

Reg. No. T06FC6835J

Friends Provident International Limited,
Singapore Branch

Investment-Linked Funds

Report for the financial year ended 30 June 2024

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 13 present fairly, in all material respects, the state of affairs of the Investment-Linked Funds of the Singapore Branch as at 30 June 2024 and the capital and income movements for the financial year from 1 July 2023 to 30 June 2024, in accordance with the stated accounting policies.

Director

Director

26 September 2024

**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") for the year ended 30 June 2024 are prepared, 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 Capital and Income Accounts for the financial year from 1 July 2023 to 30 June 2024;
- the Statements of Assets and Liabilities as at 30 June 2024; and
- the notes to the financial statements, including material accounting policy information.

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 describes the basis of accounting. The financial statements are prepared to assist the Branch to comply with MAS Notice 307 Investment-Linked 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

Other Information

Management is responsible for the other information. The other information comprises the Statement by Directors and List of Investment-Linked Funds, but does not include 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 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, 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

The Branch's management is responsible for the preparation of these financial statements in accordance with the accounting policies as set out in Note 2 to the financial statements, and for such internal control as the Branch's 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, the Branch's 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 the Branch's 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

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, 26 September 2024

**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 material accounting policy information and other explanatory notes of the following Investment-Linked Funds are covered in this report:

<u>Fund</u>	<u>Commencement Date</u>
Janus Henderson Horizon China Opportunities (R205)	12 April 2017
JPM Emerging Markets Small Cap (R150)	22 January 2014
JPM Global Growth (R187)	17 August 2016
JPM Global Sustainable Equity (USD) (R242)	13 September 2021
JPM USD Money Market VNAV (R175)	28 July 2015
Mellon Global Bond (GBP) (R142)	29 August 2012
Premier Miton Cautious Multi Asset (GBP) (R141)	29 August 2012
Premier Miton Cautious Multi Asset (USD) (R116)	22 February 2012
Templeton Asian Bond (USD) (R129)	25 April 2012
Templeton BRIC (R119)	22 February 2012
Templeton Emerging Markets (R110)	05 October 2011
Templeton Latin America (R138)	29 August 2012

These funds are segregated Investment-Linked Funds dedicated to customers of the Singapore Branch. The segregated Investment-Linked Funds are invested in the underlying funds.

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year ended 30 June 2024

	Janus Henderson Horizon China Opportunities (R205) S\$	JPM Emerging Markets Small Cap (R150) S\$
Capital and Income Account		
For the year 1 July 2023 to 30 June 2024		
Value of Funds as at 1 July 2023	959,797	2,273,473
Amounts received by the Fund for creation of units	112,342	247,837
Amounts paid by the Fund for liquidation of units	(330,761)	(393,979)
Net amount paid by the Fund	(218,419)	(146,142)
Unrealised appreciation in value of investments	54,436	67,574
(Loss)/gain on sale of investments	(102,870)	54,348
Investment income	127	-
Management fees	(9,783)	(26,870)
Other expenses	(2,009)	(1,795)
(Decrease)/increase in net asset value for the year	(60,099)	93,257
Value of Fund as at 30 June 2024	681,279	2,220,588
Statement of Assets and Liabilities		
As at 30 June 2024		
<u>Assets</u>		
Investments in funds	681,700	2,220,879
Cash and bank balances	3,719	-
Total assets	685,419	2,220,879
<u>Liabilities</u>		
Other creditors	4,140	291
Total liabilities	4,140	291
Value of Fund as at 30 June 2024	681,279	2,220,588

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year ended 30 June 2024

	JPM Global Growth (R187)	JPM Global Sustainable Equity (USD) (R242)
	S\$	S\$
Capital and Income Account		
For the year 1 July 2023 to 30 June 2024		
Value of Fund as at 1 July 2023	2,640,211	11,421
Amounts received by the Fund for creation of units	1,103,640	935,563
Amounts paid by the Fund for liquidation of units	(544,320)	(121,101)
Net amount received by the Fund	559,320	814,462
Unrealised appreciation in value of investments	989,549	161,205
Gain on sale of investments	11,346	14,658
Investment income	-	31
Management fees	(37,477)	(6,126)
Other expenses	(2,681)	(1,432)
Increase in net asset value for the year	960,737	168,336
Value of Fund as at 30 June 2024	4,160,268	994,219
Statement of Assets and Liabilities		
As at 30 June 2024		
<u>Assets</u>		
Investments in funds	4,153,199	992,240
Cash and bank balances	7,480	2,077
Total assets	4,160,679	994,317
<u>Liabilities</u>		
Other creditors	411	98
Total liabilities	411	98
Value of Fund as at 30 June 2024	4,160,268	994,219

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year ended 30 June 2024

	JPM USD Money Market VNAV (R175) S\$	Mellon Global Bond (GBP) (R142) S\$
Capital and Income Account		
For the year 1 July 2023 to 30 June 2024		
Value of Fund as at 1 July 2023	2,390,303	1,585,669
Amounts received by the Fund for creation of units	678,289	232,178
Amounts paid by the Fund for liquidation of units	(1,148,840)	(391,848)
Net amount paid by the Fund	(470,551)	(159,670)
Unrealised appreciation/(diminution) in value of investments	60,433	(22,984)
Gain/(loss) on sale of investments	61,157	(50,547)
Investment income	67	33,138
Management fees	(28,176)	(17,203)
Other expenses	(2,489)	(2,317)
Increase/(decrease) in net asset value for the year	90,992	(59,913)
Value of Fund as at 30 June 2024	2,010,744	1,366,086
Statement of Assets and Liabilities		
As at 30 June 2024		
<u>Assets</u>		
Investments in funds	2,008,082	1,365,822
Cash and bank balances	2,860	7,802
Total assets	2,010,942	1,373,624
<u>Liabilities</u>		
Other creditors	198	7,538
Total liabilities	198	7,538
Value of Fund as at 30 June 2024	2,010,744	1,366,086

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year ended 30 June 2024

	Premier Miton Cautious Multi Asset (GBP) (R141) S\$	Premier Miton Cautious Multi Asset (USD) (R116) S\$
Capital and Income Account		
For the year 1 July 2023 to 30 June 2024		
Value of Fund as at 1 July 2023	471,988	1,467,223
Amounts received by the Fund for creation of units	18,340	126,202
Amounts paid by the Fund for liquidation of units	(282,988)	(113,540)
Net amount (paid)/received by the Fund	(264,648)	12,662
Unrealised appreciation in value of investments	11,559	186,992
Gain on sale of investments	24,627	1,105
Investment income	196	-
Management fees	(4,159)	(18,407)
Other expenses	(848)	(1,226)
Increase in net asset value for the year	31,375	168,464
Value of Fund as at 30 June 2024	238,715	1,648,349
Statement of Assets and Liabilities		
As at 30 June 2024		
<u>Assets</u>		
Investments in funds	238,964	1,645,876
Cash and bank balances	-	2,636
Total assets	238,964	1,648,512
<u>Liabilities</u>		
Other creditors	249	163
Total liabilities	249	163
Value of Fund as at 30 June 2024	238,715	1,648,349

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year ended 30 June 2024

	Templeton Asian Bond (USD) (R129) S\$	Templeton BRIC (R119) S\$
Capital and Income Account		
For the year 1 July 2023 to 30 June 2024		
Value of Fund as at 1 July 2023	1,091,034	678,855
Amounts received by the Fund for creation of units	194,734	35,641
Amounts paid by the Fund for liquidation of units	(62,451)	(92,876)
Net amount received/(paid) by the Fund	132,283	(57,235)
Unrealised (diminution)/appreciation in value of investments	(42,742)	49,972
(Loss)/gain on sale of investments	(6,004)	1,486
Investment income	-	183
Management fees	(13,387)	(7,519)
Other expenses	(768)	(846)
(Decrease)/increase in net asset value for the year	(62,901)	43,276
Value of Fund as at 30 June 2024	1,160,416	664,896
Statement of Assets and Liabilities		
As at 30 June 2024		
<u>Assets</u>		
Investments in funds	1,160,277	664,801
Cash and bank balances	253	160
Total assets	1,160,530	664,961
<u>Liabilities</u>		
Other creditors	114	65
Total liabilities	114	65
Value of Fund as at 30 June 2024	1,160,416	664,896

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

CAPITAL AND INCOME ACCOUNT AND STATEMENT OF ASSETS AND LIABILITIES

For the financial year ended 30 June 2024

	Templeton Emerging Markets (R110) S\$	Templeton Latin America (R138) S\$
Capital and Income Account		
For the year 1 July 2023 to 30 June 2024		
Value of Fund as at 1 July 2023	12,361,996	355,043
Amounts received by the Fund for creation of units	1,113,807	30,583
Amounts paid by the Fund for liquidation of units	(1,778,900)	(33,048)
Net amount paid by the Fund	(665,093)	(2,465)
Unrealised appreciation/(diminution) in value of investments	1,070,562	(36,700)
Gain/(loss) on sale of investments	62,894	(1,946)
Investment income	-	74
Management fees	(145,461)	(4,090)
Other expenses	(3,289)	(817)
Increase/(decrease) in net asset value for the year	984,706	(43,479)
Value of Fund as at 30 June 2024	12,681,609	309,099
Statement of Assets and Liabilities		
As at 30 June 2024		
<u>Assets</u>		
Investments in funds	12,673,284	309,060
Cash and bank balances	9,576	70
Total assets	12,682,860	309,130
<u>Liabilities</u>		
Other creditors	1,251	31
Total liabilities	1,251	31
Value of Fund as at 30 June 2024	12,681,609	309,099

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2024

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 2024 comprise:

<u>Funds</u>	<u>Commencement date</u>	<u>Units in issue as at 30 June 2024</u>	<u>Net asset value per unit S\$</u>
Janus Henderson Horizon China Opportunities (R205)	12 April 2017	653,083	1.04
JPM Emerging Markets Small Cap (R150)	22 January 2014	970,339	2.29
JPM Global Growth (R187)	17 August 2016	1,302,812	3.19
JPM Global Sustainable Equity (USD) (R242)	13 September 2021	749,819	1.33
JPM USD Money Market VNAV (R175)	28 July 2015	1,259,110	1.60
Mellon Global Bond (GBP) (R142)	29 August 2012	670,533	2.04
Premier Miton Cautious Multi Asset (GBP) (R141)	29 August 2012	110,754	2.16
Premier Miton Cautious Multi Asset (USD) (R116)	22 February 2012	1,206,994	1.37
Templeton Asian Bond (USD) (R129)	25 April 2012	1,075,552	1.08
Templeton BRIC (R119)	22 February 2012	335,239	1.98
Templeton Emerging Markets (R110)	05 October 2011	5,838,053	2.17
Templeton Latin America (R138)	29 August 2012	161,982	1.91

2. Material accounting policy information

2.1 Basis of preparation

The financial statements of the Investment-Linked Funds of the Singapore Branch are presented in Singapore Dollar. The financial statements have been prepared on the historical cost basis, except for investments which are carried at fair value.

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 ended 30 June 2024

2. Material accounting policy information (continued)

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 accruals 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 accruals basis.

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 reporting date, and income and expenses are translated at average exchange rates for the period. 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 debtors may also include accrued interest. Other creditors may also include bank overdrafts and accrued management fees.

2.10 *Cash and bank balances*

Cash and bank balances represent deposits with financial institutions, which are subject to an insignificant risk of change in value.