizon Asia- Pacific Property Equities (P61)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2014 to 30 June 2015		
Value of Fund as at 1 July 2014	354,021	440,790
Amounts received by the Fund for creation of units	1,001,327	361,365
Amounts paid by the Fund for liquidation of units	(458,926)	(124,938)
Net amounts received by the Fund	542,401	236,427
Unrealised (diminution)/ appreciation in value of investments	(34,834)	24,044
Gain on sale of investments	44,120	7,573
Other income	11,872	252
Management fees	(7,274)	(6,850)
Other expenses	(45)	(41)
Increase in net asset value for the year	13,839	24,978
Value of Fund		
As at 30 June 2015	910,261	702,195
Statement of Assets and Liabilities		
As at 30 June 2015		
Assets		
Investments in funds	915,970	698,669
Cash and bank balances	43,716	3,526
Other debtors	-	-
Total assets	959,686	702,195
Liabilities		
Other creditors	49,425	-
Total liabilities	49,425	-
Value of Fund		
As at 30 June 2015	910,261	702,195

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 July 2014 to 30 June 2015

Financial Statements

	Henderson Horizon China (R98)	JPM Emerging Markets Small Cap (R150)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2014 to 30 June 2015		
Value of Fund as at 1 July 2014	110,007	1,061,257
Amounts received by the Fund for creation of units	277,937	538,353
Amounts paid by the Fund for liquidation of units	(106,680)	(369,741)
Net amounts received by the Fund	171,257	168,612
Unrealised appreciation in value of investments	27,770	98,982
Gain on sale of investments	16,595	34,966
Other income	-	276
Management fees	(2,361)	(14,286)
Other expenses	(16)	(455)
Increase in net asset value for the year	41,988	119,483
Value of Fund		
As at 30 June 2015	323,252	1,349,352
Statement of Assets and Liabilities		
As at 30 June 2015		
Assets		
Investments in funds	324,659	1,348,690
Cash and bank balances	8,314	8,741
Other debtors	4,341	-
Total assets	337,314	1,357,431
Liabilities		
Other creditors	14,062	8,079
Total liabilities	14,062	8,079
Value of Fund		
As at 30 June 2015	323,252	1,349,352

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 July 2014 to 30 June 2015

Financial Statements

	JPM Global Unconstrained Equity (L18)	JPMorgan Taiwan (R09)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2014 to 30 June 2015		
Value of Fund as at 1 July 2014	87,104	63,752
Amounts received by the Fund for creation of units	122,488	7,741
Amounts paid by the Fund for liquidation of units	(19,257)	(15,974)
Net amounts received/ (paid) by the Fund	103,231	(8,233)
Unrealised appreciation/ (diminution) in value of investments	24,043	(2,835)
(Loss)/ gain on sale of investments	(10,789)	5,939
Other income	-	993
Management fees	(1,738)	(776)
Other expenses	(245)	(3)
Increase in net asset value for the year	11,271	3,318
Value of Fund		
As at 30 June 2015	201,606	58,837
Statement of Assets and Liabilities		
As at 30 June 2015		
Assets		
Investments in funds	202,338	59,196
Cash and bank balances	-	-
Other debtors	-	-
Total assets	202,338	59,196
Liabilities		
Other creditors	732	359
Total liabilities	732	359
Value of Fund		
As at 30 June 2015	201,606	58,837

Friends Provident International Limited, Singapore Branch
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Financial Statements

	JPMorgan USD Money Market (J42)	Mellon Global Bond (GBP) (R142)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2014 to 30 June 2015		
Value of Fund as at 1 July 2014	447,849	726,456
Amounts received by the Fund for creation of units	2,379,100	557,094
Amounts paid by the Fund for liquidation of units	(620,534)	(318,190)
Net amounts received by the Fund	1,758,566	238,904
Unrealised appreciation/ (diminution) in value of investments	7,236	(13,339)
Gain/ (loss) on sale of investments	9,935	(4,733)
Other income	-	8,160
Management fees	(12,514)	(9,673)
Other expenses	(39)	(235)
Increase/ (decrease) in net asset value for the year	4,618	(19,820)
Value of Fund		
As at 30 June 2015	2,211,033	945,540
Statement of Assets and Liabilities		
As at 30 June 2015		
Assets		
Investments in funds	2,228,707	927,135
Cash and bank balances	17,582	5,699
Other debtors	130,833	12,706
Total assets	2,377,122	945,540
Liabilities		
Other creditors	166,089	-
Total liabilities	166,089	-
Value of Fund		
As at 30 June 2015	2,211,033	945,540

Friends Provident International Limited, Singapore Branch
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Financial Statements

	Templeton Asian Bond (R129)	Templeton BRIC (R119)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2014 to 30 June 2015		
Value of Fund as at 1 July 2014	960,587	1,096,010
Amounts received by the Fund for creation of units	465,036	247,291
Amounts paid by the Fund for liquidation of units	(232,360)	(345,041)
Net amounts received/ (paid) by the Fund	232,676	(97,750)
Unrealised appreciation in value of investments	39,903	33,430
Gain/ (loss) on sale of investments	3,620	(23,424)
Other income	-	938
Management fees	(13,352)	(12,528)
Other expenses	(397)	(279)
Increase/ (decrease) in net asset value for the year	29,774	(1,863)
Value of Fund		
As at 30 June 2015	1,223,037	996,397

Statement of Assets and Liabilities
As at 30 June 2015

Assets

Investments in funds	1,221,441	996,798
Cash and bank balances	9,674	-
Other debtors	-	12,119
Total assets	1,231,115	1,008,917

Liabilities

Other creditors	8,078	12,520
Total liabilities	8,078	12,520
Value of Fund		
As at 30 June 2015	1,223,037	996,397

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 July 2014 to 30 June 2015

Financial Statements

	Templeton Emerging Markets (R110)	Templeton Global (R159)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2014 to 30 June 2015		
Value of Fund as at 1 July 2014	4,337,922	2,319,008
Amounts received by the Fund for creation of units	3,049,663	2,777,258
Amounts paid by the Fund for liquidation of units	(837,856)	(268,586)
Net amounts received by the Fund	2,211,807	2,508,672
Unrealised (diminution)/ appreciation in value of investments	(198,691)	176,895
(Loss)/ gain on sale of investments	(3,521)	3,088
Other income	-	-
Management fees	(65,576)	(44,366)
Other expenses	(627)	(745)
(Decrease)/ increase in net asset value for the year	(268,415)	134,872
Value of Fund		
As at 30 June 2015	6,281,314	4,962,552
Statement of Assets and Liabilities		
As at 30 June 2015		
<u>Assets</u>		
Investments in funds	6,259,983	4,968,631
Cash and bank balances	100,775	65,286
Other debtors	-	-
Total assets	6,360,758	5,033,917
<u>Liabilities</u>		
Other creditors	79,444	71,365
Total liabilities	79,444	71,365
Value of Fund		
As at 30 June 2015	6,281,314	4,962,552

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 July 2014 to 30 June 2015

Financial Statements

	Templeton Global Bond (SGD HDG) (R123)	Templeton Global Bond (USD) (R131)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2014 to 30 June 2015		
Value of Fund as at 1 July 2014	1,434,247	1,585,296
Amounts received by the Fund for creation of units	772,777	541,622
Amounts paid by the Fund for liquidation of units	(505,732)	(546,665)
Net amounts received/ (paid) by the Fund	267,045	(5,043)
Unrealised (diminution)/ appreciation in value of investments	(63,889)	69,102
Gain on sale of investments	2,804	24,497
Other income	33,834	-
Management fees	(18,846)	(20,844)
Other expenses	(444)	(320)
(Decrease)/ increase in net asset value for the year	(46,541)	72,435
Value of Fund		
As at 30 June 2015	1,654,751	1,652,688
Statement of Assets and Liabilities		
As at 30 June 2015		
Assets		
Investments in funds	1,653,155	1,649,525
Cash and bank balances	12,596	12,589
Other debtors	11,000	-
Total assets	1,676,751	1,662,114
Liabilities		
Other creditors	22,000	9,426
Total liabilities	22,000	9,426
Value of Fund		
As at 30 June 2015	1,654,751	1,652,688

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 July 2014 to 30 June 2015

Financial Statements

	Templeton Global Total Return (EUR) (L03)	Templeton Global Total Return (SGD HGD) (R124)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2014 to 30 June 2015		
Value of Fund as at 1 July 2014	172,289	4,551,326
Amounts received by the Fund for creation of units	86,639	3,635,619
Amounts paid by the Fund for liquidation of units	(104,600)	(738,934)
Net amounts (paid)/ received by the Fund	(17,961)	2,896,685
Unrealised diminution in value of investments	(9,264)	(400,563)
Gain/ (loss) on sale of investments	15,730	(7,792)
Other income	14	210,293
Management fees	(2,016)	(71,420)
Other expenses	(26)	(642)
Increase/ (decrease) in net asset value for the year	4,438	(270,124)
Value of Fund As at 30 June 2015	158,766	7,177,887
Statement of Assets and Liabilities		
As at 30 June 2015		
Assets		
Investments in funds	159,951	7,173,003
Cash and bank balances	-	101,884
Other debtors	-	-
Total assets	159,951	7,274,887
Liabilities		
Other creditors	1,185	97,000
Total liabilities	1,185	97,000
Value of Fund As at 30 June 2015	158,766	7,177,887

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 July 2014 to 30 June 2015

Financial Statements

	Templeton Global Total Return (USD) (R115)	Templeton Latin America (R138)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2014 to 30 June 2015		
Value of Fund as at 1 July 2014	4,890,733	1,108,150
Amounts received by the Fund for creation of units	2,485,876	401,979
Amounts paid by the Fund for liquidation of units	(806,008)	(312,062)
Net amounts received by the Fund	1,679,868	89,917
Unrealised appreciation/ (diminution) in value of investments	205,650	(191,269)
Gain/ (loss) on sale of investments	16,194	(52,611)
Other income	-	1,333
Management fees	(71,050)	(12,395)
Other expenses	(517)	(343)
Increase/ (decrease) in net asset value for the year	150,277	(255,285)
Value of Fund As at 30 June 2015	6,720,878	942,782
Statement of Assets and Liabilities As at 30 June 2015		
Assets		
Investments in funds	6,739,658	941,597
Cash and bank balances	67,397	10,611
Other debtors	-	-
Total assets	6,807,055	952,208
Liabilities		
Other creditors	86,177	9,426
Total liabilities	86,177	9,426
Value of Fund As at 30 June 2015	6,720,878	942,782

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 July 2014 to 30 June 2015

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 June 2015 comprise:

<u>Funds</u>	<u>Commencement Date</u>	<u>Units in issue as at 30 June 2015</u>	<u>Net asset value per unit S\$</u>
Amundi Absolute Volatility World Equities (R86)	30 September 2010	273,585	0.97
Amundi Equity Global Concentrated (P98) <i>(previously reported as Amundi Equity Global (P98))</i>	02 February 2009	398,239	1.19
CF Miton Cautious Multi Asset (GBP) (R141) <i>(previously reported as CF Miton Special Situations (GBP) (R141))</i>	29 August 2012	695,018	2.13
CF Miton Cautious Multi Asset (USD) (R116) <i>(previously reported as CF Miton Special Situations (USD) (R116))</i>	22 February 2012	2,122,539	1.37
Franklin US Government (M84)	02 February 2009	614,659	1.48
Henderson Horizon Asia-Pacific Property Equities (P61)	02 February 2009	480,657	1.46
Henderson Horizon China (R98)	30 September 2010	236,887	1.36
JPM Emerging Markets Small Cap (R150)	22 January 2014	811,791	1.66
JPM Global Unconstrained Equity (L18) <i>(previously reported as JPM Global Consumer Trends (L18))</i>	25 February 2011	117,210	1.72
JPMorgan Taiwan (R09)	02 February 2009	40,153	1.47
JPMorgan USD Money Market (J42)	30 September 2010	1,428,147	1.55
Mellon Global Bond (GBP) (R142)	29 August 2012	389,447	2.43
Templeton Asian Bond (R129)	25 April 2012	849,542	1.44
Templeton BRIC (R119)	22 February 2012	594,728	1.68
Templeton Emerging Markets (R110)	05 October 2011	3,622,277	1.73
Templeton Global (R159)	15 May 2014	2,256,997	2.20
Templeton Global Bond (SGD HDG) (R123)	29 March 2012	1,674,491	0.99
Templeton Global Bond (USD) (R131)	27 June 2012	1,118,036	1.48
Templeton Global Total Return (EUR) (L03)	30 September 2010	72,871	2.18
Templeton Global Total Return (SGD HDG) (R124)	29 March 2012	7,094,439	1.01
Templeton Global Total Return (USD) (R115)	22 February 2012	4,156,386	1.62
Templeton Latin America (R138)	29 August 2012	495,695	1.90

Friends Provident International Limited, Singapore Branch
Investment-Linked Funds
For the year 1 July 2014 to 30 June 2015

Notes to the Financial Statements

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements 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 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.

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
For the year 1 July 2014 to 30 June 2015

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.