

Reg. No. T06FC6835J

Friends Provident International Limited,
Singapore Branch

Investment-Linked Funds

Report for the financial year ended 30 June 2016

Friends Provident International Limited, Singapore Branch

Index

	Page
Statement by Directors	1
<hr/>	
Independent Auditor's Report	2
<hr/>	
List of Investment-Linked Funds	4
<hr/>	
Capital and Income Account and Statement of Assets and Liabilities	5
<hr/>	
Notes to the Financial Statements	17
<hr/>	

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

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 19 present fairly, in all material respects, the state of affairs of the Investment-Linked Funds of the Singapore Branch as at 30 June 2016 and the capital movements for the financial year/period ended 30 June 2016, in accordance with the stated accounting policies.

Director

Director

30 September 2016

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

INDEPENDENT AUDITOR'S REPORT

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 2016, Capital and Income Account for the financial year/period from 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2016, and a summary of the significant accounting policies and other explanatory information, as set out on pages 5 to 19 (the "Statements").

Management's responsibility for the financial statements

Management is responsible for the preparation of the Statements in accordance with the stated accounting policies set out on page 18 and 19. This includes determining that these accounting policies form an acceptable basis for the preparation of the Statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of Statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the 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 as to whether the Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management as well as evaluating the overall presentation of the Statements.

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

Opinion

In our opinion, the Statements are prepared, in all material respects, in accordance with the accounting policies as set out on page 18 and 19.

Basis of Accounting and Restriction of Distribution and Use

Without modifying our opinion, we draw attention to page 18 and 19 of the Statements, which describes the basis of accounting. The Statements are prepared to assist the Branch to comply with MAS Notice 307 Investment- Linked Life Insurance Policies. As a result, the Statements may not be suitable for another purpose.

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.

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

INDEPENDENT AUDITOR'S REPORT

Other Matters

The financial statements of the Investment-Linked Funds for the financial year/period ended 30 June 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 30 September 2015.

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.

Public Accountants and Chartered Accountants
Singapore

30 September 2016

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

LIST OF INVESTMENT-LINKED FUNDS

The Statements of Assets and Liabilities, Capital and Income Accounts and a summary of the 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
CF Miton Cautious Multi Asset (GBP) (R141)	29 August 2012
CF Miton Cautious Multi Asset (USD) (R116)	22 February 2012
Franklin US Government (M84)	02 February 2009
Franklin US Government (R179)	28 July 2015
Henderson Horizon Asia-Pacific Property Equities (P61)	02 February 2009
Henderson Horizon Asia-Pacific Property Equities (R176)	28 July 2015
Henderson Horizon China (R98)	30 September 2010
JPM Emerging Markets Small Cap (R150)	22 January 2014
JPM Global Unconstrained Equity (L18)	25 February 2011
JPMorgan USD Money Market (J42)	30 September 2010
JPMorgan USD Money Market (R175)	28 July 2015
JPMorgan Taiwan (R09)	02 February 2009
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), Franklin US Government, Henderson Horizon Asia-Pacific Property Equities, JPM Emerging Markets Small Cap, JPMorgan USD Money Market, 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, R179, R176, R150, R175, 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.

Franklin US Government (R179), Henderson Horizon Asia-Pacific Property Equities (R176) and JPMorgan USD Money Market (R175) were new funds launched during the year exclusively for Singapore policyholders.

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year/period ended 30 June 2016

	Amundi Absolute Volatility World Equities (R86)	CF Miton Cautious Multi Asset (GBP) (R141)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2016		
Value of Fund as at 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	264,292	1,477,423
Amounts received by the Fund for creation of units	105,999	331,909
Amounts paid by the Fund for liquidation of units	(99,526)	(614,506)
Net amounts received/ (paid) by the Fund	6,473	(282,597)
Unrealised appreciation/ (diminution) in value of investments	76,307	(190,449)
(Loss)/ Gain on sale of investments	(63,532)	19,328
Other income	44	14,198
Management fees	(3,442)	(15,874)
Other expenses	(34)	(705)
Increase/ (Decrease) in net asset value for the year	9,343	(173,502)
Value of Fund As at 30 June 2016	280,108	1,021,324
Statement of Assets and Liabilities		
As at 30 June 2016		
<u>Assets</u>		
Investments in funds	282,509	1,050,519
Cash and bank balances	637	-
Total assets	283,146	1,050,519
<u>Liabilities</u>		
Other creditors	3,038	29,195
Total liabilities	3,038	29,195
Value of Fund As at 30 June 2016	280,108	1,021,324

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year/period ended 30 June 2016

	CF Miton Cautious Multi Asset (USD) (R116)	Franklin US Government (M84)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2016		
Value of Fund as at 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	2,915,916	910,261
Amounts received by the Fund for creation of units	549,321	86,507
Amounts paid by the Fund for liquidation of units	(1,015,202)	(1,014,519)
Net amounts paid by the Fund	(465,881)	(928,012)
Unrealised (diminution)/ appreciation in value of investments	(276,441)	7,278
(Loss)/ Gain on sale of investments	(28,034)	10,913
Other income	20,264	89
Management fees	(30,205)	(511)
Other expenses	(523)	(18)
(Decrease)/ Increase in net asset value for the year	(314,939)	17,751
Value of Fund As at 30 June 2016	2,135,096	-
Statement of Assets and Liabilities		
As at 30 June 2016		
<u>Assets</u>		
Investments in funds	2,143,347	-
Cash and bank balances	17,321	-
Total assets	2,160,668	-
<u>Liabilities</u>		
Other creditors	25,572	-
Total liabilities	25,572	-
Value of Fund As at 30 June 2016	2,135,096	-

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year/period ended 30 June 2016

	Franklin US Government (R179)*	Henderson Horizon Asia- Pacific Property Equities (P61)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2016		
Value of Fund as at 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	-	702,195
Amounts received by the Fund for creation of units	2,816,760	30,655
Amounts paid by the Fund for liquidation of units	(456,978)	(727,582)
Net amounts received/ (paid) by the Fund	2,359,782	(696,927)
Unrealised diminution in value of investments	(41,462)	(7,311)
(Loss)/ Gain on sale of investments	(46)	2,516
Other income	20,638	-
Management fees	(15,006)	(472)
Other expenses	(4,973)	(1)
Decrease in net asset value for the year	(40,849)	(5,268)
Value of Fund As at 30 June 2016	2,318,933	-
Statement of Assets and Liabilities		
As at 30 June 2016		
<u>Assets</u>		
Investments in funds	2,316,882	-
Cash and bank balances	2,051	-
Total assets	2,318,933	-
<u>Liabilities</u>		
Other creditors	-	-
Total liabilities	-	-
Value of Fund As at 30 June 2016	2,318,933	-

* Note: The financial period for this investment-linked fund is from 28 July 2015 to 30 June 2016, as this fund was segregated from the 'Franklin US Government (M84)' fund on 28 July 2015.

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year/period ended 30 June 2016

	Henderson Horizon Asia- Pacific Property Equities (R176)*	Henderson Horizon China (R98)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2016		
Value of Fund as at 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	-	323,252
Amounts received by the Fund for creation of units	1,119,521	112,440
Amounts paid by the Fund for liquidation of units	(356,567)	(135,494)
Net amounts received/ (paid) by the Fund	762,954	(23,054)
Unrealised appreciation in value of investments	29,554	7,034
Gain/ (Loss) on sale of investments	8,714	(58,759)
Other income	1,060	-
Management fees	(6,695)	(3,155)
Other expenses	(1,667)	(1,629)
Increase/ (Decrease) in net asset value for the year	30,966	(56,509)
Value of Fund As at 30 June 2016	793,920	243,689
Statement of Assets and Liabilities		
As at 30 June 2016		
<u>Assets</u>		
Investments in funds	793,670	244,870
Cash and bank balances	8,325	-
Other debtors	-	6,591
Total assets	801,995	251,461
<u>Liabilities</u>		
Other creditors	8,075	7,772
Total liabilities	8,075	7,772
Value of Fund As at 30 June 2016	793,920	243,689

* Note: The financial period for this investment-linked fund is from 28 July 2015 to 30 June 2016, as this fund was segregated from the 'Henderson Horizon Asia-Pacific Property Equities (P61)' fund on 28 July 2015.

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year/period ended 30 June 2016

	JPM Emerging Markets Small Cap (R150)	JPM Global Unconstrained Equity (L18)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2016		
Value of Fund as at 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	1,349,352	201,606
Amounts received by the Fund for creation of units	358,696	416,424
Amounts paid by the Fund for liquidation of units	(463,228)	(28,105)
Net amounts (paid)/ received by the Fund	(104,532)	388,319
Unrealised (diminution)/ appreciation in value of investments	(53,524)	44,906
Gain/ (Loss) on sale of investments	8,957	(110,913)
Management fees	(14,484)	(5,296)
Other expenses	(616)	(41)
Decrease in net asset value for the year	(59,667)	(71,344)
Value of Fund		
As at 30 June 2016	1,185,153	518,581
Statement of Assets and Liabilities		
As at 30 June 2016		
<u>Assets</u>		
Investments in funds	1,187,084	521,311
Cash and bank balances	8,836	-
Total assets	1,195,920	521,311
<u>Liabilities</u>		
Other creditors	10,767	2,730
Total liabilities	10,767	2,730
Value of Fund		
As at 30 June 2016	1,185,153	518,581

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year/period ended 30 June 2016

	JPMorgan USD Money Market (J42) S\$	JPMorgan USD Money Market (R175)* S\$
Capital and Income Account		
For the year 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2016		
Value of Fund as at 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	2,211,033	-
Amounts received by the Fund for creation of units	104,926	3,753,827
Amounts paid by the Fund for liquidation of units	(2,358,600)	(1,210,086)
Net amounts (paid)/ received by the Fund	(2,253,674)	2,543,741
Unrealised appreciation/ (diminution) in value of investments	147	(119,977)
Gain on sale of investments	43,621	243
Other income	-	101
Management fees	(1,127)	(24,118)
Other expenses	-	(222)
Increase/ (decrease) in net asset value for the year	42,641	(143,973)
Value of Fund		
As at 30 June 2016	-	2,399,768
Statement of Assets and Liabilities		
As at 30 June 2016		
<u>Assets</u>		
Investments in funds	-	2,401,838
Cash and bank balances	-	38,308
Other debtors	-	14,805
Total assets	-	2,454,951
<u>Liabilities</u>		
Other creditors	-	55,183
Total liabilities	-	55,183
Value of Fund		
As at 30 June 2016	-	2,399,768

* Note: The financial period for this investment-linked fund is from 28 July 2015 to 30 June 2016, as this fund was segregated from the 'JPMorgan USD Money Market (J42)' fund on 28 July 2015.

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year/period ended 30 June 2016

	JPMorgan Taiwan (R09)	Mellon Global Bond (GBP) (R142)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2016		
Value of Fund as at 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	58,837	945,540
Amounts received by the Fund for creation of units	7,872	453,532
Amounts paid by the Fund for liquidation of units	(9,373)	(483,593)
Net amounts paid by the Fund	(1,501)	(30,061)
Unrealised appreciation in value of investments	10,154	64,386
(Loss)/ Gain on sale of investments	(16,451)	4,977
Other income	-	7,927
Management fees	(660)	(11,993)
Other expenses	(15)	(347)
(Decrease)/ Increase in net asset value for the year	(6,972)	64,950
Value of Fund		
As at 30 June 2016	50,364	980,429
Statement of Assets and Liabilities		
As at 30 June 2016		
<u>Assets</u>		
Investments in funds	50,319	977,058
Cash and bank balances	-	3,371
Other debtors	6,470	-
Total assets	56,789	980,429
<u>Liabilities</u>		
Other creditors	6,425	-
Total liabilities	6,425	-
Value of Fund		
As at 30 June 2016	50,364	980,429

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year/period ended 30 June 2016

	Templeton Asian Bond (R129)	Templeton BRIC (R119)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2016		
Value of Fund as at 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	1,223,037	996,397
Amounts received by the Fund for creation of units	422,213	151,715
Amounts paid by the Fund for liquidation of units	(312,202)	(290,532)
Net amounts received/ (paid) by the Fund	110,011	(138,817)
Unrealised diminution in value of investments	(100,288)	(83,414)
Loss on sale of investments	(12,029)	(72,680)
Other income	-	2,371
Management fees	(14,570)	(8,828)
Other expenses	(488)	(278)
Decrease in net asset value for the year	(127,375)	(162,829)
Value of Fund		
As at 30 June 2016	1,205,673	694,751
Statement of Assets and Liabilities		
As at 30 June 2016		
<u>Assets</u>		
Investments in funds	1,204,296	693,945
Cash and bank balances	1,377	8,881
Total assets	1,205,673	702,826
<u>Liabilities</u>		
Other creditors	-	8,075
Total liabilities	-	8,075
Value of Fund		
As at 30 June 2016	1,205,673	694,751

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year/period ended 30 June 2016

	Templeton Emerging Markets (R110)	Templeton Global (R159)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2016		
Value of Fund as at 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	6,281,314	4,962,552
Amounts received by the Fund for creation of units	2,292,420	2,715,730
Amounts paid by the Fund for liquidation of units	(1,618,403)	(1,204,184)
Net amounts received by the Fund	674,017	1,511,546
Unrealised diminution in value of investments	(398,861)	(838,706)
Loss on sale of investments	(213,012)	(79,497)
Other income	-	-
Management fees	(71,524)	(65,521)
Other expenses	(771)	(863)
Decrease in net asset value for the year	(684,168)	(984,587)
Value of Fund As at 30 June 2016	6,271,163	5,489,511
Statement of Assets and Liabilities		
As at 30 June 2016		
<u>Assets</u>		
Investments in funds	6,265,019	5,540,615
Other debtors	106,327	-
Total assets	6,371,346	5,540,615
<u>Liabilities</u>		
Other creditors	100,183	51,104
Total liabilities	100,183	51,104
Value of Fund As at 30 June 2016	6,271,163	5,489,511

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year/period ended 30 June 2016

	Templeton Global Bond (SGD HDG) (R123)	Templeton Global Bond (USD) (R131)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2016		
Value of Fund as at 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	1,654,751	1,652,688
Amounts received by the Fund for creation of units	1,387,571	578,795
Amounts paid by the Fund for liquidation of units	(791,132)	(572,052)
Net amounts received by the Fund	596,439	6,743
Unrealised diminution in value of investments	(175,176)	(104,106)
Loss on sale of investments	(36,985)	(11,385)
Other income	88,620	-
Management fees	(22,855)	(18,871)
Other expenses	(628)	(432)
Decrease in net asset value for the year	(147,024)	(134,794)
Value of Fund		
As at 30 June 2016	2,104,166	1,524,637
Statement of Assets and Liabilities		
As at 30 June 2016		
<u>Assets</u>		
Investments in funds	2,149,867	1,542,619
Cash and bank balances	80,299	-
Total assets	2,230,166	1,542,619
<u>Liabilities</u>		
Other creditors	126,000	17,982
Total liabilities	126,000	17,982
Value of Fund		
As at 30 June 2016	2,104,166	1,524,637

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year/period ended 30 June 2016

	Templeton Global Total Return (EUR) (L03) S\$	Templeton Global Total Return (SGD HGD) (R124) S\$
Capital and Income Account		
For the year 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2016		
Value of Fund as at 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	158,766	7,177,887
Amounts received by the Fund for creation of units	428,429	3,009,316
Amounts paid by the Fund for liquidation of units	(30,742)	(1,182,941)
Net amounts received by the Fund	397,687	1,826,375
Unrealised appreciation/ (diminution) in value of investments	60,854	(885,217)
Loss on sale of investments	(87,171)	(60,610)
Other income	-	472,728
Management fees	(5,054)	(91,470)
Other expenses	(2,178)	(867)
Decrease in net asset value for the year	(33,549)	(565,436)
Value of Fund As at 30 June 2016	522,904	8,438,826
Statement of Assets and Liabilities		
As at 30 June 2016		
<u>Assets</u>		
Investments in funds	530,266	8,436,752
Cash and bank balances	-	95,074
Total assets	530,266	8,531,826
<u>Liabilities</u>		
Other creditors	7,362	93,000
Total liabilities	7,362	93,000
Value of Fund As at 30 June 2016	522,904	8,438,826

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year/period ended 30 June 2016

	Templeton Global Total Return (USD) (R115)	Templeton Latin America (R138)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2016		
Value of Fund as at 1 July 2015 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	6,720,878	942,782
Amounts received by the Fund for creation of units	2,898,652	238,160
Amounts paid by the Fund for liquidation of units	(1,760,129)	(226,167)
Net amounts received by the Fund	1,138,523	11,993
Unrealised (diminution)/ appreciation in value of investments	(511,717)	62,294
Loss on sale of investments	(9,155)	(100,065)
Other income	-	438
Management fees	(86,323)	(10,000)
Other expenses	(761)	(307)
Decrease in net asset value for the year	(607,956)	(47,640)
Value of Fund		
As at 30 June 2016	7,251,445	907,135
Statement of Assets and Liabilities		
As at 30 June 2016		
<u>Assets</u>		
Investments in funds	7,264,674	907,412
Cash and bank balances	39,262	-
Other debtors	-	8,075
Total assets	7,303,936	915,487
<u>Liabilities</u>		
Other creditors	52,491	8,352
Total liabilities	52,491	8,352
Value of Fund		
As at 30 June 2016	7,251,445	907,135

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2016

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 2016 comprise:

<u>Funds</u>	<u>Commencement Date</u>	<u>Units in issue as at 30 June 2016</u>	<u>Net asset value per unit S\$</u>
Amundi Absolute Volatility World Equities (R86)	30 September 2010	280,504	1.00
CF Miton Cautious Multi Asset (GBP) (R141)	29 August 2012	552,268	1.85
CF Miton Cautious Multi Asset (USD) (R116)	22 February 2012	1,772,494	1.20
Franklin US Government (M84)	02 February 2009	-	-
Franklin US Government (R179)	28 July 2015	1,562,921	1.48
Henderson Horizon Asia-Pacific Property Equities (P61)	02 February 2009	-	-
Henderson Horizon Asia-Pacific Property Equities (R176)	28 July 2015	560,607	1.42
Henderson Horizon China (R98)	30 September 2010	216,622	1.12
JPM Emerging Markets Small Cap (R150)	22 January 2014	738,750	1.60
JPM Global Unconstrained Equity (L18)	25 February 2011	348,380	1.49
JPMorgan USD Money Market (J42)	30 September 2010	-	-
JPMorgan USD Money Market (R175)	28 July 2015	1,568,476	1.53
JPMorgan Taiwan (R09)	02 February 2009	38,870	1.30
Mellon Global Bond (GBP) (R142)	29 August 2012	377,369	2.60
Templeton Asian Bond (R129)	25 April 2012	927,965	1.30
Templeton BRIC (R119)	22 February 2012	495,240	1.40
Templeton Emerging Markets (R110)	05 October 2011	4,037,190	1.55
Templeton Global (R159)	15 May 2014	2,983,835	1.84
Templeton Global Bond (SGD HDG) (R123)	29 March 2012	2,313,245	0.91
Templeton Global Bond (USD) (R131)	27 June 2012	1,127,453	1.35
Templeton Global Total Return (EUR) (L03)	30 September 2010	260,288	2.01
Templeton Global Total Return (SGD HDG) (R124)	29 March 2012	9,032,227	0.93
Templeton Global Total Return (USD) (R115)	22 February 2012	4,883,107	1.49
Templeton Latin America (R138)	29 August 2012	495,903	1.83

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2016

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.

CF Miton Cautious Multi Asset (GBP), CF Miton Cautious Multi Asset (USD), Franklin US Government, Henderson Horizon Asia-Pacific Property Equities, JPM Emerging Markets Small Cap, JPMorgan USD Money Market, 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, R179, R176, R150, R175, R142, R129, R119, R110, R159, R123, R131, R124, R115 and R138) are segregated Investment-Linked Funds dedicated to customers of the Singapore Branch. The segregated Investment-Linked Funds are invested in the underlying funds.

Customers invested in the fund that went through segregation would 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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2016

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 *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 is 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.

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 balance sheet 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 other creditors arise as a result of outstanding settlement of creations and liquidations of units respectively as at the period end.