

Reg. No. T06FC6835J

Friends Provident International Limited,
Singapore Branch

Investment-Linked Funds

Report for the financial year ended 30 June 2017

Friends Provident International Limited, Singapore Branch

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**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 pages 6 to 20 present fairly, in all material respects, the state of affairs of the Investment-Linked Funds of the Singapore Branch as at 30 June 2017 and the capital movements for the financial period from 1 July 2016 (or date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2017, in accordance with the stated accounting policies.

Director

Director

28 September 2017

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

INDEPENDENT AUDITOR'S REPORT

Our Opinion

In our opinion, the accompanying financial statements of the investment-linked funds as set out on page 5 (the "Funds") of Friends Provident International Limited, Singapore Branch (the "Branch") are properly drawn up, in all material respects, in accordance with the stated accounting policies as set out in Note 2 to the financial statements (the "Notes").

What we have audited

The financial statements of the Funds comprise:

- the Statements of Assets and Liabilities as at 30 June 2017;
- the Capital and Income Accounts for the financial period from 1 July 2016 (or date of commencement of the respective investment-linked funds, whichever is later) to 30 June 2017; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Branch in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the financial statements which describe the basis of accounting. The financial statements are prepared to assist the Branch to comply with MAS Notice 307 Investment Linked-Life Insurance Policies. As a result, the financial statements may not be suitable for another purpose.

This report is intended for the sole benefit and use of the Branch and is not intended to nor may it be relied upon by any other party, other than the branch. We accept no liability or responsibility to any other party to whom this report is disclosed or otherwise made available to.

This report relates solely to the financial statements of the Funds of the Branch and does not extend to the financial statements of the Branch taken as a whole. Our report is not modified in respect of this matter.

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

INDEPENDENT AUDITOR'S REPORT (continued)

Other Information

Management is responsible for the other information. The other information comprises the Statement by Directors and List of Investment-Linked Funds, and excludes the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the accounting policies set out in Note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to terminate the Funds or to cease the Funds' operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any or all of the Funds to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Public Accountants and Chartered Accountants
Singapore, 28 September 2017

**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 (R179)	28 July 2015
Henderson Horizon China (R98)	30 September 2010
Henderson Horizon China (R205)	12 April 2017
JPM Emerging Markets Small Cap (R150)	22 January 2014
JPM Global Unconstrained Equity (L18)	25 February 2011
JPM Global Unconstrained Equity (R187)	17 August 2016
JPMorgan Taiwan (R09)	02 February 2009
JPM USD Money Market (R175)	28 July 2015
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 (EUR) (R188)	17 August 2016
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) (R141), CF Miton Cautious Multi Asset (USD) (R116), Franklin US Government (R179), Henderson Horizon China (R205), JPM Emerging Markets Small Cap (R150), JPM Global Unconstrained Equity (R187), JPMorgan USD Money Market (R175), Mellon Global Bond (GBP) (R142), Templeton Asian Bond (R129), Templeton BRIC (R119), Templeton Emerging Markets (R110), Templeton Global (R159), Templeton Global Bond (SGD HDG) (R123), Templeton Global Bond (USD) (R131), Templeton Global Total Return (EUR) (R188), Templeton Global Total Return (SGD HDG) (124), Templeton Global Total Return (USD) (R115) and Templeton Latin America (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.

Henderson Horizon China (R98), JPM Global Unconstrained Equity (L18) and Templeton Global Total Return (EUR) (L03) have been fully segregated to Henderson Horizon China (R205), JPM Global Unconstrained Equity (R187) and Templeton Global Total Return (EUR) (R188) respectively as at 30 June 2017, and are no longer available to customers of the Company's Singapore Branch.

**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 2017

	Amundi Absolute Volatility World Equities (R86)	CF Miton Cautious Multi Asset (GBP) (R141)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2017		
Value of Fund as at 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	280,108	1,021,324
Amounts received by the Fund for creation of units	61,384	576,241
Amounts paid by the Fund for liquidation of units	(47,979)	(277,034)
Net amounts received by the Fund	13,405	299,207
Unrealised (diminution)/ appreciation in value of investments	(11,108)	78,038
(Loss)/ Gain on sale of investments	(29,284)	29,526
Other income	-	12,412
Management fees	(3,485)	(15,062)
Other expenses	(62)	(1,177)
(Decrease)/ Increase in net asset value for the year	(43,939)	103,737
Value of Fund As at 30 June 2017	249,574	1,424,268
Statement of Assets and Liabilities		
As at 30 June 2017		
<u>Assets</u>		
Investments in funds	250,122	1,422,159
Cash and bank balances	-	2,109
Total assets	250,122	1,424,268
<u>Liabilities</u>		
Other creditors	548	-
Total liabilities	548	-
Value of Fund As at 30 June 2017	249,574	1,424,268

**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 2017

	CF Miton Cautious Multi Asset (USD) (R116)	Franklin US Government (R179)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2017		
Value of Fund as at 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	2,135,096	2,318,933
Amounts received by the Fund for creation of units	483,855	660,634
Amounts paid by the Fund for liquidation of units	(776,857)	(831,086)
Net amounts paid by the Fund	(293,002)	(170,452)
Unrealised appreciation/ (diminution) in value of investments	220,125	(7,437)
Loss on sale of investments	(66,580)	(6,640)
Other income	20,389	36,160
Management fees	(24,822)	(27,650)
Other expenses	(1,654)	(1,364)
Increase/ (Decrease) in net asset value for the year	147,458	(6,931)
Value of Fund As at 30 June 2017	1,989,552	2,141,550
Statement of Assets and Liabilities		
As at 30 June 2017		
<u>Assets</u>		
Investments in funds	1,985,015	2,139,034
Cash and bank balances	4,537	2,516
Total assets	1,989,552	2,141,550
<u>Liabilities</u>		
Other creditors	-	-
Total liabilities	-	-
Value of Fund As at 30 June 2017	1,989,552	2,141,550

**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 2017

	Henderson Horizon China (R98)*	Henderson Horizon China (R205)**
	S\$	S\$
Capital and Income Account		
For the year 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2017		
Value of Fund as at 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	243,689	-
Amounts received by the Fund for creation of units	249,970	593,684
Amounts paid by the Fund for liquidation of units	(568,103)	(12,418)
Net amounts (paid)/ received by the Fund	(318,133)	581,266
Unrealised appreciation in value of investments	74,253	32,540
Gain on sale of investments	3,497	771
Management fees	(3,260)	(895)
Other expenses	(46)	(5,670)
Increase in net asset value for the year	74,444	26,746
Value of Fund As at 30 June 2017	-	608,012
Statement of Assets and Liabilities		
As at 30 June 2017		
<u>Assets</u>		
Investments in funds	-	607,464
Cash and bank balances	-	7,433
Total assets	-	614,897
<u>Liabilities</u>		
Other creditors	-	6,885
Total liabilities	-	6,885
Value of Fund As at 30 June 2017	-	608,012

* 'Henderson Horizon China (R98)' has been fully segregated to 'Henderson Horizon China (R205)' as at 30 June 2017, and is no longer available to customers of the Company's Singapore Branch.

** The financial period for 'Henderson Horizon China (R205)' is from the segregation date 12 April 2017 to 30 June 2017.

**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 2017

	JPM Emerging Markets Small Cap (R150)	JPM Global Unconstrained Equity (L18)*
	S\$	S\$
Capital and Income Account		
For the year 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2017		
Value of Fund as at 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	1,185,153	518,581
Amounts received by the Fund for creation of units	749,032	18,401
Amounts paid by the Fund for liquidation of units	(401,106)	(600,775)
Net amounts received/ (paid) by the Fund	347,926	(582,374)
Unrealised appreciation in value of investments	258,139	64,527
Gain on sale of investments	42,763	427
Other income	2,072	-
Management fees	(18,020)	(1,149)
Other expenses	(2,270)	(12)
Increase in net asset value for the year	282,684	63,793
Value of Fund		
As at 30 June 2017	1,815,763	-
Statement of Assets and Liabilities		
As at 30 June 2017		
<u>Assets</u>		
Investments in funds	1,813,351	-
Cash and bank balances	2,412	-
Total assets	1,815,763	-
<u>Liabilities</u>		
Other creditors	-	-
Total liabilities	-	-
Value of Fund		
As at 30 June 2017	1,815,763	-

* 'JPM Global Unconstrained Equity (L18)' has been fully segregated to 'JPM Global Unconstrained Equity (R187)' as at 30 June 2017, and is no longer available to customers of the Company's Singapore Branch.

**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 2017

	JPM Global Unconstrained Equity (R187)*	JPMorgan Taiwan (R09)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2017		
Value of Fund as at 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	-	50,364
Amounts received by the Fund for creation of units	845,229	1,406
Amounts paid by the Fund for liquidation of units	(133,876)	(35,373)
Net amounts received/ (paid) by the Fund	711,353	(33,967)
Unrealised appreciation in value of investments	76,569	7,799
Gain on sale of investments	1,293	1,119
Other income	-	53
Management fees	(6,126)	(358)
Other expenses	(5,060)	(17)
Increase in net asset value for the year	66,676	8,596
Value of Fund As at 30 June 2017	778,029	24,993
Statement of Assets and Liabilities		
As at 30 June 2017		
<u>Assets</u>		
Investments in funds	775,039	24,967
Cash and bank balances	2,990	26
Total assets	778,029	24,993
<u>Liabilities</u>		
Other creditors	-	-
Total liabilities	-	-
Value of Fund As at 30 June 2017	778,029	24,993

* The financial period for 'JPM Global Unconstrained Equity (R187)' is from the segregation date 17 August 2016 to 30 June 2017.

**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 2017

	JPM USD Money Market (R175)	Mellon Global Bond (GBP) (R142)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2017		
Value of Fund as at 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	2,399,768	980,429
Amounts received by the Fund for creation of units	2,699,226	427,484
Amounts paid by the Fund for liquidation of units	(1,551,479)	(91,802)
Net amounts received by the Fund	1,147,747	335,682
Unrealised appreciation/ (diminution) in value of investments	66,579	(16,074)
Gain on sale of investments	4,271	6,281
Other income	-	10,083
Management fees	(39,172)	(14,325)
Other expenses	(1,370)	(882)
Increase/ (Decrease) in net asset value for the year	30,308	(14,917)
Value of Fund		
As at 30 June 2017	3,577,823	1,301,194
Statement of Assets and Liabilities		
As at 30 June 2017		
<u>Assets</u>		
Investments in funds	3,580,277	1,297,232
Cash and bank balances	23,706	3,962
Total assets	3,603,983	1,301,194
<u>Liabilities</u>		
Other creditors	26,160	-
Total liabilities	26,160	-
Value of Fund		
As at 30 June 2017	3,577,823	1,301,194

**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 2017

	Templeton Asian Bond (R129)	Templeton BRIC (R119)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2017		
Value of Fund as at 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	1,205,673	694,751
Amounts received by the Fund for creation of units	119,051	130,307
Amounts paid by the Fund for liquidation of units	(340,454)	(160,134)
Net amounts paid by the Fund	(221,403)	(29,827)
Unrealised appreciation in value of investments	110,170	214,662
Loss on sale of investments	(10,032)	(3,399)
Other income	-	1,119
Management fees	(14,120)	(9,814)
Other expenses	(1,035)	(679)
Increase in net asset value for the year	84,983	201,889
Value of Fund		
As at 30 June 2017	1,069,253	866,813
Statement of Assets and Liabilities		
As at 30 June 2017		
<u>Assets</u>		
Investments in funds	1,066,236	867,643
Cash and bank balances	3,017	8,808
Total assets	1,069,253	876,451
<u>Liabilities</u>		
Other creditors	-	9,638
Total liabilities	-	9,638
Value of Fund		
As at 30 June 2017	1,069,253	866,813

**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 2017

	Templeton Emerging Markets (R110)	Templeton Global (R159)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2017		
Value of Fund as at 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	6,271,163	5,489,511
Amounts received by the Fund for creation of units	1,439,282	1,534,323
Amounts paid by the Fund for liquidation of units	(2,328,071)	(1,945,090)
Net amounts paid by the Fund	(888,789)	(410,767)
Unrealised appreciation in value of investments	1,717,055	1,375,544
Gain on sale of investments	20,868	28,036
Management fees	(83,390)	(79,533)
Other expenses	(1,960)	(2,203)
Increase in net asset value for the year	1,652,573	1,321,844
Value of Fund As at 30 June 2017	7,034,947	6,400,588
Statement of Assets and Liabilities		
As at 30 June 2017		
<u>Assets</u>		
Investments in funds	7,055,675	6,384,827
Cash and bank balances	-	15,761
Total assets	7,055,675	6,400,588
<u>Liabilities</u>		
Other creditors	20,728	-
Total liabilities	20,728	-
Value of Fund As at 30 June 2017	7,034,947	6,400,588

**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 2017

	Templeton Global Bond (SGD HDG) (R123)	Templeton Global Bond (USD) (R131)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2017		
Value of Fund as at 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	2,104,166	1,524,637
Amounts received by the Fund for creation of units	868,789	276,573
Amounts paid by the Fund for liquidation of units	(471,538)	(471,767)
Net amounts received/ (paid) by the Fund	397,251	(195,194)
Unrealised appreciation in value of investments	110,539	180,493
(Loss)/ Gain on sale of investments	(25,133)	2,361
Other income	138,731	292
Management fees	(28,406)	(18,310)
Other expenses	(2,032)	(1,110)
Increase in net asset value for the year	193,699	163,726
Value of Fund As at 30 June 2017	2,695,116	1,493,169
Statement of Assets and Liabilities		
As at 30 June 2017		
<u>Assets</u>		
Investments in funds	2,695,271	1,487,896
Cash and bank balances	26,845	5,273
Total assets	2,722,116	1,493,169
<u>Liabilities</u>		
Other creditors	27,000	-
Total liabilities	27,000	-
Value of Fund As at 30 June 2017	2,695,116	1,493,169

**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 2017

	Templeton Global Total Return (EUR) (L03)* S\$	Templeton Global Total Return (EUR) (R188)** S\$
Capital and Income Account		
For the year 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2017		
Value of Fund as at 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	522,904	-
Amounts received by the Fund for creation of units	77,649	734,718
Amounts paid by the Fund for liquidation of units	(613,798)	(190,917)
Net amounts (paid)/ received by the Fund	(536,149)	543,801
Unrealised appreciation in value of investments	13,831	60,391
Gain on sale of investments	566	10,000
Other income	1	-
Management fees	(1,143)	(6,049)
Other expenses	(10)	(1,021)
Increase in net asset value for the year	13,245	63,321
Value of Fund		
As at 30 June 2017	-	607,122
Statement of Assets and Liabilities		
As at 30 June 2017		
<u>Assets</u>		
Investments in funds	-	605,683
Cash and bank balances	-	1,439
Total assets	-	607,122
<u>Liabilities</u>		
Other creditors	-	-
Total liabilities	-	-
Value of Fund		
As at 30 June 2017	-	607,122

* 'Templeton Global Total Return (EUR) (L03)' has been fully segregated to 'Templeton Global Total Return (EUR) (R188)' as at 30 June 2017, and is no longer available to customers of the Company's Singapore Branch.

** The financial period for 'Templeton Global Total Return (EUR) (R188)' is from the segregation date 17 August 2016 to 30 June 2017.

**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 2017

	Templeton Global Total Return (SGD HDG) (R124) S\$	Templeton Global Total Return (USD) (R115) S\$
Capital and Income Account		
For the year 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2017		
Value of Fund as at 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	8,438,826	7,251,445
Amounts received by the Fund for creation of units	2,123,444	2,917,572
Amounts paid by the Fund for liquidation of units	(2,243,831)	(2,621,523)
Net amounts (paid)/ received by the Fund	(120,387)	296,049
Unrealised appreciation in value of investments	567,214	980,312
(Loss)/ Gain on sale of investments	(120,458)	4,123
Other income	675,024	-
Management fees	(113,624)	(87,257)
Other expenses	(2,403)	(2,144)
Increase in net asset value for the year	1,005,753	895,034
Value of Fund As at 30 June 2017	9,324,192	8,442,528
Statement of Assets and Liabilities		
As at 30 June 2017		
<u>Assets</u>		
Investments in funds	9,340,506	8,431,311
Cash and bank balances	34,686	53,899
Total assets	9,375,192	8,485,210
<u>Liabilities</u>		
Other creditors	51,000	42,682
Total liabilities	51,000	42,682
Value of Fund As at 30 June 2017	9,324,192	8,442,528

**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 2017

	Templeton Latin America (R138) S\$
Capital and Income Account	
For the year 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later) to 30 June 2017	
Value of Fund as at 1 July 2016 (or the date of commencement of the respective Investment-Linked Funds, whichever is later)	907,135
Amounts received by the Fund for creation of units	145,925
Amounts paid by the Fund for liquidation of units	(211,013)
Net amounts paid by the Fund	(65,088)
Unrealised appreciation in value of investments	174,242
Loss on sale of investments	(49,812)
Other income	-
Management fees	(11,022)
Other expenses	(954)
Increase in net asset value for the year	112,454
Value of Fund As at 30 June 2017	954,501
Statement of Assets and Liabilities	
As at 30 June 2017	
<u>Assets</u>	
Investments in funds	955,859
Cash and bank balances	5,526
Total assets	961,385
<u>Liabilities</u>	
Other creditors	6,884
Total liabilities	6,884
Value of Fund As at 30 June 2017	954,501

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year/period ended 30 June 2017

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 2017 comprise:

<u>Funds</u>	<u>Commencement Date</u>	<u>Units in issue as at 30 June 2017</u>	<u>Net asset value per unit S\$</u>
Amundi Absolute Volatility World Equities (R86)	30 September 2010	292,205	0.85
CF Miton Cautious Multi Asset (GBP) (R141)	29 August 2012	707,951	2.01
CF Miton Cautious Multi Asset (USD) (R116)	22 February 2012	1,534,518	1.30
Franklin US Government (R179)	28 July 2015	1,448,593	1.48
Henderson Horizon China (R205)	12 April 2017	399,296	1.52
JPM Emerging Markets Small Cap (R150)	22 January 2014	940,443	1.93
JPM Global Unconstrained Equity (R187)	17 August 2016	416,906	1.87
JPMorgan Taiwan (R09)	02 February 2009	15,127	1.65
JPM USD Money Market (R175)	28 July 2015	2,301,235	1.55
Mellon Global Bond (GBP) (R142)	29 August 2012	505,648	2.57
Templeton Asian Bond (R129)	25 April 2012	766,101	1.40
Templeton BRIC (R119)	22 February 2012	477,998	1.81
Templeton Emerging Markets (R110)	05 October 2011	3,559,783	1.98
Templeton Global (R159)	15 May 2014	2,820,598	2.27
Templeton Global Bond (SGD HDG) (R123)	29 March 2012	2,729,892	0.99
Templeton Global Bond (USD) (R131)	27 June 2012	993,847	1.50
Templeton Global Total Return (EUR) (R188)	17 August 2016	266,109	2.28
Templeton Global Total Return (SGD HDG) (R124)	29 March 2012	8,989,581	1.04
Templeton Global Total Return (USD) (R115)	22 February 2012	4,986,415	1.69
Templeton Latin America (R138)	29 August 2012	460,603	2.07

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

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 policyholders 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.

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.

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**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (continued)

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 are 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 creditors arise as a result of outstanding settlement of creations and liquidations of units respectively as at year end. Other creditors may also include bank overdrafts.