

LF Personal Pension Trust

(Formerly CF Personal Pension Trust)
Annual Report and Financial Statements
31 March 2018

LF Cash Personal Pension Fund (Formerly CF Cash Personal Pension Fund)
LF UK Gilt Personal Pension Fund (Formerly CF UK Gilt Personal Pension Fund)
LF Cautious Managed Personal Pension Fund (Formerly CF Cautious Managed Personal Pension Fund)
LF Multi-Asset Personal Pension Fund (Formerly CF Multi-Asset Personal Pension Fund)
LF Global Equity Index Personal Pension Fund (Formerly CF Global Equity Index Personal Pension Fund)



MANAGER AND ALTERNATIVE INVESTMENT
FUND MANAGER ('AIFM')
Link Fund Solutions Limited
Head Office:
6th Floor
65 Gresham Street
London EC2V 7NQ
Telephone: 0870 607 2555
Fax: 0870 607 2550
Email: investorservices@linkgroup.co.uk
(Authorised and regulated by the
Financial Conduct Authority)

DIRECTORS OF THE MANAGER
C. Addenbrooke
N. Boyling
B. Hammond
P. Hugh-Smith
K.J. Midl
A.J. Stuart (appointed 15 November 2017)

INVESTMENT ADVISER
Link Fund Solutions Limited
Head Office:
6th Floor
65 Gresham Street
London EC2V 7NQ
(Authorised and regulated by the
Financial Conduct Authority)

TRUSTEE
The Bank of New York Mellon (International)
Limited
One Canada Square
London E14 5AL
(Authorised by the Prudential Regulation
Authority and regulated by the
Financial Conduct Authority and
Prudential Regulation Authority)

REGISTRAR
Link Fund Administrators Limited
Customer Service Centre:
Arlington Business Centre
Millshaw Park Lane
Leeds LS11 0PA
Telephone: 0345 922 0044
Fax: 0113 224 6001
(Authorised and regulated by the
Financial Conduct Authority)

INDEPENDENT AUDITOR
Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY

ADMINISTRATOR
Capita Life & Pensions Regulated
Services Limited
The Grange
Bishops Cleeve
Cheltenham GL50 8YQ
Telephone: 0345 055 0606
(Authorised and regulated by the
Financial Conduct Authority)

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LF PERSONAL PENSION TRUST
MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2018

AUTHORISED STATUS

The Manager of LF Personal Pension Trust ('the Scheme') is Link Fund Solutions Limited ('LFSL'), a company limited by shares incorporated in England and Wales on 21 November 1973 under the Companies Act 1985. With effect from 22 July 2014 LFSL was granted permission by the Financial Conduct Authority to act as an Alternative Investment Fund Manager ('AIFM') in accordance with the AIFM Directive and the Alternative Investment Fund Managers Regulation 2013.

The Scheme is an authorised umbrella scheme for the purposes of the Financial Services and Markets Act 2000. Copies of the Trust Deeds may be inspected at the office of the Manager. The Scheme is a Non-UCITS Retail Scheme. The Scheme is a Registered Personal Pension Scheme and the full details of this can be found in the Prospectus.

The AIFM is the legal person appointed on behalf of the Scheme and which (through this appointment) is responsible for managing the Scheme in accordance with the AIFM Directive and The Alternative Investment Fund Managers Regulations 2013. This role is performed by the Manager and references to the Manager in this Annual Report and Financial Statements include the AIFM as applicable.

The base currency of the Scheme and each Constituent Fund is pounds sterling. Unitholders are not liable for the debts of the Scheme.

IMPORTANT INFORMATION

With effect from 1 April 2017, the fund accounting of the Scheme has changed from HSBC Securities Services to The Bank of New York Mellon (International) Limited.

With effect from 1 April 2017, the underlying fund for the CF Multi-Asset Personal Pension Fund has changed from Aberdeen Multi-Asset Fund to Aberdeen Diversified-Core Growth Fund.

With effect from 1 June 2017, the Trustee fee structure for the Constituent Funds changed to the following:

Value of the Constituent Fund	Fee
First £100 million	0.030%
Next £50 million	0.0175%
Balance	0.010%

With effect from 16 October 2017, the address of the Manager and Investment Adviser has changed to 6th Floor, 65 Gresham Street, London EC2V 7NQ.

As a result of the completion of the acquisition of Capita Financial Managers Limited by Link Administration Holdings Limited on 3 November 2017, the name of the Manager and Investment Adviser has changed to Link Fund Solutions Limited. Additionally, the Registrar of the Scheme has changed its name from Capita Financial Administrators Limited to Link Fund Administrators Limited and the trading name has also changed from Capita Asset Services to Link Asset Services.

LF PERSONAL PENSION TRUST

Manager's Report (continued)

Manager's Annual Review (continued)

For the year ended 31 March 2018

IMPORTANT INFORMATION (continued)

With effect from 15 December 2017, the following Trustee changes were made:

- Name change from BNY Mellon Trust & Depositary (UK) Limited to The Bank of New York Mellon (International) Limited;
- Registered and head office address to One Canada Square, London E14 5AL; and
- The Trustee is authorised by the Prudential Regulation Authority and is dual regulated by the Financial Conduct Authority and Prudential Regulation Authority.

With effect from 18 December 2017, the new name of the Manager is reflected in the name of the Scheme and its Constituent Funds as follows:

- CF Personal Pension Trust to LF Personal Pension Trust;
- CF Cash Personal Pension Fund to LF Cash Personal Pension Fund;
- CF UK Gilt Personal Pension Fund to LF UK Gilt Personal Pension Fund;
- CF Cautious Managed Personal Pension Fund to LF Cautious Managed Personal Pension Fund;
- CF Multi-Asset Personal Pension Fund to LF Multi-Asset Personal Pension Fund; and
- CF Global Equity Index Personal Pension Fund to LF Global Equity Index Personal Pension Fund.

With effect from 14 May 2018, the auditor of the Scheme changed from PricewaterhouseCoopers LLP to Ernst & Young LLP.

CROSS HOLDINGS

No Constituent Fund had holdings in any other Constituent Fund of the Scheme at the end of the year.

REMUNERATION POLICY

Link Fund Solutions Limited ('LFSL') is committed to ensuring that its remuneration policies and practices are consistent with, and promote, sound and effective risk management. LFSL's remuneration policy is designed to ensure that excessive risk taking is not encouraged by or within LFSL including in respect of the risk profile of the Alternative Investment Funds ('AIFs') it operates, to manage the potential for conflicts of interest in relation to remuneration (having regard, inter alia, to its formal conflicts of interest policy) and to enable LFSL to achieve and maintain a sound capital base.

LFSL acts as the operator of both UCITS funds and AIFs.

LFSL delegates portfolio management for the AIFs to various investment management firms. The portfolio managers' fees and expenses for providing investment management services are paid by the Manager out of its own remuneration under the Manager agreement. The investment management firms make information on remuneration publicly available in accordance with the disclosure requirements of Pillar 3 of the Capital Requirements Directive. This disclosure is in respect of LFSL activities (including activities performed by its sister company Link Fund Administrators Limited ('LFAL') or by employees of that entity), and excludes activities

undertaken by third party investment management firms. LFSL staff do not perform duties in respect of particular AIFs, nor are they remunerated by reference to the performance of any individual AIF. Accordingly, the information below is for LFSL as a whole. No attempt has been made to attribute remuneration to the Scheme itself.

Information on LFSL's remuneration arrangements is collated annually, as part of its statutory accounts preparation processes. Accordingly, the information disclosed relates to the year ended 31 December 2017, being the most recent accounting period for which accounts have been prepared for LFSL prior to the production of these accounts. As at 31 December 2017, LFSL operated 95 UCITS and 59 AIFs, whose respective assets under management ('AuM') were £41,425 million and £16,780 million. This Scheme was valued at £243 million as at that date and represented 0.42% of LFSL's total AuM and 1.45% of its AIF AuM.

The disclosure below represents that required under FUND 3.3.5 R (5) and (6) for funds subject to AIFMD obligations.

	Number of beneficiaries	Fixed £'000	Variable £'000	Total £'000
Total amount of remuneration paid by LFSL for the financial year to 31 December 2017	188	5,497	633	6,130
Total amount of remuneration paid to members of staff whose activities have a material impact on the risk profile of the funds for the financial year to 31 December 2017				
Senior management (incl all Board members)	6	551	132	683
Staff engaged in control functions	4	310	–	310
Risk takers and other identified staff	15	995	19	1,014
Any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers	–	–	–	–

SECURITIES FINANCING TRANSACTIONS

The Scheme has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

LINK FUND SOLUTIONS LIMITED

Manager of LF Personal Pension Trust

30 July 2018

LF PERSONAL PENSION TRUST DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook and the Investment Funds Sourcebook, as applicable, as issued and amended by the Financial Conduct Authority together with the relevant provisions of the Alternative Investment Fund Manager's Directive.

N. BOYLING

LINK FUND SOLUTIONS LIMITED
Manager of LF Personal Pension Trust
30 July 2018

STATEMENT OF MANAGER'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Manager is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (the 'COLL Sourcebook') and the Investment Funds Sourcebook (the 'FUND Sourcebook'), as applicable, require the Manager to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Scheme, comprising each of its Constituent Funds, and of the net revenue/expense and of the net capital gains/losses on the scheme property of the Scheme's Constituent Funds for that year. In preparing those financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements in accordance with the requirements of the IA SORP; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Manager is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Scheme's Constituent Funds and to enable it to ensure that the financial statements comply with the COLL and FUND Sourcebooks. The Manager is also responsible for safeguarding the assets of the Scheme's Constituent Funds and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Manager is aware:

- there is no relevant audit information of which the Scheme's Auditor is unaware; and
- the Manager has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the Auditor is aware of that information.

LF PERSONAL PENSION TRUST STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustee in its capacity as Trustee of the LF Personal Pension Trust must ensure that the Scheme is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and from 23 June 2017 the Investment Funds Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Scheme and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Scheme in accordance with the Regulations.

The Trustee must ensure that:

- the Scheme's cash flows are properly monitored and that cash of the Scheme is booked in cash accounts in accordance with the Regulations;
- the sale, issue, redemption, cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Scheme are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Scheme's assets is remitted to the Scheme within the usual time limits;
- the Scheme's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that Scheme is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Scheme.

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 MARCH 2018

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Scheme, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Scheme, acting through the AIFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Scheme's units and the application of the Scheme's income in accordance with the Regulations and the Scheme documents; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Scheme in accordance with the Regulations and Scheme documents.

THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED
Trustee of LF Personal Pension Trust
30 July 2018

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LF PERSONAL PENSION TRUST ('THE SCHEME')

OPINION

We have audited the financial statements of LF Personal Pension Trust ('the Scheme') for the year ended 31 March 2018 which comprise The Statement of Total Return and Statement of Changes in Net Assets Attributable to Unitholders together with the Balance Sheet for each of the Scheme's Constituent Funds, the accounting policies of the Scheme, the related notes for each Constituent Fund and the Distribution Table(s), including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Scheme comprising each of its Constituent Funds as at 31 March 2018 and of the net revenue and the net capital gains/ losses on the scheme property of the Scheme comprising each of its Constituent Funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting standard applicable in the UK and Republic of Ireland'.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Scheme in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Scheme's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

OTHER INFORMATION *(continued)*

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE RULES OF THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK OF THE FINANCIAL CONDUCT AUTHORITY

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation;
- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority rules requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Manager's Responsibilities Statement set out on pages 8 and 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine 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 Directors are responsible for assessing the Scheme's 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 Directors either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

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 ISAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Scheme's members, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Scheme's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Scheme and the Scheme's members as a body, for our audit work, for this report, or for the opinions we have formed.

ERNST & YOUNG LLP
Statutory Auditor
London
30 July 2018

LF PERSONAL PENSION TRUST
FINANCIAL STATEMENTS
AS AT 31 MARCH 2018

The following notes apply to all the Constituent Funds of the LF Personal Pension Trust. They are not replicated in the Financial Statements for the individual Constituent Funds.

The LF Personal Pension Trust Constituent Funds invest directly into Collective Investment Schemes offered by Henderson Global Investors Limited, Aberdeen Asset Managers Limited and Legal and General Investment Management. The accounting period of the underlying investments differs from that of the LF Personal Pension Trust Constituent Funds. In order to provide more information, the disclosures of these underlying investments have been extracted from the underlying investment's financial records. These records will not be audited until the underlying investments' next year end.

1. ACCOUNTING POLICIES ATTRIBUTABLE TO ALL CONSTITUENT FUNDS

(a) *Basis of accounting*

The financial statements of each Constituent Fund have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice for Financial Statements of UK Authorised Funds issued by the Investment Association in May 2014, as amended.

(b) *Recognition of revenue*

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment in the Scheme and does not form part of the distributable revenue.

Rebates of annual management charges (AMC rebates) from underlying investments are accounted for on an accruals basis and are recognised as revenue, or capital in line with the allocation of the annual management charge between capital and revenue of the underlying investments.

Interest on bank and other cash deposits is recognised on an accruals basis.

(c) *Treatment of expenses*

All expenses, except for those relating to the purchase and sale of investments, are charged initially against revenue.

(d) *Taxation*

The Scheme is an approved personal pension plan for tax purposes. Consequently income and gains arising from investments are not subject to corporation tax.

(e) *Basis of valuation of investments*

All investments are valued at their fair value as at close of business on 29 March 2018, being the last business day of the financial year, whereas at 31 March 2017, all investments were valued at their fair value as at 12 noon on the last business day of the financial year.

Collective investment schemes are valued at published bid prices for dual priced funds and at published prices for single priced funds.

1. ACCOUNTING POLICIES (*continued*)

(f) *Exchange rates*

The base and functional currency of each Constituent Fund is pounds sterling. Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at close of business on the last business day of the financial year, whereas at 31 March 2017, these were translated into sterling at the exchange rate prevailing at 12 noon on the last business day of the financial year.

(g) *Portfolio transaction costs*

Direct transaction costs may consist of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Indirect transaction costs may be incurred on transactions in underlying schemes but these do not form part of the direct transaction costs disclosures. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The average portfolio dealing spread disclosed is the difference between the bid and offer prices of investments at the balance sheet date, including the effect of foreign exchange, expressed as a percentage of the value determined by reference to the offer price.

2. DISTRIBUTION POLICIES ATTRIBUTABLE TO ALL CONSTITUENT FUNDS

Surplus revenue, as disclosed in the financial statements, after adjustment for items of a capital nature charged against revenue, is distributable annually to unitholders. Any deficit of revenue is deducted from capital.

Interim distributions may be made at the Manager's discretion. Final distributions are made in accordance with the COLL Sourcebook.

Expenses are transferred to capital for distribution purposes in line with the Constituent Fund's investment objective. This will increase the amount of revenue available for distribution, however, will erode capital and may constrain capital growth.

LF CASH PERSONAL PENSION FUND
 MANAGER'S REPORT
 FOR THE YEAR ENDED 31 MARCH 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 5 and 6.

INVESTMENT OBJECTIVE AND POLICY

The LF Cash Personal Pension Fund ('the Constituent Fund') aims to provide long term capital growth by investing in a single authorised Collective Investment Scheme which invests predominantly in Money Market Instruments with the aim of providing a high level of capital security. The Constituent Fund may also invest in cash should continued investment in the chosen authorised Collective Investment Scheme become impracticable.

LINK FUND SOLUTIONS LIMITED

Manager of LF Cash Personal Pension Fund

30 July 2018

INVESTMENT REVIEW (PROVIDED BY HENDERSON GLOBAL INVESTORS LIMITED)

The following information relates to the Janus Henderson Money Market Unit Trust ('the Trust'), the underlying Collective Investment Scheme of the LF Cash Personal Pension Fund.

TOP TEN HOLDINGS

As at 31.03.18	%	As at 31.03.17	%
Credit Industriel Et Commer 0.58% 8/5/2018	3.4	BNP Paribas 0.38% 2/6/2017	2.8
Sumitomo Mitsui Banking 0.5% 9/4/2018	2.8	ING Bank 0.35% 5/5/2017	2.8
DZ Bank 0.55% 3/5/2018	2.2	Bank of America Na 0.5% 18/8/2017	2.5
Bank of America 0.56% 9/5/2018	2.2	Bank of Tokyo Mitsubishi Ufj 0.51% 8/6/2017	2.2
ING Bank 0.51% 3/4/2018	2.2	Standard Chartered Bank 0.41% 19/4/2017	2.2
Scotiabank 0.47% 16/4/2018	2.2	Toronto-Dominion Bank 0.25% 30/6/2017	2.2
Credit Suisse 0.55% 14/5/2018	2.2	Lloyds Bank 0.86% 4/8/2017	1.9
Citibank 0.5% 14/5/2018	2.2	Citibank Na 0.28% 5/5/2017	1.9
Australia & New Zealand Banking 0% 10/4/2018	2.2	Nordea Bank 0.28% 6/6/2017	1.9
Svenska Handelsbanken 0.49% 30/4/2018	2.0	Svenska Handelsbanken 0.3% 3/4/2017	1.7

PORTFOLIO BREAKDOWN

As at 31.03.18	%	As at 31.03.17	%
Certification of Deposit	96.1	Certificates of Deposit	100.0
Deposit	3.9		

INVESTMENT SUMMARY

MARKET REVIEW

With the UK's June snap general election weakening the ruling Conservative party and Brexit negotiations mired in political posturing, a weakened pound started to cause inflation to rise well above the Bank of England's (BoE) 2% target. By September, policymakers agreed that a rate rise would be appropriate in the coming months, if the economy progressed in line with their central projections. November saw the majority of the Monetary Policy Committee (MPC) judge that a 0.25% increase in the Bank rate was required, as steady erosion in the level of slack in the economy had made it appropriate to tighten policy. At the end of the review period, the European Union had agreed on the broad terms of the UK's two-year transition deal after leaving the bloc in March 2019. The MPC was also more optimistic over the state of the UK economy, while mindful of a tightening labour market (*when unemployment is falling and there are few job vacancies available, which tends to push up wages*).

LF CASH PERSONAL PENSION FUND

Manager's Report (continued)

For the year ended 31 March 2018

INVESTMENT SUMMARY (continued)

MARKET REVIEW (continued)

The European Central Bank (ECB) made only minimal policy changes over the year, though it did extend the end date of its bond-buying programme to September 2018, although at a lower monthly rate of €30bn. ECB President Mario Draghi announced in June that the threat of deflation had subsided, and began to consider the removal of stimulus measures in September due to economic strength in the eurozone. By the start of 2018, a number of ECB committee members were vocal in their belief that the ECB dovish stance should be tempered. The March ECB meeting saw the removal of the easing bias, when the pledge to expand its monthly bond purchase programme was omitted from the minutes. The US Federal Reserve continued to tighten monetary policy; they raised rates three times over the review period. Possibly of greater importance, was that from October they started a reduction in quantitative easing.

FUND ACTIVITY

With growing political uncertainty and a renewed hawkishness from a number of the MPC members, we started to reduce the fund's weighted asset maturity (WAM= average time remaining until the maturity of assets in a portfolio), which accelerated following the hawkish August inflation report. Following the November rate rise, the fund started to extend its maturity profile. The hawkish tone of the March meeting saw the fund adopt a slightly more defensive posture. By the end of the review period, the fund's WAM was 73 days.

OUTLOOK

With low unemployment starting to produce domestically-generated inflation through higher wages, the MPC is looking to tighten monetary policy more quickly than was previously projected. However, the second round of Brexit negotiations is due to begin next month and, whilst there appears to be a more pragmatic approach from the EU, a number of thorny issues need to be resolved. Any vocal disagreements could have a significant impact on the nascent sense of optimism beginning to emerge from the UK economy.

LINK FUND SOLUTIONS LIMITED

Investment Adviser

19 April 2018

FUND INFORMATION

COMPARATIVE TABLE

Where the Constituent Fund has significant investment in collective investment schemes, the operating charges take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the unit class at that date.

	31.03.18 (p/unit)	31.03.17 (p/unit)	31.03.16 (p/unit)
Accumulation units			
Change in net assets per unit			
Opening net asset value per unit	149.74	149.55	149.31
Return before operating charges*	0.57	0.44	0.48
Operating charges	(0.52)	(0.25) ³	(0.24) ³
Return after operating charges	0.05	0.19	0.24
Distributions	(0.38)	(0.99)	(0.97)
Retained distributions on accumulation units	0.38	0.99	0.97
Closing net asset value per unit	149.79	149.74	149.55
* after direct transaction costs of: ²	–	–	–
Performance			
Return after charges	0.03%	0.13%	0.16%
Other Information			
Closing net asset value (£'000)	7,274	7,888	6,644
Closing number of units	4,855,686	5,267,535	4,442,846
Operating charges	0.35% ¹	0.46%	0.45%
Direct transaction costs ²	–	–	–
Prices			
Highest unit price	149.78	159.32	159.10
Lowest unit price	149.67	149.56	149.30

¹ From 1 April 2017, the Investment Adviser has agreed to waive a portion of their fee, in order to seek to achieve an Ongoing Charges Figure ('OCF') of 0.35%.

² Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs. There are no transaction costs as the Constituent Fund invests only in collective investment schemes which do not attract any transaction costs.

³ The Operating Charges shown for the prior year do not take account of the ongoing charges incurred in underlying schemes.

LF CASH PERSONAL PENSION FUND

Manager's Report (continued)

Fund Information (continued)

RISK WARNING

An investment in a Unit Trust should be regarded as a medium to long term investment. Investors should be aware that the price of units and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	£'000	31.03.18 £'000	£'000	31.03.17 £'000
Income:					
Net capital losses	3		(1)		–
Revenue	4	18		52	
Expenses	5	(15)		(43)	
Net revenue before taxation		3		9	
Taxation	6	–		–	
Net revenue after taxation			3		9
Total return before distributions (Accumulation)			2		9
Distributions (Accumulation)	7		(18)		(52)
Change in net assets attributable to unitholders from investment activities			(16)		(43)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

FOR THE YEAR ENDED 31 MARCH 2018

	Note	£'000	31.03.18 £'000	£'000	31.03.17 £'000
Opening net assets attributable to unitholders			7,888		6,644
Amounts receivable on issue of units		2,972		4,819	
Amounts payable on redemption of units		(3,588)		(3,584)	
			(616)		1,235
Change in net assets attributable to unitholders from investment activities			(16)		(43)
Retained distributions on Accumulation units	7		18		52
Closing net assets attributable to unitholders			7,274		7,888

LF CASH PERSONAL PENSION FUND

Financial Statements (continued)

BALANCE SHEET

AS AT 31 MARCH 2018

Holding	Notes	31.03.18		31.03.17	
		£'000	%	£'000	%
ASSETS					
Fixed Assets					
4,867,561					
Janus Henderson Money Market Unit Trust		7,080	97.33	7,791	98.77
Current assets					
Debtors	8	78	1.07	6	0.08
Cash and bank balances	9	120	1.65	184	2.33
Total assets		<u>7,278</u>	<u>100.05</u>	<u>7,981</u>	<u>101.18</u>
LIABILITIES					
Creditors					
Other creditors	10	(4)	(0.05)	(93)	(1.18)
Total liabilities		<u>(4)</u>	<u>(0.05)</u>	<u>(93)</u>	<u>(1.18)</u>
Net assets attributable to unitholders		<u>7,274</u>	<u>100.00</u>	<u>7,888</u>	<u>100.00</u>

During the year under review there were purchases and sales of shares in the underlying Collective Investment Scheme of £1,122,000 and £1,836,000 respectively. There are no direct transaction costs relating to these transactions. These comprise all of the investment transactions for the year.

A separate portfolio statement has not been included as all the information required is provided in the Balance Sheet above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

The accounting policies for the Constituent Fund are the same as those disclosed in the Accounting Policies on pages 14 and 15.

2. DISTRIBUTION POLICIES

The distribution policies for the Constituent Fund are the same as those disclosed in the Distribution Policies on page 15.

	31.03.18 £'000	31.03.17 £'000
3. NET CAPITAL LOSSES		
The net capital losses during the year comprise:		
Non-derivative securities	(1)	-
Net capital losses	<u>(1)</u>	<u>-</u>

The net capital losses figure includes realised gains of £1,000 and unrealised gains of £5,000 (31.03.17 : includes realised gains of £1,000 and unrealised gains of £7,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

	31.03.18 £'000	31.03.17 £'000
4. REVENUE		
Interest distributions on CIS holdings	7	20
AMC rebates from underlying investments	11	32
Total revenue	<u>18</u>	<u>52</u>

	31.03.18 £'000	31.03.17 £'000
5. EXPENSES		
Payable to the Manager, associates of the Manager and agents of either of them:		
Annual Management Charge	8	35
Rebate of expenses ¹	(11)	-
Registration fees	3	3
	-	38

¹ From 1 April 2017, the Investment Adviser has agreed to waive a portion of their fee, in order to seek to achieve an Ongoing Charges Figure ('OCF') of 0.35%.

LF CASH PERSONAL PENSION FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

	31.03.18 £'000	31.03.17 £'000
5. EXPENSES (continued)		
Payable to the Trustee, associates of the Trustee or agents of either of them:		
Safe custody and other bank charges	1	1
Trustee's fees	13	3
	14	4
Other expenses:		
Audit fee	1	1
Total expenses	<u>15</u>	<u>43</u>

6. TAXATION

LF Personal Pension Trust is an exempt investment vehicle for taxation. Therefore there is no tax charge or deferred tax charge.

7. DISTRIBUTIONS

The distributions take account of revenue received on the issue of units and revenue deducted on redemption of units, and comprise:

	31.03.18 £'000	31.03.17 £'000
Distributions (Accumulation)	18	52
	18	52
Net distributions for the year	<u>18</u>	<u>52</u>

Details of the distributions per unit are set out in the table on page 30.

	31.03.18 £'000	31.03.17 £'000
Distributions represented by:		
Net revenue after taxation	3	9
Allocations to capital:		
Expenses	15	43
Net distributions for the year	<u>18</u>	<u>52</u>

	31.03.18 £'000	31.03.17 £'000
8. DEBTORS		
Amounts receivable for issue of units	55	–
Accrued revenue:		
AMC rebates from underlying investments	4	6
Refund of expenses	19	–
Total debtors	<u>78</u>	<u>6</u>

9. CASH AND BANK BALANCES

	31.03.18 £'000	31.03.17 £'000
Bank balances	120	184
Total cash and bank balances	<u>120</u>	<u>184</u>

10. OTHER CREDITORS

	31.03.18 £'000	31.03.17 £'000
Amounts payable for redemption of units	–	89
Accrued expenses:		
Amounts payable to the Manager, associates of the Manager and agents of either of them:		
Annual Management Charge	1	2
Registration fees	1	–
	2	2
Amounts payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee's fees	1	–
Other expenses	1	2
Total other creditors	<u>4</u>	<u>93</u>

LF CASH PERSONAL PENSION FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

11. UNITS IN ISSUE

	Accumulation
Annual Management Charge	0.10%
Opening units in issue	5,267,535
Issues	1,984,395
Redemptions	(2,396,244)
Closing units in issue	<u>4,855,686</u>

The closing net asset value and closing net asset value per unit, for the unit class in issue at the balance sheet date, are given in the Fund Information.

12. RELATED PARTY TRANSACTIONS

Annual Management Charge and registration fees payable to Link Fund Solutions Limited ('the Manager') is disclosed in note 5 and amounts due at the year end disclosed in note 10.

The aggregate monies received by the Manager through the issue of units and paid on redemption of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders on page 21 and amounts due at the year end are disclosed in notes 8 and 10.

13. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.03.17 : none).

14. RISK MANAGEMENT POLICIES

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives may be utilised for the purposes of efficient portfolio management.

The main risks from the Constituent Fund's holding of financial instruments, together with the Manager's policy for managing these risks, are set out below:

The Manager has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a Constituent Fund and how the Manager seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the Manager in managing the identified risks of the Constituent Fund. The Manager requires that the appointed Investment Adviser to the fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

14. RISK MANAGEMENT POLICIES (continued)

i. Credit risk

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Constituent Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Constituent Fund has fulfilled its obligations. As part of its due diligence process, the Manager undertakes a review of the controls operated over counterparties by the Investment Adviser including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the Manager has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

ii. Interest rate risk

Interest rate risk is the risk that the value of the Constituent Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate securities and on bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Constituent Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Constituent Fund invests in the Janus Henderson Money Market Unit Trust only and as such does not have any significant direct exposure to interest rate risk. The Constituent Fund may indirectly be exposed to interest rate risk through its investment in the Janus Henderson Money Market Unit Trust. As the Constituent Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

The income and capital value of the Constituent Fund's investments are denominated in sterling and, therefore, the financial statements are not subject to the risk of currency movements and no foreign currency risk table or sensitivity analysis has been presented.

LF CASH PERSONAL PENSION FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

14. RISK MANAGEMENT POLICIES (*continued*)

iv. *Leverage*

The Manager is required to calculate and monitor the level of leverage of the Constituent Fund, expressed as a ratio between the exposure of the Constituent Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a Constituent Fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31 March 2018, leverage under the gross method was 0.97:1 (31.03.17 : 0.99:1) and leverage under the commitment method was 1:1 (31.03.17 : 1:1).

v. *Liquidity risk*

The main liability of the Constituent Fund is the redemption of any units that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Adviser will ensure that a substantial portion of the Constituent Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

vi. *Market price risk*

Market price risk is the risk that the value of the Constituent Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Constituent Fund holds.

Market price risk represents the potential loss the Constituent Fund may suffer through holding market positions in the face of price movements. The Constituent Fund's investment portfolio is exposed to price fluctuations, which are monitored by the Manager in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Constituent Fund's portfolio would have the effect of increasing the return and net assets by £354,000 (31.03.17 : £390,000). A 5% decrease would have an equal and opposite effect.

vii. *Fair value of financial assets and financial liabilities*

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

viii. *Derivatives*

The Constituent Fund held no derivatives during the current and prior year.

15. PORTFOLIO TRANSACTION COSTS

There are no portfolio transaction costs as the Constituent Fund invests only in Collective Investment Schemes which do not attract any transaction costs.

16. FAIR VALUE HIERARCHY

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs.

All investments held at the current and prior year end are collective investment schemes categorised as Level 2.

LF CASH PERSONAL PENSION FUND

Financial Statements (continued)

DISTRIBUTION TABLE

FOR THE YEAR ENDED 31 MARCH 2018

As the Constituent Fund is a personal pension fund, and hence exempt from taxation, group one units, group two units and equalisation do not apply and are therefore not included in the report.

	Distribution accumulated 2018	Distribution accumulated 2017
Distribution accumulation for Accumulation units for the year ended 31 March	0.3822	0.9929

FURTHER INFORMATION

The table above shows the final accumulation in pence per unit. It has been calculated based on the number of units in issue and was the actual amount calculated.

LF UK GILT PERSONAL PENSION FUND

MANAGER'S REPORT

FOR THE YEAR ENDED 31 MARCH 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 5 and 6.

INVESTMENT OBJECTIVE AND POLICY

The LF UK Gilt Personal Pension Fund ('the Constituent Fund') aims to provide long term capital growth by investing in a single authorised Collective Investment Scheme which invests predominantly in UK gilts and debt instruments relating to the public finance sector in the UK. The Constituent Fund may also invest in cash should continued investment in the chosen authorised Collective Investment Scheme become impracticable.

LINK FUND SOLUTIONS LIMITED

Manager of LF UK Gilt Personal Pension Fund

30 July 2018

LF UK GILT PERSONAL PENSION FUND

Manager's Report (continued)

For the year ended 31 March 2018

INVESTMENT REVIEW (PROVIDED BY LEGAL AND GENERAL INVESTMENT MANAGEMENT)

The following information relates to the Legal & General All Stocks Gilt Index Trust, the underlying Collective Investment Scheme of the LF UK Gilt Personal Pension Fund.

TOP TEN HOLDINGS

As at 31.03.18	%	As at 31.03.17	%
UK Treasury 4.75% 2030	3.4	UK Treasury 4.25% 2032	3.4
UK Treasury 4.25% 2055	3.3	UK Treasury 4.75% 2030	3.3
UK Treasury 4.25% 2032	3.3	UK Treasury 5% 2025	3.2
UK Treasury 5% 2025	3.2	UK Treasury 4.25% 2055	3.2
UK Treasury 4.5% 2034	3.1	UK Treasury 4.5% 2034	3.2
UK Treasury 4% 2060	3.0	UK Treasury 4% 2022	3.1
UK Treasury 4.25% 2036	3.0	UK Treasury 4.25% 2036	2.9
UK Treasury 4.5% 2042	3.0	UK Treasury 4.5% 2042	2.9
UK Treasury 4% 2022	2.9	UK Treasury 4% 2060	2.8
UK Treasury 4.75% 2038	2.8	UK Treasury 4.25% 2027	2.8

PORTFOLIO BREAKDOWN

As at 31.03.18	%	As at 31.03.17	%
UK Government Bonds	100.00	UK Government Bonds	98.2
		Cash and equivalents	1.8

INVESTMENT SUMMARY

INVESTMENT ACTIVITY AND MARKET REVIEW

As an index-tracker fund, the investment activity in the Legal & General All Stocks Gilt Index Trust focused on the aim of achieving close and efficient tracking of its benchmark. Returns from bond markets have been disappointing over the last 12 months, although a marked rise in equity market volatility of late has highlighted the 'safe haven' appeal of government bonds. In the UK, inflation remains well above the Bank of England's (BoE) 2% target with investors now discounting a further interest rate rise in May. The Bank's decision to add high quality corporate bonds to its quantitative easing programme sparked an upsurge in new issuance in the sterling-denominated market in 2017. The BoE completed its programme in March, but income-seeking investors continued to purchase corporate bonds, as yields on government bonds remained unattractively low.

OUTLOOK

Longer term, we remain cautious about global growth and the ability of a highly-leveraged global economy to withstand higher interest rates. In the shorter term, however, we expect higher US and Eurozone core inflation to test the market's belief that inflationary pressure will be low for an extended period. These higher inflation expectations should push up interest rates. Versus the rest of the world, we still believe that Brexit negotiations will be a leading driver of relative performance during 2018. However, with parliament unlikely to have a meaningful vote until October, the potential for material news (in either direction) seems limited during the summer.

LINK FUND SOLUTIONS LIMITED

Investment Adviser

23 April 2018

LF UK GILT PERSONAL PENSION FUND

Manager's Report (continued)

FUND INFORMATION

COMPARATIVE TABLE

Where the Constituent Fund has significant investment in collective investment schemes, the operating charges take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the unit class at that date.

	31.03.18 (p/unit)	31.03.17 (p/unit)	31.03.16 (p/unit)
Accumulation units			
Change in net assets per unit			
Opening net asset value per unit	287.52	271.68	266.18
Return before operating charges*	0.55	17.93	7.44
Operating charges	(2.08)	(2.09) ²	(1.94) ²
Return after operating charges	(1.53)	15.84	5.50
Distributions	(3.91)	(4.94)	(5.17)
Retained distributions on accumulation units	3.91	4.94	5.17
Closing net asset value per unit	285.99	287.52	271.68
* after direct transaction costs of: ¹	–	–	–

Performance

Return after charges	(0.53)%	5.83%	2.07%
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Other Information

Closing net asset value (£'000)	11,486	11,329	11,270
Closing number of units	4,016,311	3,940,201	4,148,227
Operating charges	0.73%	0.89%	0.89%
Direct transaction costs ¹	–	–	–

Prices

Highest unit price	290.61	319.88	291.12
Lowest unit price	276.06	266.48	253.42

¹ Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs. There are no transaction costs as the Constituent Fund invests only in collective investment schemes which do not attract any transaction costs.

² The Operating Charges shown for the prior year do not take account of the ongoing charges incurred in underlying schemes.

RISK WARNING

An investment in a Unit Trust should be regarded as a medium to long term investment. Investors should be aware that the price of units and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

LF UK GILT PERSONAL PENSION FUND
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
FOR THE YEAR ENDED 31 MARCH 2018

	Notes	£'000	31.03.18 £'000	£'000	31.03.17 £'000
Income:					
Net capital (losses)/gains	3		(154)		530
Revenue	4	157		195	
Expenses	5	(66)		(87)	
Net revenue before taxation		91		108	
Taxation	6	-		-	
Net revenue after taxation			91		108
Total return before distributions (Accumulation)			(63)		638
Distributions (Accumulation)	7		(157)		(195)
Change in net assets attributable to unitholders from investment activities			(220)		443

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 MARCH 2018

	Note	£'000	31.03.18 £'000	£'000	31.03.17 £'000
Opening net assets attributable to unitholders			11,329		11,270
Amounts receivable on issue of units		2,810		2,204	
Amounts payable on redemption of units		(2,589)		(2,783)	
			221		(579)
Change in net assets attributable to unitholders from investment activities			(220)		443
Retained distributions on Accumulation units	7		156		195
Closing net assets attributable to unitholders			11,486		11,329

BALANCE SHEET
AS AT 31 MARCH 2018

Holding	Notes	£'000	31.03.18 %	£'000	31.03.17 %
ASSETS					
Fixed Assets					
5,098,290					
Legal & General All Stocks Gilt Index Trust		11,298	98.36	11,981	105.75
Current assets					
Debtors	8	19	0.17	19	0.17
Cash and bank balances	9	177	1.54	112	0.99
Total assets		11,494	100.07	12,112	106.91
LIABILITIES					
Creditors					
Other creditors	10	(8)	(0.07)	(783)	(6.91)
Total liabilities		(8)	(0.07)	(783)	(6.91)
Net assets attributable to unitholders		11,486	100.00	11,329	100.00

During the year under review there were purchases and sales of shares in the underlying Collective Investment Scheme of £2,040,000 and £2,727,000 respectively. There are no direct transaction costs relating to these transactions. These comprise all of the investment transactions for the year.

A separate portfolio statement has not been included as all the information required is provided in the Balance Sheet above.

LF UK GILT PERSONAL PENSION FUND

Financial Statements (continued)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

The accounting policies for the Constituent Fund are the same as those disclosed in the Accounting Policies on pages 14 and 15.

2. DISTRIBUTION POLICIES

The distribution policies for the Constituent Fund are the same as those disclosed in the Distribution Policies on page 15.

	31.03.18 £'000	31.03.17 £'000
3. NET CAPITAL (LOSSES)/GAINS		
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(153)	530
Transaction charges	(1)	–
Net capital (losses)/gains	<u>(154)</u>	<u>530</u>

The net capital losses figure includes realised gains of £233,000 and unrealised gains of £908,000 (31.03.17 : includes realised gains of £255,000 and unrealised gains of £1,294,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

	31.03.18 £'000	31.03.17 £'000
4. REVENUE		
Interest distributions on CIS holdings	157	195
Total revenue	<u>157</u>	<u>195</u>

	31.03.18 £'000	31.03.17 £'000
5. EXPENSES		
Payable to the Manager, associates of the Manager and agents of either of them:		
Annual Management Charge	46	74
Registration fees	4	4
	<u>50</u>	<u>78</u>

	31.03.18 £'000	31.03.17 £'000
5. EXPENSES (continued)		
Payable to the Trustee, associates of the Trustee or agents of either of them:		
Safe custody and other bank charges	1	1
Trustee's fees	13	6
	<u>14</u>	<u>7</u>
Other expenses:		
Audit fee	2	1
FCA fee	–	1
	<u>2</u>	<u>2</u>
Total expenses	<u>66</u>	<u>87</u>

6. TAXATION

LF Personal Pension Trust is an exempt investment vehicle for taxation. Therefore there is no tax charge or deferred tax charge.

7. DISTRIBUTIONS

The distributions take account of revenue received on the issue of units and revenue deducted on redemption of units, and comprise:

	31.03.18 £'000	31.03.17 £'000
Distributions (Accumulation)	156	195
Add: Revenue deducted on redemption of units	1	–
Net distributions for the year	<u>157</u>	<u>195</u>

Details of the distributions per unit are set out in the table on page 45.

LF UK GILT PERSONAL PENSION FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

	31.03.18 £'000	31.03.17 £'000
7. DISTRIBUTIONS (continued)		
Distributions represented by:		
Net revenue after taxation	91	108
Allocations to capital:		
Expenses	66	87
Net distributions for the year	<u>157</u>	<u>195</u>

	31.03.18 £'000	31.03.17 £'000
8. DEBTORS		
Taxation recoverable:		
Tax recoverable	19	19
Total debtors	<u>19</u>	<u>19</u>

	31.03.18 £'000	31.03.17 £'000
9. CASH AND BANK BALANCES		
Bank balances	177	112
Total cash and bank balances	<u>177</u>	<u>112</u>

	31.03.18 £'000	31.03.17 £'000
10. OTHER CREDITORS		
Purchases awaiting settlement	–	774
Amounts payable to the Manager, associates of the Manager and agents of either of them:		
Annual Management Charge	4	6
Amounts payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee's fees	1	–

	31.03.18 £'000	31.03.17 £'000
10. OTHER CREDITORS (continued)		
Other expenses	3	3
Total other creditors	<u>8</u>	<u>783</u>

	Accumulation
11. UNITS IN ISSUE	
Annual Management Charge	0.40%
Opening units in issue	3,940,201
Issues	986,316
Redemptions	(910,206)
Closing units in issue	<u>4,016,311</u>

The closing net asset value and closing net asset value per unit, for the unit class in issue at the balance sheet date, are given in the Fund Information.

12. RELATED PARTY TRANSACTIONS	
Annual Management Charge and registration fees payable to Link Fund Solutions Limited ('the Manager') is disclosed in note 5 and amounts due at the year end disclosed in note 10.	
The aggregate monies received by the Manager through the issue of units and paid on redemption of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders on page 36, no amounts were due at the year end.	

13. CONTINGENT LIABILITIES AND COMMITMENTS	
There are no contingent liabilities or unrecorded outstanding commitments (31.03.17 : none).	

14. RISK MANAGEMENT POLICIES	
In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives may be utilised for the purposes of efficient portfolio management.	

LF UK GILT PERSONAL PENSION FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

14. RISK MANAGEMENT POLICIES (continued)

The main risks from the Constituent Fund's holding of financial instruments, together with the Manager's policy for managing these risks, are set out below:

The Manager has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a Constituent Fund and how the Manager seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the Manager in managing the identified risks of the Constituent Fund. The Manager requires that the appointed Investment Adviser to the fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

i. Credit risk

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Constituent Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Constituent Fund has fulfilled its obligations. As part of its due diligence process, the Manager undertakes a review of the controls operated over counterparties by the Investment Adviser including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the Manager has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

ii. Interest rate risk

Interest rate risk is the risk that the value of the Constituent Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate securities and on bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Constituent Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Constituent Fund invests in the Legal & General All Stocks Gilt Index Trust only and as such does not have any significant direct exposure to interest rate risk. The Constituent Fund may indirectly be exposed to interest rate risk through its investment in Legal & General All Stocks Gilt Index Trust. As the Constituent Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

14. RISK MANAGEMENT POLICIES (continued)

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

The income and capital value of the Constituent Fund's investments are denominated in sterling and, therefore, the financial statements are not subject to the risk of currency movements and no foreign currency risk table or sensitivity analysis has been presented.

iv. Leverage

The Manager is required to calculate and monitor the level of leverage of the Constituent Fund, expressed as a ratio between the exposure of the Constituent Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a Constituent Fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31 March 2018, leverage under the gross method was 0.98:1 (31.03.17 : 1.06:1) and leverage under the commitment method was 1:1 (31.03.17 : 1:1).

v. Liquidity risk

The main liability of the Constituent Fund is the redemption of any units that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Adviser will ensure that a substantial portion of the Constituent Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

vi. Market price risk

Market price risk is the risk that the value of the Constituent Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Constituent Fund holds.

Market price risk represents the potential loss the Constituent Fund may suffer through holding market positions in the face of price movements. The Constituent Fund's investment portfolio is exposed to price fluctuations, which are monitored by the Manager in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

LF UK GILT PERSONAL PENSION FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

14. RISK MANAGEMENT POLICIES *(continued)*

vi. Market price risk (continued)

A 5% increase in the value of the Constituent Fund's portfolio would have the effect of increasing the return and net assets by £565,000 (31.03.17 : £599,000). A 5% decrease would have an equal and opposite effect.

vii. Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

viii. Derivatives

The Constituent Fund held no derivatives during the current and prior year.

15. PORTFOLIO TRANSACTION COSTS

There are no portfolio transaction costs as the Constituent Fund invests only in Collective Investment Schemes which do not attract any transaction costs.

16. FAIR VALUE HIERARCHY

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs.

All investments held at the current and prior year end are collective investment schemes categorised as Level 2.

DISTRIBUTION TABLE

FOR THE YEAR ENDED 31 MARCH 2018

As the Constituent Fund is a personal pension fund, and hence exempt from taxation, group one units, group two units and equalisation do not apply and are therefore not included in the report.

	Distribution accumulated 2018	Distribution accumulated 2017
Distribution accumulation for Accumulation units for the year ended 31 March	3.9109	4.9407

FURTHER INFORMATION

The table above shows the final accumulation in pence per unit. It has been calculated based on the number of units in issue and was the actual amount calculated.

LF CAUTIOUS MANAGED PERSONAL PENSION FUND
MANAGER'S REPORT
FOR THE YEAR ENDED 31 MARCH 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 5 and 6.

INVESTMENT OBJECTIVE AND POLICY

The LF Cautious Managed Personal Pension Fund ('the Constituent Fund') aims to provide long term capital growth by investing in a single authorised Collective Investment Scheme which invests up to 60% in global equities, as well as in bonds and other transferable securities. The Constituent Fund may also invest in cash should continued investment in the chosen authorised Collective Investment Scheme become impracticable.

LINK FUND SOLUTIONS LIMITED

Manager of LF Cautious Managed Personal Pension Fund
30 July 2018

INVESTMENT REVIEW (PROVIDED BY HENDERSON GLOBAL INVESTORS LIMITED)

The following information relates to the Janus Henderson Cautious Managed Fund, the underlying Collective Investment Scheme of the LF Cautious Managed Personal Pension Fund.

TOP TEN HOLDINGS

As at 31.03.18	%	As at 31.03.17	%
United States Treasury Inflation Indexed Bonds 0.625% 2024	3.7	Royal Dutch Shell 'B'	3.4
BP	3.1	US Treasury 6.125% 2027	3.1
Royal Dutch Shell 'B'	2.9	HSBC	2.7
GlaxoSmithKline	2.8	AstraZeneca	2.4
United States Treasury Inflation Indexed Bonds 0.125% 2024	2.2	United States Treasury Inflation Indexed Bonds 0.125% 2024	2.4
Barclays	2.1	Vodafone	2.2
HSBC	2.1	Imperial Tobacco	2.1
United Kingdom Gilt Inflation Linked 1.875% 2022	2.0	United Kingdom Treasury Gilt Inflation Linked 1.875% 2022	2.0
Vodafone	2.0	Rio Tinto	2.0
Lloyds Banking	1.9	Lloyds Banking	2.0

PORTFOLIO BREAKDOWN

As at 31.03.18	%	As at 31.03.17	%
Equities	54.5	Equities	53.7
Bonds	33.6	Bonds	33.3
Cash	11.8	Cash	13.0

Please note: due to rounding the figures in the holdings breakdown may not add up to 100%.

INVESTMENT SUMMARY

INVESTMENT ACTIVITY

In the wake of the snap UK election on 8 June 2017, we felt we had no choice but to temper some of our enthusiasm for equities, and took some profits. We were fortunate to take advantage of some strong recent performance from companies like Cobham, for example, which had risen strongly since its rights issue earlier in 2017. We also trimmed or closed the positions in N Brown, Man Group and Costain after similarly strong gains. At the same time, we took a new position in pharmaceutical firm Shire. This stock would not be a natural port of call for us, save for the fact that recent underperformance had made it (in our view) by far the most attractive stock in the sector on conventional, and sometimes controversial, price-to-earnings (P/E) ratio grounds.

Towards the autumn, we started building a position in British American Tobacco, following a period of share price weakness that left the index heavyweight looking heavily discounted. We also made the strategic decision to increase exposure to oil majors (adding to a holding in BP),

LF CAUTIOUS MANAGED PERSONAL PENSION FUND

Manager's Report (continued)

For the year ended 31 March 2018

INVESTMENT SUMMARY (continued)

INVESTMENT ACTIVITY (continued)

an area that we had been underweight for some time. In our view, fears over long term oil demand had been priced in, the balance of risk to the oil price seemed to be to the upside and a renewed emphasis on downstream growth was being ignored.

With higher volatility coming into the market towards the end of the review period, we once again decided to trim the fund's high exposure to equities slightly. Economic indicators remain robust but show signs of weakening from peak levels. And with share prices so high in the US – the world's biggest market – global markets are, in our view, vulnerable to a correction. We put some of the fund's available cash to work, purchasing short-dated gilts, with yields looking to have now priced in the likelihood of nearer-term interest rate rises in the UK.

OUTLOOK

We prefer UK equities to bonds, given that the gap between dividend yields and gilt yields is at its highest level since World War II. Our expectation is that gilt yields are likely to follow the upward trend seen in US Treasuries (US government bonds), with a corresponding fall in prices. We also retain a watchful eye on credit risk within our corporate bonds as spreads (the gap between yields on corporate bonds and gilts) are still very narrow.

In equities, our 'value' focused investment style has been coming back into favour. The UK equity market outperformed falling global markets towards the end of the review period, thanks to its low technology exposure and more defensive make-up. We believe that UK equities have the potential to outperform other equity markets, with the asset class generally still priced at historically low levels relative to other major global markets. We are not struggling to find interesting value opportunities and we see significant potential across our existing holdings.

GLOSSARY:

Credit risk: The risk that a borrower will default on its contractual obligations, by failing to make the required payments on a debt.

Gilts: A debt instrument (bond) issued by the UK government.

Price-to-earnings (P/E) ratio: A popular ratio used to value a company's shares, calculated by dividing the current share price by its earnings per share. In general, a high P/E ratio indicates that investors expect strong earnings growth in the future, although a (temporary) collapse in earnings can also lead to a high P/E ratio.

Value stocks: stocks that appear to be undervalued by the market, and therefore it is expected their share price will increase.

Yield: The level of income on a security, typically expressed as a percentage rate. For equities a common measure is the dividend yield, which is calculated by dividing recent dividend payments (per share) by the share price. For a bond, this is calculated as the coupon (interest) payment divided by the current bond price. Yields are inversely correlated with prices – when the price of a bond goes up, the yield will fall, and vice versa.

LINK FUND SOLUTIONS LIMITED

Investment Adviser

19 April 2018

FUND INFORMATION

COMPARATIVE TABLE

Where the Constituent Fund has significant investment in collective investment schemes, the operating charges take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the unit class at that date.

	31.03.18 (p/unit)	31.03.17 (p/unit)	31.03.16 (p/unit)
Accumulation units			
Change in net assets per unit			
Opening net asset value per unit	314.69	287.15	294.47
Return before operating charges*	1.85	29.36	(5.57)
Operating charges	(3.16)	(1.82) ²	(1.75) ²
Return after operating charges	(1.31)	27.54	(7.32)
Distributions	(10.79)	(10.22)	(9.00)
Retained distributions on accumulation units	10.79	10.22	9.00
Closing net asset value per unit	313.38	314.69	287.15
* after direct transaction costs of: ¹	–	–	–
Performance			
Return after charges	(0.42)%	9.59%	(2.49)%
Other Information			
Closing net asset value (£'000)	33,968	38,869	37,914
Closing number of units	10,839,170	12,351,378	13,203,516
Operating charges	0.99%	1.17%	1.15%
Direct transaction costs ¹	–	–	–
Prices			
Highest unit price	327.74	336.62	321.77
Lowest unit price	308.82	280.95	270.71

¹ Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs. There are no transaction costs as the Constituent Fund invests only in collective investment schemes which do not attract any transaction costs.

² The Operating Charges shown for the prior year do not take account of the ongoing charges incurred in underlying schemes.

LF CAUTIOUS MANAGED PERSONAL PENSION FUND

Manager's Report (continued)

Fund Information (continued)

RISK WARNING

An investment in a Unit Trust should be regarded as a medium to long term investment. Investors should be aware that the price of units and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	£'000	31.03.18 £'000	£'000	31.03.17 £'000
Income:					
Net capital (losses)/gains	3		(995)		2,672
Revenue	4	1,230		1,262	
Expenses	5	(304)		(424)	
Net revenue before taxation		926		838	
Taxation	6	–		–	
Net revenue after taxation			926		838
Total return before distributions (Accumulation)			(69)		3,510
Distributions (Accumulation)	7		(1,230)		(1,262)
Change in net assets attributable to unitholders from investment activities			(1,299)		2,248

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

FOR THE YEAR ENDED 31 MARCH 2018

	Note	£'000	31.03.18 £'000	£'000	31.03.17 £'000
Opening net assets attributable to unitholders			38,869		37,914
Amounts receivable on issue of units		1,808		764	
Amounts payable on redemption of units		(6,634)		(3,319)	
			(4,826)		(2,555)
Change in net assets attributable to unitholders from investment activities			(1,299)		2,248
Retained distributions on Accumulation units	7		1,224		1,262
Closing net assets attributable to unitholders			33,968		38,869

LF CAUTIOUS MANAGED PERSONAL PENSION FUND

Financial Statements (continued)

BALANCE SHEET

AS AT 31 MARCH 2018

Holding	Notes	31.03.18		31.03.17	
		£'000	%	£'000	%
ASSETS					
Fixed Assets					
4,714,128	Janus Henderson Cautious Managed Fund	33,031	97.24	38,639	99.41
Current assets					
	Debtors	8	398	1.17	67
	Cash and bank balances	9	701	2.06	205
				0.53	0.53
Total assets		<u>34,130</u>	<u>100.47</u>	<u>38,911</u>	<u>100.11</u>
LIABILITIES					
Creditors					
	Other creditors	10	(162)	(0.47)	(42)
				(0.11)	(0.11)
Total liabilities		<u>(162)</u>	<u>(0.47)</u>	<u>(42)</u>	<u>(0.11)</u>
Net assets attributable to unitholders		<u>33,968</u>	<u>100.00</u>	<u>38,869</u>	<u>100.00</u>

During the year under review there were purchases and sales of shares in the underlying Collective Investment Scheme of £1,453,000 and £7,153,000 respectively. There are no direct transaction costs relating to these transactions. These comprise all of the investment transactions for the year.

A separate portfolio statement has not been included as all the information required is provided in the Balance Sheet above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

The accounting policies for the Constituent Fund are the same as those disclosed in the Accounting Policies on pages 14 and 15.

2. DISTRIBUTION POLICIES

The distribution policies for the Constituent Fund are the same as those disclosed in the Distribution Policies on page 15.

	31.03.18 £'000	31.03.17 £'000
3. NET CAPITAL (LOSSES)/GAINS		
The net capital (losses)/gains during the year comprise:		
Non-derivative securities	(1,135)	2,480
Transaction charges	(1)	-
AMC rebates from underlying investments	141	192
Net capital (losses)/gains	<u>(995)</u>	<u>2,672</u>

The net capital losses figure includes realised gains of £1,575,000 and unrealised gains of £6,452,000 (31.03.17 : includes realised gains of £598,000 and unrealised gains of £9,162,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

	31.03.18 £'000	31.03.17 £'000
4. REVENUE		
Dividend distributions on CIS holdings	1,230	1,262
Total revenue	<u>1,230</u>	<u>1,262</u>

	31.03.18 £'000	31.03.17 £'000
5. EXPENSES		
Payable to the Manager, associates of the Manager and agents of either of them:		
Annual Management Charge	265	384
Registration fees	17	14
	<u>282</u>	<u>398</u>

LF CAUTIOUS MANAGED PERSONAL PENSION FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

	31.03.18 £'000	31.03.17 £'000
5. EXPENSES (continued)		
Payable to the Trustee, associates of the Trustee or agents of either of them:		
Safe custody and other bank charges	1	2
Trustee's fees	16	18
	17	20
Other expenses:		
Audit fee	6	4
FCA fee	(1)	2
	5	6
Total expenses	<u>304</u>	<u>424</u>

6. TAXATION

LF Personal Pension Trust is an exempt investment vehicle for taxation. Therefore there is no tax charge or deferred tax charge.

7. DISTRIBUTIONS

The distributions take account of revenue received on the issue of units and revenue deducted on redemption of units, and comprise:

	31.03.18 £'000	31.03.17 £'000
Distributions (Accumulation)	1,224	1,262
	1,224	1,262
Add: Revenue deducted on redemption of units	6	–
Net distributions for the year	<u>1,230</u>	<u>1,262</u>

Details of the distributions per unit are set out in the table on page 60.

	31.03.18 £'000	31.03.17 £'000
7. DISTRIBUTIONS (continued)		
Distributions represented by:		
Net revenue after taxation	926	838
Allocations to capital:		
Expenses	304	424
Net distributions for the year	<u>1,230</u>	<u>1,262</u>
	31.03.18 £'000	31.03.17 £'000
8. DEBTORS		
Amounts receivable for issue of units	–	3
Sales awaiting settlement	255	–
Accrued revenue:		
AMC rebates from underlying investments	141	64
Taxation recoverable:		
Income tax	2	–
Total debtors	<u>398</u>	<u>67</u>
	31.03.18 £'000	31.03.17 £'000
9. CASH AND BANK BALANCES		
Bank balances	701	205
Total cash and bank balances	<u>701</u>	<u>205</u>

LF CAUTIOUS MANAGED PERSONAL PENSION FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

	31.03.18 £'000	31.03.17 £'000
10. OTHER CREDITORS		
Amounts payable for redemption of units	131	–
Amounts payable to the Manager, associates of the Manager and agents of either of them:		
Annual Management Charge	21	33
Registration fees	3	2
	24	35
Amounts payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee's fees	1	2
Other expenses	6	5
Total other creditors	<u>162</u>	<u>42</u>

11. UNITS IN ISSUE

Accumulation

Annual Management Charge	0.70%
Opening units in issue	12,351,378
Issues	568,400
Redemptions	(2,080,608)
Closing units in issue	<u>10,839,170</u>

The closing net asset value and closing net asset value per unit, for the unit class in issue at the balance sheet date, are given in the Fund Information.

12. RELATED PARTY TRANSACTIONS

Annual Management Charge and registration fees payable to Link Fund Solutions Limited ('the Manager') is disclosed in note 5 and amounts due at the year end disclosed in note 10.

The aggregate monies received by the Manager through the issue of units and paid on redemption of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders on page 51 and amounts due at the year end are disclosed in notes 8 and 10.

13. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.03.17 : none).

14. RISK MANAGEMENT POLICIES

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives may be utilised for the purposes of efficient portfolio management.

The main risks from the Constituent Fund's holding of financial instruments, together with the Manager's policy for managing these risks, are set out below:

The Manager has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a Constituent Fund and how the Manager seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the Manager in managing the identified risks of the Constituent Fund. The Manager requires that the appointed Investment Adviser to the fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

- i. *Credit risk*
Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Constituent Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Constituent Fund has fulfilled its obligations. As part of its due diligence process, the Manager undertakes a review of the controls operated over counterparties by the Investment Adviser including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the Manager has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

- ii. *Interest rate risk*
Interest rate risk is the risk that the value of the Constituent Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate securities and on bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Constituent Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Constituent Fund invests in a collective investment scheme only and as such does not have any significant direct exposure to interest rate risk. The Constituent Fund may indirectly be exposed to interest rate risk through its investment in a collective investment scheme. As the Constituent Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

LF CAUTIOUS MANAGED PERSONAL PENSION FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

14. RISK MANAGEMENT POLICIES (continued)

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

The income and capital value of the Constituent Fund's investments are denominated in sterling and, therefore, the financial statements are not subject to the risk of currency movements and no foreign currency risk table or sensitivity analysis has been presented.

iv. Leverage

The Manager is required to calculate and monitor the level of leverage of the Constituent Fund, expressed as a ratio between the exposure of the Constituent Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a Constituent Fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31 March 2018, leverage under the gross method was 0.97:1 (31.03.17 : 0.99:1) and leverage under the commitment method was 1:1 (31.03.17 : 1:1).

v. Liquidity risk

The main liability of the Constituent Fund is the redemption of any units that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Adviser will ensure that a substantial portion of the Constituent Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

vi. Market price risk

Market price risk is the risk that the value of the Constituent Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Constituent Fund holds.

Market price risk represents the potential loss the Constituent Fund may suffer through holding market positions in the face of price movements. The Constituent Fund's investment portfolio is exposed to price fluctuations, which are monitored by the Manager in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

14. RISK MANAGEMENT POLICIES (continued)

vi. Market price risk (continued)

A 5% increase in the value of the Constituent Fund's portfolio would have the effect of increasing the return and net assets by £1,652,000 (31.03.17 : £1,932,000). A 5% decrease would have an equal and opposite effect.

vii. Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

viii. Derivatives

The Constituent Fund held no derivatives during the current and prior year.

15. PORTFOLIO TRANSACTION COSTS

There are no portfolio transaction costs as the Constituent Fund invests only in Collective Investment Schemes which do not attract any transaction costs.

16. FAIR VALUE HIERARCHY

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs.

All investments held at the current and prior year end are collective investment schemes categorised as Level 2.

LF CAUTIOUS MANAGED PERSONAL PENSION FUND

Financial Statements (continued)

DISTRIBUTION TABLE

FOR THE YEAR ENDED 31 MARCH 2018

As the Constituent Fund is a personal pension fund, and hence exempt from taxation, group one units, group two units and equalisation do not apply and are therefore not included in the report.

	Distribution accumulated 2018	Distribution accumulated 2017
Distribution accumulation for Accumulation units for the year ended 31 March	10.7858	10.2194

FURTHER INFORMATION

The table above shows the final accumulation in pence per unit. It has been calculated based on the number of units in issue and was the actual amount calculated.

LF MULTI-ASSET PERSONAL PENSION FUND

MANAGER'S REPORT

FOR THE YEAR ENDED 31 MARCH 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 5 and 6.

INVESTMENT OBJECTIVE AND POLICY

The LF Multi-Asset Personal Pension Fund ('the Constituent Fund') aims to provide long term capital growth by investing in a single authorised Collective Investment Scheme which invests in a diverse portfolio, with up to 85% in global equities in all economic sectors. The Constituent Fund may also invest in cash should continued investment in the chosen authorised Collective Investment Scheme become impracticable.

LINK FUND SOLUTIONS LIMITED

Manager of LF Multi-Asset Personal Pension Fund

30 July 2018

LF MULTI-ASSET PERSONAL PENSION FUND

Manager's Report (continued)

For the year ended 31 March 2018

INVESTMENT REVIEW (PROVIDED BY ABERDEEN ASSET MANAGERS LIMITED)

The following information relates to the Aberdeen Diversified-Core Growth Fund ('the Fund'), the underlying Collective Investment Scheme of the LF Multi-Asset Personal Pension Fund.

TOP TEN HOLDINGS

As at 31.03.18	%	As at 31.03.17	%
Aberdeen Target Return Bond	15.1	Aberdeen World Opportunistic	
Alternative Risk Premia	12.6	Bond Fund	6.9
South Africa (Rep of) 10.5%		Aberdeen Absolute Return Bond	
21/12/2026	1.6	Fund	5.0
Hungary (Rep of) 7% 24/6/2022	1.5	Hungary (Rep of) 7% 24/6/2022	1.5
Indonesia (Rep of) 9% 15/3/2029	1.4	South Africa (Rep of) 10.5%	
Colombia (Rep of) 7.5%		21/12/2026	1.5
26/8/2026	1.4	Poland (Rep of) 5.5% 25/10/2019	1.4
Poland (Rep of) 5.75% 23/9/2022	1.4	S&P 500 E-mini Jun17 Future	1.4
Russian Federation 7.5%		Brazil (Fed Rep of) T-Bill 0%	
18/8/2021	1.4	1/4/2019	1.3
Thailand (King of) 3.625%		Mex Bonos Desarr 8% 11/6/2020	1.3
16/6/2023	1.2	Turkey (Rep of) 10.4% 20/3/2024	1.3
Brazil (Fed Rep of) 10% 1/1/2021	1.2	Poland (Rep of) 5.75% 23/9/2022	1.2

Top 10 holdings may exclude investments in cash funds.

Based upon un-audited data and may be subject to change.

PORTFOLIO BREAKDOWN

As at 31.03.18	%	As at 31.03.17	%
Emerging Market Bonds	35.2	Listed Equity	35.1
Listed Equity	29.5	Emerging Market Bonds	30.1
Absolute Return	27.7	High Yield	12.1
Cash	7.7	Investment Grade	7.0
		Absolute Return	5.4
		Cash	10.3

Based upon un-audited data and may be subject to change.

Figures may not always sum to 100 due to rounding.

INVESTMENT SUMMARY

MARKET REVIEW

At the start of the reporting year most major asset classes rose in value with the exception of government bonds. UK equities also started on a strong footing, however, the gains were mostly reversed in the middle of last year amid the increased uncertainty that followed the general election, which resulted in a hung parliament. Overseas equities generally outperformed the UK market, with Japan the standout. Yields on government bonds rose as prices fell amid signs of rising inflation. Emerging market debt continued to disregard President Trump's rhetoric and focused instead on the improved fundamental outlook for emerging markets.

Cheered by a strong earnings season, synchronised global economic growth and rising optimism around US tax reforms global equities shrugged off the heightened geopolitical tensions in the Korean Peninsula towards the end of last year. European equity markets also performed well as investors viewed positively manufacturing data, confidence surveys and inflation figures that highlighted the ongoing economic upturn in the region. Signs of stable economic growth enabled the Federal Reserve to deliver another interest rate hike at the end of 2017 and the European Central Bank (ECB) unveiled plans for the gradual tightening of monetary policy.

Global equity markets then had a good start this year as strong global growth, renewed hopes for business friendly fiscal reforms in the US and a general weakness in the US Dollar continued to exert significant influence on equities. However, bonds markets were noticeably weaker as rising prospects for higher interest rates in the US as well as the commitment by other major central banks to gradually normalize monetary policy weighed on sovereign debt assets. This was exacerbated by the renewed speculation that strong inflationary pressures on the back of the ongoing recovery in the global economy and the oil prices would negatively impact fixed income assets in due course.

Against this backdrop, risk assets suffered losses as the sell-off in bond markets on rising concerns over inflationary pressures, triggered a market correction in other markets. Global equities ended the first quarter 2018 on a considerable weaker note amid the spike in capital markets volatility over the period. In addition, there were rising concerns over a regulatory crackdown and fears of a global trade war. Yields on most major sovereign debt assets ended broadly lower, reflecting the increasing appetite for these perceived safe haven assets, amid rising worries about the impact of trade protectionism on global economic growth.

INVESTMENT ACTIVITY

Over the reporting period the balance of the portfolio has shifted towards Emerging Market bonds and Absolute Return exposures as valuations have increased and the relative attractiveness has reduced of Equities, High Yield Bonds and Investment Grade. We closed our exposure to High Yield Bonds in the final quarter of 2017 and closed our Investment Grade exposure during the first quarter of 2018. Equities remain a core component of the fund and continue to offer growth potential. We continue to believe emerging market bonds offer an attractive risk/return profile given high yields and good medium-term growth prospects for emerging economies. And our preference for exposure to Absolute Return strategies reflects our preference for broader diversification at a time when traditional asset class valuations are stretched in some areas, and expectations that volatility will rise following a period when it has been less apparent.

LF MULTI-ASSET PERSONAL PENSION FUND

Manager's Report (continued)

For the year ended 31 March 2018

INVESTMENT SUMMARY (continued)

OUTLOOK

It is our belief that over the medium to long run (3–10 years) valuations are the dominant driver of equity markets returns, i.e. high valuations lead to low (and possibly negative) returns and vice versa. However, in the short-term (less than 12 months) valuations play second fiddle to macroeconomic conditions. Broadly speaking if macroeconomic conditions remain positive, then the path of least resistance for equities is up.

We would categorise current conditions as (1) expensive valuations (especially in the US) and (2) a supportive near-term macroeconomic outlook. This implies a short-term positive but medium-term negative outlook for equities. Portfolio positioning therefore depends crucially on an investor's investment horizon and their belief in their ability to time markets. It also depends on the broader opportunity set available to the investor and their tolerance for risk.

We remain of the view that local currency emerging market bonds offer attractive returns with our portfolio yielding around 7%. There are clearly risks to investing in this asset class but we look to reduce these in two ways – firstly by diversifying across a range of over 15 underlying economies exposed to differing specific risks, and secondly, by expressing the position relative to a basket of developed currencies that are economically sensitive and hence likely to dampen volatility in periods of stress. In combination we believe that this significantly improves the potential risk-return trade-off of the asset class.

In our portfolios we have the benefit of a broad opportunity set and a less stark choice between high risk and low returning asset classes.

LINK FUND SOLUTIONS LIMITED

Investment Adviser

23 April 2018

FUND INFORMATION

COMPARATIVE TABLE

Where the Constituent Fund has significant investment in collective investment schemes, the operating charges take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the unit class at that date.

	31.03.18 (p/unit)	31.03.17 (p/unit)	31.03.16 (p/unit)
Accumulation units			
Change in net assets per unit			
Opening net asset value per unit	371.15	311.27	332.91
Return before operating charges*	25.30	61.95	(19.75)
Operating charges	(4.93)	(2.07) ²	(1.89) ²
Return after operating charges	20.37	59.88	(21.64)
Distributions	(5.77)	(6.81)	(7.09)
Retained distributions on accumulation units	5.77	6.81	7.09
Closing net asset value per unit	391.52	371.15	311.27
* after direct transaction costs of: ¹	–	–	–

Performance

Return after charges	5.49%	19.24%	(6.50)%
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Other Information

Closing net asset value (£'000)	159,106	166,790	155,713
Closing number of units	40,638,078	44,938,108	50,024,158
Operating charges	1.28%	1.53%	1.57%
Direct transaction costs ¹	–	–	–

Prices

Highest unit price	400.71	398.78	362.95
Lowest unit price	369.19	297.51	283.84

¹ Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs. There are no transaction costs as the Constituent Fund invests only in collective investment schemes which do not attract any transaction costs.

² The Operating Charges shown for the prior year do not take account of the ongoing charges incurred in underlying schemes.

LF MULTI-ASSET PERSONAL PENSION FUND

Manager's Report (continued)

Fund Information (continued)

RISK WARNING

An investment in a Unit Trust should be regarded as a medium to long term investment. Investors should be aware that the price of units and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	£'000	31.03.18 £'000	£'000	31.03.17 £'000
Income:					
Net capital gains	3		7,932		26,504
Revenue	4	2,344		3,061	
Expenses	5	(1,463)		(985)	
Net revenue before taxation		881		2,076	
Taxation	6	–		–	
Net revenue after taxation			881		2,076
Total return before distributions (Accumulation)			8,813		28,580
Distributions (Accumulation)	7		(2,344)		(3,061)
Change in net assets attributable to unitholders from investment activities			6,469		25,519

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

FOR THE YEAR ENDED 31 MARCH 2018

	Note	£'000	31.03.18 £'000	£'000	31.03.17 £'000
Opening net assets attributable to unitholders			166,790		155,713
Amounts receivable on issue of units		890		525	
Amounts payable on redemption of units		(17,387)		(18,028)	
			(16,497)		(17,503)
Change in net assets attributable to unitholders from investment activities			6,469		25,519
Retained distributions on Accumulation units	7		2,344		3,061
Closing net assets attributable to unitholders			159,106		166,790

LF MULTI-ASSET PERSONAL PENSION FUND

Financial Statements (continued)

BALANCE SHEET

AS AT 31 MARCH 2018

Holding	Notes	31.03.18		31.03.17	
		£'000	%	£'000	%
ASSETS					
Fixed assets					
127,263,185	Aberdeen Diversified-Core Growth Fund*	154,841	97.32	166,058	99.56
Current assets					
	Debtors	8 46	0.03	-	-
	Cash and bank balances	9 4,471	2.81	1,091	0.65
Total assets		<u>159,358</u>	<u>100.16</u>	<u>167,149</u>	<u>100.21</u>
LIABILITIES					
Creditors					
	Other creditors	10 (252)	(0.16)	(359)	(0.21)
Total liabilities		<u>(252)</u>	<u>(0.16)</u>	<u>(359)</u>	<u>(0.21)</u>
Net assets attributable to unitholders		<u>159,106</u>	<u>100.00</u>	<u>166,790</u>	<u>100.00</u>

* Aberdeen Multi-Asset Fund as at 31.03.17.

During the year under review there were sales of shares in the underlying Collective Investment Scheme of £21,359,000. There are no direct transaction costs relating to these transactions. These comprise all of the investment transactions for the year.

A separate portfolio statement has not been included as all the information required is provided in the Balance Sheet above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

The accounting policies for the Constituent Fund are the same as those disclosed in the Accounting Policies on pages 14 and 15.

2. DISTRIBUTION POLICIES

The distribution policies for the Constituent Fund are the same as those disclosed in the Distribution Policies on page 15.

3. NET CAPITAL GAINS

The net capital gains during the year comprise:

	31.03.18 £'000	31.03.17 £'000
Non-derivative securities	7,932	26,504
Net capital gains	<u>7,932</u>	<u>26,504</u>

The net capital gains figure includes realised gains of £38,584,000 and unrealised gains of £7,319,000 (31.03.17 : includes realised gains of £41,286,000 and unrealised gains of £37,971,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

4. REVENUE

	31.03.18 £'000	31.03.17 £'000
Dividend distributions on CIS holdings	2,212	3,061
AMC rebates from underlying investments	130	-
Bank interest	2	-
Total revenue	<u>2,344</u>	<u>3,061</u>

5. EXPENSES

Payable to the Manager, associates of the Manager and agents of either of them:

	31.03.18 £'000	31.03.17 £'000
Annual Management Charge	1,309	814
Registration fees	73	62
	<u>1,382</u>	<u>876</u>

LF MULTI-ASSET PERSONAL PENSION FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

	31.03.18 £'000	31.03.17 £'000
5. EXPENSES (continued)		
Payable to the Trustee, associates of the Trustee or agents of either of them:		
Safe custody and other bank charges	5	5
Trustee's fees	54	78
	59	83
Other expenses:		
Audit fee	28	19
FCA fee	(6)	7
	22	26
Total expenses	<u>1,463</u>	<u>985</u>

6. TAXATION

LF Personal Pension Trust is an exempt investment vehicle for taxation. Therefore there is no tax charge or deferred tax charge.

7. DISTRIBUTIONS

The distributions take account of revenue received on the issue of units and revenue deducted on redemption of units, and comprise:

	31.03.18 £'000	31.03.17 £'000
Distributions (Accumulation)	2,344	3,061
Net distributions for the year	<u>2,344</u>	<u>3,061</u>

Details of the distributions per unit are set out in the table on page 76.

	31.03.18 £'000	31.03.17 £'000
Distributions represented by:		
Net revenue after taxation	881	2,076
Allocations to capital:		
Expenses	1,463	985
Net distributions for the year	<u>2,344</u>	<u>3,061</u>

	31.03.18 £'000	31.03.17 £'000
8. DEBTORS		
Accrued revenue:		
AMC rebates from underlying investments	46	–
Total debtors	<u>46</u>	<u>–</u>
	31.03.18 £'000	31.03.17 £'000
9. CASH AND BANK BALANCES		
Bank balances	4,471	1,091
Total cash and bank balances	<u>4,471</u>	<u>1,091</u>

	31.03.18 £'000	31.03.17 £'000
10. OTHER CREDITORS		
Amounts payable for redemption of units	102	249
Accrued expenses:		
Amounts payable to the Manager, associates of the Manager and agents of either of them:		
Annual Management Charge	108	71
Registration fees	14	10
	122	81
Amounts payable to the Trustee, associates of the Trustee and agents of either of them:		
Safe custody and other bank charges	1	1
Trustee's fees	4	7
	5	8
Other expenses	23	21
Total other creditors	<u>252</u>	<u>359</u>

LF MULTI-ASSET PERSONAL PENSION FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

11. UNITS IN ISSUE

	Accumulation
Annual Management Charge	0.80%
Opening units in issue	44,938,108
Issues	237,735
Redemptions	(4,537,765)
Closing units in issue	<u>40,638,078</u>

The closing net asset value and closing net asset value per unit, for the unit class in issue at the balance sheet date, are given in the Fund Information.

12. RELATED PARTY TRANSACTIONS

Annual Management Charge and registration fees payable to Link Fund Solutions Limited ('the Manager') is disclosed in note 5 and amounts due at the year end disclosed in note 10.

The aggregate monies received by the Manager through the issue of units and paid on redemption of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders on page 67 and amounts due at the year end are disclosed in note 10.

13. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.03.17 : none).

14. RISK MANAGEMENT POLICIES

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives may be utilised for the purposes of efficient portfolio management.

The main risks from the Constituent Fund's holding of financial instruments, together with the Manager's policy for managing these risks, are set out below:

The Manager has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a Constituent Fund and how the Manager seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the Manager in managing the identified risks of the Constituent Fund. The Manager requires that the appointed Investment Adviser to the fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

14. RISK MANAGEMENT POLICIES (continued)

i. Credit risk

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Constituent Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Constituent Fund has fulfilled its obligations. As part of its due diligence process, the Manager undertakes a review of the controls operated over counterparties by the Investment Adviser including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the Manager has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

ii. Interest rate risk

Interest rate risk is the risk that the value of the Constituent Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate securities and on bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Constituent Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Constituent Fund invests in a collective investment scheme only and as such does not have any significant direct exposure to interest rate risk. The Constituent Fund may indirectly be exposed to interest rate risk through its investment in a collective investment scheme. As the Constituent Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

The income and capital value of the Constituent Fund's investments are denominated in sterling and, therefore, the financial statements are not subject to the risk of currency movements and no foreign currency risk table or sensitivity analysis has been presented.

LF MULTI-ASSET PERSONAL PENSION FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

14. RISK MANAGEMENT POLICIES (*continued*)

iv. *Leverage*

The Manager is required to calculate and monitor the level of leverage of the Constituent Fund, expressed as a ratio between the exposure of the Constituent Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a Constituent Fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31 March 2018, leverage under the gross method was 0.97:1 (31.03.17 : 1:1) and leverage under the commitment method was 1:1 (31.03.17 : 1:1).

v. *Liquidity risk*

The main liability of the Constituent Fund is the redemption of any units that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Adviser will ensure that a substantial portion of the Constituent Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

vi. *Market price risk*

Market price risk is the risk that the value of the Constituent Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Constituent Fund holds.

Market price risk represents the potential loss the Constituent Fund may suffer through holding market positions in the face of price movements. The Constituent Fund's investment portfolio is exposed to price fluctuations, which are monitored by the Manager in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Constituent Fund's portfolio would have the effect of increasing the return and net assets by £7,742,000 (31.03.17 : £8,303,000). A 5% decrease would have an equal and opposite effect.

vii. *Fair value of financial assets and financial liabilities*

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

viii. *Derivatives*

The Constituent Fund held no derivatives during the current and prior year.

15. PORTFOLIO TRANSACTION COSTS

There are no portfolio transaction costs as the Constituent Fund invests only in Collective Investment Schemes which do not attract any transaction costs.

16. FAIR VALUE HIERARCHY

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs.

All investments held at the current and prior year end are collective investment schemes categorised as Level 2.

LF MULTI-ASSET PERSONAL PENSION FUND

Financial Statements (continued)

DISTRIBUTION TABLE

FOR THE YEAR ENDED 31 MARCH 2018

As the Constituent Fund is a personal pension fund, and hence exempt from taxation, group one units, group two units and equalisation do not apply and are therefore not included in the report.

	Distribution accumulated 2018	Distribution accumulated 2017
Distribution accumulation for Accumulation units for the year ended 31 March	5.7669	6.8119

FURTHER INFORMATION

The table above shows the final accumulation in pence per unit. It has been calculated based on the number of units in issue and was the actual amount calculated.

LF GLOBAL EQUITY INDEX PERSONAL PENSION FUND

MANAGER'S REPORT

FOR THE YEAR ENDED 31 MARCH 2018

IMPORTANT INFORMATION

With effect from 31 March 2017, the LF Global Equity Index Personal Pension Fund ('the Constituent Fund') launched with cash from proceeds of redemptions from the terminating LF Personal Pension Trust Constituent Funds amounting to circa £26 million. The first valuation of the Constituent Fund was 3 April 2017.

Refer to the 'Important Information' section on pages 5 and 6 for further information.

INVESTMENT OBJECTIVE AND POLICY

The objective of the Constituent Fund is to provide both income and growth by investing in an underlying equity tracker fund which aims to track the performance of the FTSE World Index.

LINK FUND SOLUTIONS LIMITED

Manager of LF Global Equity Index Personal Pension Fund

30 July 2018

LF GLOBAL EQUITY INDEX PERSONAL PENSION FUND

Manager's Report (continued)

For the year ended 31 March 2018

INVESTMENT REVIEW (PROVIDED BY LEGAL & GENERAL INVESTMENT MANAGEMENT)

The following information relates to the Legal & General Global Equity Index Fund, the underlying Collective Investment Scheme of the LF Global Equity Index Personal Pension Fund.

TOP TEN HOLDINGS

As at 31.03.18	%	As at 31.03.17	%
Apple	2.0	Apple	2.8
Microsoft	1.6	Microsoft	1.9
Alphabet 'C'	1.5	Exxon Mobil	1.3
Amazon.com	1.4	Johnson & Johnson	1.3
JPMorgan Chase	0.9	Amazon.com	1.3
Berkshire Hathaway	0.9	JPMorgan Chase	1.2
Facebook 'A'	0.9	Alphabet 'C'	1.2
Johnson & Johnson	0.8	Facebook 'A'	1.2
Exxon Mobil	0.7	Wells Fargo	1.1
Bank of America	0.7	General Electric	1.0

PORTFOLIO BREAKDOWN

As at 31.03.18	%	As at 31.03.17	%
Equities	99.4	Equities	99.88
Cash and cash equivalents	0.6	Non Classified	0.04
		Cash and cash equivalents	0.08

INVESTMENT SUMMARY

INVESTMENT ACTIVITY AND MARKET REVIEW

As an index-tracker fund, the investment activity in the Legal & General Global Equity Index Trust focused on the aim of achieving close and efficient tracking of its benchmark. A combination of an improving global economic outlook, low inflation and supportive central bank policies has underpinned equity markets worldwide over the last 12 months. However, in recent months there has been a spike in market volatility with escalating trade tensions between the US and China triggering a sell-off. Although UK equities performed well in 2017, the market has now recorded three consecutive months of losses as global uncertainties underlined sentiment. US equities recorded double-digit percentage gains in dollar terms. The rally has been led by technology stocks for much of the year, which have generally exhibited strong earnings momentum.

OUTLOOK

The volatility we have seen so far in 2018 has prompted investors to consider how the rest of the economic cycle will play out and how equities – after an almost decade-long bull-run – will perform. While equity market corrections are relatively common, a prolonged bear market most likely requires a recession. This prompts the question: when is the next recession going to be? Our view is that the fundamentals driving economic growth remain relatively strong, and global growth is synchronised and therefore see limited recession risks in the next 12 months.

LINK FUND SOLUTIONS LIMITED

Investment Adviser

23 April 2018

LF GLOBAL EQUITY INDEX PERSONAL PENSION FUND

Manager's Report (continued)

FUND INFORMATION

COMPARATIVE TABLE

Where the Constituent Fund has significant investment in collective investment schemes, the operating charges take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end weighted against the net asset value of the unit class at that date.

31.03.18¹
(p/unit)

Accumulation units

Change in net assets per unit

Opening net asset value per unit	100.00
Return before operating charges*	0.93
Operating charges	(1.01)
Return after operating charges	(0.08)
Distributions	(1.48)
Retained distributions on accumulation units	1.48
Closing net asset value per unit	99.92
* after direct transaction costs of: ²	–

Performance

Return after charges	(0.08)%
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Other Information

Closing net asset value (£'000)	21,776
Closing number of units	21,793,156
Operating charges	0.98%
Direct transaction costs ²	–

Prices

Highest unit price	108.70
Lowest unit price	96.44

¹ From 31 March 2017.

² Transaction costs include dealing costs, broker commission, stamp duty and other explicit investment costs. There are no transaction costs as the Constituent Fund invests only in collective investment schemes which do not attract any transaction costs.

RISK WARNING

An investment in a Unit Trust should be regarded as a medium to long term investment. Investors should be aware that the price of units and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

LF GLOBAL EQUITY INDEX PERSONAL PENSION FUND
 FINANCIAL STATEMENTS
 STATEMENT OF TOTAL RETURN
 FOR THE YEAR ENDED 31 MARCH 2018

	Notes	£'000	31.03.18 ¹ £'000
Income:			
Net capital losses	3		(125)
Revenue	4	328	
Expenses	5	(167)	
Net revenue before taxation		161	
Taxation	6	–	
Net revenue after taxation			161
Total return before distributions (Accumulation)			36
Distributions (Accumulation)	7		(328)
Change in net assets attributable to unitholders from investment activities			<u>(292)</u>

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
 FOR THE YEAR ENDED 31 MARCH 2018

	Note	£'000	31.03.18 ¹ £'000
Opening net assets attributable to unitholders			–
Amounts receivable on issue of units		26,253	
Amounts payable on redemption of units		(4,513)	
			21,740
Change in net assets attributable to unitholders from investment activities			(292)
Retained distributions on Accumulation units	7		328
Closing net assets attributable to unitholders			<u>21,776</u>

¹ No comparative figures are presented for the Statement of Total Return and Statement of Change in Net Assets Attributable to Shareholders as this is the Constituent Fund's first annual reporting period; the Constituent Fund launched on 31 March 2017.

BALANCE SHEET
 AS AT 31 MARCH 2018

Holding	Notes	£'000	31.03.18 ¹ %
ASSETS			
Fixed Assets			
28,838,422			
		21,395	98.25
Current assets			
	8	422	1.94
Total assets		<u>21,817</u>	<u>100.19</u>
LIABILITIES			
Creditors			
	9	(41)	(0.19)
Total liabilities		<u>(41)</u>	<u>(0.19)</u>
Net assets attributable to unitholders		<u>21,776</u>	<u>100.00</u>

¹ No comparative figures are presented for the Balance Sheet as this is the Constituent Fund's first annual reporting period; the Constituent Fund launched on 31 March 2017.

During the year under review there were purchases and sales of shares in the underlying Collective Investment Scheme of £28,303,000 and £7,110,000 respectively. There are no direct transaction costs relating to these transactions. These comprise all of the investment transactions for the year.

A separate portfolio statement has not been included as all the information required is provided in the Balance Sheet above.

LF GLOBAL EQUITY INDEX PERSONAL PENSION FUND

Financial Statements (continued)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES

The accounting policies for the Constituent Fund are the same as those disclosed in the Accounting Policies on pages 14 and 15.

2. DISTRIBUTION POLICIES

The distribution policies for the Constituent Fund are the same as those disclosed in the Distribution Policies on page 15.

31.03.18
£'000

3. NET CAPITAL LOSSES

The net capital losses during the year comprise:

Non-derivative securities	(125)
Net capital losses	<u>(125)</u>

The net capital losses figure includes realised gains of £37,000 and unrealised losses of £162,000 (31.03.17 : nil).

31.03.18
£'000

4. REVENUE

Dividend distributions on CIS holdings	328
Total revenue	<u>328</u>

31.03.18
£'000

5. EXPENSES

Payable to the Manager, associates of the Manager and agents of either of them:

Annual Management Charge	143
Registration fees	9
	<u>152</u>

Payable to the Trustee, associates of the Trustee or agents of either of them:

Trustee's fees	9
Safe custody and other bank charges	1
	<u>10</u>

31.03.18
£'000

5. EXPENSES (continued)

Other expenses:

Audit fee	5
Total expenses	<u>167</u>

6. TAXATION

LF Personal Pension Trust is an exempt investment vehicle for taxation. Therefore there is no tax charge or deferred tax charge.

7. DISTRIBUTIONS

The distributions take account of revenue received on the issue of units and revenue deducted on redemption of units, and comprise:

31.03.18
£'000

Distributions (Accumulation)	328
Net distributions for the year	<u>328</u>

Details of the distributions per unit are set out in the table on page 90.

31.03.18
£'000

Distributions represented by:	
Net revenue after taxation	161
Allocations to capital:	
Expenses	167
Net distributions for the year	<u>328</u>

31.03.18
£'000

8. CASH AND BANK BALANCES

Bank balances	422
Total cash and bank balances	<u>422</u>

LF GLOBAL EQUITY INDEX PERSONAL PENSION FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

	31.03.18 £'000
9. OTHER CREDITORS	
Amounts payable for redemption of units	25
Accrued expenses:	
Amounts payable to the Manager, associates of the Manager and agents of either of them:	
Annual Management Charge	11
Registration fees	1
	12
Amounts payable to the Trustee, associates of the Trustee and agents of either of them:	
Trustee's fees	1
Other expenses	3
Total other creditors	<u>41</u>

10. UNITS IN ISSUE

	Accumulation
Annual Management Charge	0.60%
Opening units in issue	–
Issues	26,249,003
Redemptions	(4,455,847)
Closing units in issue	<u>21,793,156</u>

The closing net asset value and closing net asset value per unit, for the unit class in issue at the balance sheet date, are given in the Fund Information.

11. RELATED PARTY TRANSACTIONS

Annual Management Charge and registration fees payable to Link Fund Solutions Limited ('the Manager') is disclosed in note 5 and amounts due at the year end disclosed in note 9.

The aggregate monies received by the Manager through the issue of units and paid on redemption of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders on page 82 and amounts due at the year end are disclosed in note 9.

12. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments.

13. RISK MANAGEMENT POLICIES

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives may be utilised for the purposes of efficient portfolio management.

The main risks from the Constituent Fund's holding of financial instruments, together with the Manager's policy for managing these risks, are set out below:

The Manager has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a Constituent Fund and how the Manager seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the Manager in managing the identified risks of the Constituent Fund. The Manager requires that the appointed Investment Adviser to the fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the fund managed.

- i. *Credit risk*
Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Constituent Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Constituent Fund has fulfilled its obligations. As part of its due diligence process, the Manager undertakes a review of the controls operated over counterparties by the Investment Adviser including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the Manager has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

- ii. *Interest rate risk*
Interest rate risk is the risk that the value of the Constituent Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate securities and on bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Constituent Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

The Constituent Fund invests in a collective investment scheme only and as such does not have any significant direct exposure to interest rate risk. The Constituent Fund may indirectly be exposed to interest rate risk through its investment in a collective investment scheme. As the Constituent Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

LF GLOBAL EQUITY INDEX PERSONAL PENSION FUND

Financial Statements (continued)

Notes to the Financial Statements (continued)

For the year ended 31 March 2018

13. RISK MANAGEMENT POLICIES *(continued)*

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value. Investment in collective investment schemes may provide indirect exposure to currency risk as a consequence of the movement in foreign exchange rates.

The income and capital value of the Constituent Fund's investments are denominated in sterling and, therefore, the financial statements are not subject to the risk of currency movements and no foreign currency risk table or sensitivity analysis has been presented.

iv. Leverage

The Manager is required to calculate and monitor the level of leverage of the Constituent Fund, expressed as a ratio between the exposure of the Constituent Fund and its Net Asset Value, under both the gross and commitment methods (in accordance with articles 7 and 8 of The Alternative Investment Fund Managers Regulations 2013). For a Constituent Fund with no borrowing or derivative usage the leverage ratio would be 1:1 under the commitment method. The gross method calculation excludes cash and cash equivalents which are highly liquid.

As at 31 March 2018, leverage under the gross method was 0.98:1 and leverage under the commitment method was 1:1.

v. Liquidity risk

The main liability of the Constituent Fund is the redemption of any units that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

To reduce liquidity risk the Investment Adviser will ensure that a substantial portion of the Constituent Fund's assets consist of cash and readily realisable investments.

All financial liabilities are payable in one year or less, or on demand.

vi. Market price risk

Market price risk is the risk that the value of the Constituent Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Constituent Fund holds.

Market price risk represents the potential loss the Constituent Fund may suffer through holding market positions in the face of price movements. The Constituent Fund's investment portfolio is exposed to price fluctuations, which are monitored by the Manager in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

13. RISK MANAGEMENT POLICIES *(continued)*

vi. Market price risk (continued)

A 5% increase in the value of the Constituent Fund's portfolio would have the effect of increasing the return and net assets by £1,070,000. A 5% decrease would have an equal and opposite effect.

vii. Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the Balance Sheet, and their fair value.

viii. Derivatives

The Constituent Fund held no derivatives during the current year.

14. PORTFOLIO TRANSACTION COSTS

There are no portfolio transaction costs as the Constituent Fund invests only in Collective Investment Schemes which do not attract any transaction costs.

15. FAIR VALUE HIERARCHY

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs.

All investments held at the current year end are collective investment schemes categorised as Level 2.

LF GLOBAL EQUITY INDEX PERSONAL PENSION FUND

Financial Statements (continued)

DISTRIBUTION TABLE

FOR THE YEAR ENDED 31 MARCH 2018

As the Constituent Fund is a personal pension fund, and hence exempt from taxation, group one units, group two units and equalisation do not apply and are therefore not included in the report.

	Distribution accumulated 2018
Distribution accumulation for Accumulation units for the year ended 31 March	1.4761

FURTHER INFORMATION

The table above shows the final accumulation in pence per unit. It has been calculated based on the number of units in issue and was the actual amount calculated.

GENERAL INFORMATION

The Prospectus and the most recent interim and annual reports are available on the website www.linkfundsolutions.co.uk/pensions. Copies of these may be obtained upon application.

