

LF Stakeholder Pension Scheme

(Formerly CF Stakeholder Pension Scheme)
Interim Unaudited Report and Financial Statements
31 March 2018

LF Tracker Pension Fund (Formerly CF Tracker Pension Fund)
LF Corporate Bond Pension Fund (Formerly CF Corporate Bond Pension Fund)
LF Money Market Pension Fund (Formerly CF Money Market 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)

PORTFOLIO MANAGER
Link Fund Solutions Limited
6th Floor
65 Gresham Street
London EC2V 7NQ
(Authorised and regulated by the
Financial Conduct Authority)

TRUSTEE
National Westminster Bank Plc
Trustee & Depositary Services
Ground Floor
135 Bishopsgate
London EC2M 3UR
(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)

CUSTODIAN
Bank of New York Mellon NA/SV
London Branch
One Canada Square
London E14 5AL
(Authorised and regulated by the
Financial Conduct Authority)

INDEPENDENT AUDITORS
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

MASTER FUNDS
L&G (N) Tracker Trust
(Authorised and regulated by the
Financial Conduct Authority)
L&G Sterling Income Fund
(Authorised and regulated by the
Financial Conduct Authority)
Janus Henderson Money Market Unit Trust
(Authorised and regulated by the
Financial Conduct Authority)

MANAGERS OF THE MASTER FUNDS
Legal & General (Unit Trust Managers)
Limited
Henderson Investment Funds Limited

TRUSTEES OF THE MASTER FUNDS
Northern Trust Global Services Limited
National Westminster Bank Plc

INVESTMENT ADVISORS OF THE MASTER
FUNDS
Legal & General Investment Management
Limited
Henderson Global Investors Limited

AUDITORS OF THE MASTER FUNDS
PricewaterhouseCoopers LLP

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**LF STAKEHOLDER PENSION SCHEME
MANAGER'S REPORT
FOR THE HALF YEAR ENDED 31 MARCH 2018**

AUTHORISED STATUS

The LF Stakeholder Pension Scheme ('the Scheme') is an authorised unit trust scheme and belongs to the category of Non-UCITS Retail Scheme 'umbrella funds' as recognised by the Regulations and qualifies as an Alternative Investment Fund ('AIF') under the Alternative Investment Fund Manager ('AIFM') Directive. The Scheme was established by Trust Deed dated March 2001 and was declared to be an authorised unit trust Scheme by the Financial Conduct Authority by an order made under Section 243 of the Financial Services and Markets Act 2000 dated 22 March 2001.

The Scheme is an appropriate personal pension scheme registered as a Stakeholder Pension Scheme.

The Scheme has three sub-funds ('Constituent Funds') each of which is a 'feeder fund' for the purpose of COLL 5.6.7(6) and each may invest 100% in value of the scheme property in one permitted collective investment scheme.

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

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 Interim Unaudited Report and Financial Statements include the AIFM as applicable.

POLICY

The Scheme (and each of the Constituent Funds) aims for long-term capital growth by each investing in a single authorised collective investment schemes.

The Underlying Funds are L&G (N) Tracker Trust, Legal & General Sterling Income Fund and Janus Henderson Money Market Unit Trust.

CROSS HOLDINGS

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

IMPORTANT INFORMATION

With effect from 16 October 2017, the address of the Manager 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 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 for the Manager has also changed from Capita Asset Services to Link Asset Services.

LF STAKEHOLDER PENSION SCHEME

Manager's Report (continued)

For the half year ended 31 March 2018 (continued)

IMPORTANT INFORMATION *(continued)*

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 Stakeholder Pension Scheme to LF Stakeholder Pension Scheme;
- CF Tracker Pension Fund changed to LF Tracker Pension Fund;
- CF Corporate Bond Pension Fund changed to LF Corporate Bond Pension Fund; and
- CF Money Market Pension Fund changed to LF Money Market Pension Fund.

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

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 Stakeholder Pension Scheme

25 May 2018

DIRECTOR'S STATEMENT

FOR THE HALF YEAR ENDED 31 MARCH 2018

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

P. HUGH-SMITH

LINK FUND SOLUTIONS LIMITED

Manager of LF Stakeholder Pension Scheme

25 May 2018

LF TRACKER PENSION FUND
MANAGER'S REPORT
FOR THE HALF YEAR ENDED 31 MARCH 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 3 and 4.

INVESTMENT OBJECTIVE AND POLICY

The LF Tracker Pension Fund ('the Fund') is invested in the L&G (N) Tracker Trust where investment management is provided by Legal & General Investment Management Limited. The L&G (N) Tracker Trust aims to track the capital performance of the UK equity market, as represented by the FTSE All-Share Index, by investment in a representative sample of stocks selected from all economic sectors.

Securities in the FTSE All-Share Index will be held with weightings generally proportionate to their company's market capitalisation. From time to time non index constituents may be held as a result of a corporate action and these holdings will be sold or transferred as soon as reasonably practical.

Further information regarding the L&G (N) Tracker Trust can be found in its Prospectus. A copy of this is available on request from the L&G Contact Centre on 0370 050 0955.

LINK FUND SOLUTIONS LIMITED
Manager of LF Tracker Pension Fund
25 May 2018

PORTFOLIO MANAGER'S REPORT

INVESTMENT REVIEW (PROVIDED BY LEGAL & GENERAL INVESTMENT MANAGEMENT)

The following information relates to the L&G (N) Tracker Trust, the underlying Collective Investment Scheme of the LF Tracker Pension Fund.

INVESTMENT ACTIVITY AND MARKET REVIEW

As an index-tracker fund, the investment activity in the L&G (N) Tracker Trust focused on the aim of achieving close and efficient tracking of its benchmark. Although UK equities performed well in 2017, the market has now recorded three consecutive months of losses as global uncertainties underlined sentiment. The market has been led higher by resources stocks, benefiting from the strength of commodity markets. Financials have also outperformed the broader market, led by shares in insurance companies while autos performed well, driven by a prolonged hostile takeover bid from Melrose Industries for component supplier GKN which eventually received shareholder approval. The weakest sectors have been utilities and personal & household goods. These sectors are less sensitive to the economic cycle but are more closely correlated with bond markets, and tend to underperform when investors are more optimistic about the economic outlook and earnings growth prospects.

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
Portfolio Manager
23 April 2018

LF TRACKER PENSION FUND

Manager's Report (continued)

TRUST INFORMATION

RISK PROFILE

The Fund invests in a single collective investment scheme which invests almost entirely in company shares in order to closely match those that make up the FTSE All-Share Index. The main risk applicable to the Fund is Market Risk; specifically market price risk. This is due to the potential movement in the value of financial instruments held by the underlying fund as a result of price fluctuations. The underlying fund may invest in overseas financial securities and therefore performance of the Fund may be affected by changes in exchange rates through its holding in this fund. There is little exposure to either credit or liquidity risk, as the asset held is readily realisable.

COMPARATIVE TABLE

Information for 31 March 2018 relates to the 6 month period ending 31 March 2018. The operating charges relate to the expenses incurred on an *ex post* basis over the 6 month period ending 31 March 2018, expressed as an annualised percentage of the average net asset value.

Where the 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 period end weighted against the net asset value of the unit class at that date.

	31.03.18 (p/unit)	30.09.17 (p/unit)	30.09.16 (p/unit)	30.09.15 (p/unit)
Accumulation units				
Change in net assets per unit				
Opening net asset value per unit	224.74	201.48	175.28	181.88
Return before operating charges*	(4.42)	25.38	27.26	(4.73)
Operating charges	(1.14)	(2.12)	(1.06)	(1.87)
Return after operating charges	(5.56)	23.26	26.20	(6.60)
Distributions	(3.68)	(5.60)	(5.08)	(4.49)
Retained distributions on accumulation units	3.68	5.60	5.08	4.49
Closing net asset value per unit	219.18	224.74	201.48	175.28
* after direct transaction costs of: ¹	–	–	–	–
Performance				
Return after charges	(2.47)%	11.54%	14.95%	(3.63)%
Other Information				
Closing net asset value (£'000)	297,797	308,709	283,668	248,269
Closing number of units	135,868,292	137,363,222	140,790,433	141,640,201
Operating charges	1.00%	1.00%	1.00%	1.00%
Direct transaction costs ¹	–	–	–	–
Prices				
Highest unit price	237.90	227.60	203.61	199.47
Lowest unit price	215.09	197.15	161.34	167.98

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

LF TRACKER PENSION FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 31 MARCH 2018

	31.03.18	31.03.17
£'000	£'000	£'000
Income:		
Net capital (losses)/gains	(12,583)	19,940
Revenue	6,048	5,200
Expenses	(992)	(933)
Net revenue before taxation	5,056	4,267
Taxation	–	–
Net revenue after taxation	5,056	4,267
Total return before distributions	(7,527)	24,207
Distributions	(5,056)	(4,267)
Change in net assets attributable to unitholders from investment activities	(12,583)	19,940

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

	31.03.18	31.03.17
£'000	£'000	£'000
Opening net assets attributable to unitholders	308,709	283,668
Amounts receivable on issue of units	2,988	2,888
Amounts payable on redemption of units	(6,317)	(6,682)
	(3,329)	(3,794)
Change in net assets attributable to unitholders from investment activities	(12,583)	19,940
Retained distributions on Accumulation units	5,000	4,213
Closing net assets attributable to unitholders	297,797	304,027

The above statement shows the comparative closing net assets at 31 March 2017 whereas the current accounting period commenced 1 October 2017.

BALANCE SHEET
AS AT 31 MARCH 2018

Holding	31.03.18	30.09.17
	£'000	£'000
	%	%
ASSETS		
Fixed assets		
142,448,329 L&G (N) Tracker Trust	291,734	304,382
	97.96	98.60
Current assets		
Debtors	2,053	890
Cash and bank balances	8,328	7,996
Total assets	302,115	313,268
	101.45	101.48
LIABILITIES		
Creditors		
Bank overdraft	(3,913)	(4,310)
Other creditors	(405)	(249)
Total liabilities	(4,318)	(4,559)
	(1.45)	(1.48)
Net assets attributable to unitholders	297,797	308,709
	100.00	100.00

During the period under review there were purchases and sales of units in the underlying fund of £4,157,000 and £9,044,000 respectively. There are no direct transaction costs relating to these transactions. These comprise all of the investment transactions for the period.

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

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 September 2017 and are described in those annual financial statements.

The financial statements 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 and with the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Association in May 2014, as amended.

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 3 and 4.

INVESTMENT OBJECTIVE AND POLICY

The LF Corporate Bond Pension Fund ('the Fund') is invested in the Legal & General Sterling Income Fund where investment management is provided by Legal & General Investment Management Limited. The Legal & General Sterling Income Fund aims to produce a high level of income consistent with long-term preservation of capital in sterling terms. It is intended that the Legal & General Sterling Income Fund will predominantly invest in interest bearing securities issued by governments, other public issuers and companies worldwide.

Further information regarding the Legal & General Sterling Income Fund can be found in its Prospectus. A copy of this is available on request from the L&G Investment Contact Centre on 0370 050 0955.

LINK FUND SOLUTIONS LIMITED
Manager of LF Corporate Bond Pension Fund
25 May 2018

LF CORPORATE BOND PENSION FUND

Manager's Report (continued)

For the half year ended 31 March 2018

PORTFOLIO MANAGER'S REPORT

INVESTMENT REVIEW (PROVIDED BY LEGAL & GENERAL INVESTMENT MANAGEMENT)

The following information relates to the Legal & General Sterling Income Fund, the underlying Collective Investment Scheme of the LF Corporate Bond Pension Fund.

INVESTMENT ACTIVITY AND MARKET REVIEW

The fund delivered positive returns over the period. The portfolio deliberately runs a shorter duration than the wider corporate bond market given its dual objectives of delivering a 2.75% distribution yield and maintaining capital over the medium term. 2017 was a difficult period for gilts, and so our favouring of short-dated bonds and comparatively large weightings in high yield bonds supported the fund's performance. As we entered 2018, concerns that interest rates could rise more steeply than expected weighed on bond markets, while global inflationary pressures weighed on government bonds. Nevertheless, sterling credit markets rallied in March, lifted by 'safe haven' buying of underlying government bonds. We reduced the portfolio's credit risk over the course of the year. Duration was four years, while the distribution yield ended the quarter at 2.7% – slightly below the fund's target. High yield bond exposure ended the period at 17%, while the cash/gilt weighting was 3%.

OUTLOOK

Looking ahead, markets are sensitive to negative headlines and volatility has significantly increased. This is likely to be due to the gradual removal of central bank support, which leaves investors facing higher volatility and yields that remain very low in a historical context. Large swathes of the market have performed very strongly just because yields have been so low for so long thanks to extraordinary central bank policy. The earnings season could afford some respite, as it is likely to focus on robust economic growth and solid corporate earnings. However, the underlying market backdrop appears to be weaker.

LINK FUND SOLUTIONS LIMITED

Portfolio Manager

23 April 2018

TRUST INFORMATION

RISK PROFILE

As LF Corporate Bond Pension Fund invests directly in Legal & General Sterling Income Fund, the former is exposed to the following risks as disclosed in the Prospectus of the underlying fund:

'This scheme invests in fixed interest securities – usually corporate and government bonds. Investment returns are particularly sensitive to longer term interest rate movements, typically those for five years and more. Scheme values are likely to fall when these interest rates rise.

This scheme invests in sub investment grade corporate bonds so there's an increased risk of fund values falling due to non-payment by the companies issuing bonds. The financial strength of a company or government issuing a fixed interest security determines their ability to make some or all of the payments due. If this financial strength weakens, the chances of them not making payments increases and this could reduce the value of an investment and the amount of income paid.'

COMPARATIVE TABLE

Information for 31 March 2018 relates to the 6 month period ending 31 March 2018. The operating charges relate to the expenses incurred on an *ex post* basis over the 6 month period ending 31 March 2018, expressed as an annualised percentage of the average net asset value.

Where the 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 period end weighted against the net asset value of the unit class at that date.

LF CORPORATE BOND PENSION FUND

Manager's Report (continued)

Trust Information (continued)

COMPARATIVE TABLE (continued)

	31.03.18 (p/unit)	30.09.17 (p/unit)	30.09.16 (p/unit)	30.09.15 (p/unit)
Accumulation units				
Change in net assets per unit				
Opening net asset value per unit	203.80	200.17	181.01	175.65
Return before operating charges*	1.59	5.64	20.24	7.18
Operating charges	(1.03)	(2.01)	(1.08)	(1.82)
Return after operating charges	0.56	3.63	19.16	5.36
Distributions ²	(3.02)	(6.03)	(6.93)	(6.54)
Retained distributions on accumulation units	3.02	6.03	6.93	6.54
Closing net asset value per unit	204.36	203.80	200.17	181.01
* after direct transaction costs of: ¹	-	-	-	-

Performance

Return after charges	0.27%	1.81%	10.59%	3.05%
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Other Information

Closing net asset value (£'000)	23,539	24,018	24,337	22,463
Closing number of units	11,518,453	11,784,721	12,158,265	12,410,187
Operating charges	1.00%	1.00%	1.00%	1.00%
Direct transaction costs ¹	-	-	-	-

Prices

Highest unit price	207.54	205.00	201.10	187.99
Lowest unit price	203.95	193.78	178.90	175.93

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

² All interest distributions payable after 6 April 2017 will be paid gross.

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 31 MARCH 2018

	£'000	31.03.18 £'000	£'000	31.03.17 £'000
Income:				
Net capital losses		(282)		(374)
Revenue	428		422	
Expenses	(76)		(76)	
Net revenue before taxation	352		346	
Taxation	-		-	
Net revenue after taxation		352		346
Total return before distributions		70		(28)
Distributions		(352)		(346)
Change in net assets attributable to unitholders from investment activities		(282)		(374)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

FOR THE HALF YEAR ENDED 31 MARCH 2018

	£'000	31.03.18 £'000	£'000	31.03.17 £'000
Opening net assets attributable to unitholders		24,018		24,337
Amounts receivable on issue of units	544		351	
Amounts payable on redemption of units	(1,088)		(727)	
		(544)		(376)
Change in net assets attributable to unitholders from investment activities		(282)		(374)
Retained distributions on Accumulation units		347		345
Closing net assets attributable to unitholders		23,539		23,932

The above statement shows the comparative closing net assets at 31 March 2017 whereas the current accounting period commenced 1 October 2017.

LF CORPORATE BOND PENSION FUND
Interim Financial Statements (unaudited) (continued)
 BALANCE SHEET
 AS AT 31 MARCH 2018

Holding	31.03.18		30.09.17	
	£'000	%	£'000	%
ASSETS				
Fixed assets				
22,768,941				
Legal & General Sterling Income Fund	22,997	97.70	23,498	97.83
Current assets				
Debtors	271	1.15	153	0.64
Cash and bank balances	306	1.30	381	1.59
Total assets	<u>23,574</u>	<u>100.15</u>	<u>24,032</u>	<u>100.06</u>
LIABILITIES				
Creditors				
Other creditors	(35)	(0.15)	(14)	(0.06)
Total liabilities	<u>(35)</u>	<u>(0.15)</u>	<u>(14)</u>	<u>(0.06)</u>
Net assets attributable to unitholders	<u>23,539</u>	<u>100.00</u>	<u>24,018</u>	<u>100.00</u>

During the period under review there were purchases and sales of units in the underlying fund of £757,000 and £976,000 respectively. There are no direct transaction costs relating to these transactions. These comprise all of the investment transactions for the period.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS
 AS AT 31 MARCH 2018

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 September 2017 and are described in those annual financial statements.

The financial statements 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 and with the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Association in May 2014, as amended.

LF MONEY MARKET PENSION FUND
MANAGER'S REPORT
FOR THE HALF YEAR ENDED 31 MARCH 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 3 and 4.

INVESTMENT OBJECTIVE AND POLICY

The LF Money Market Pension Fund ('the Fund') is invested in the Janus Henderson Money Market Unit Trust, which is managed by Henderson Investment Funds Limited. The Janus Henderson Money Market Unit Trust aims to achieve a high level of return consistent with a high degree of capital security. The Janus Henderson Money Market Unit Trust will invest principally in short term deposits and other money-market instruments.

Further information regarding the Janus Henderson Money Market Unit Trust is detailed in its Prospectus, a copy of which is available from www.janushenderson.com.

LINK FUND SOLUTIONS LIMITED

Manager of LF Money Market Pension Fund
25 May 2018

PORTFOLIO MANAGER'S REPORT

INVESTMENT REVIEW (PROVIDED BY HENDERSON GLOBAL INVESTORS LIMITED)

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

MARKET REVIEW

Following slightly better than expected economic data and headline October inflation hitting 3%, the markets continued to gradually discount a 0.25% rate rise at the upcoming Bank of England ('BoE') Monetary Policy Committee ('MPC') meeting. November saw the majority of the 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*).

By the start of 2018, a number of European Central Bank ('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 twice over the review period. Possibly of greater importance, was that from October they started a reduction in quantitative easing.

FUND ACTIVITY

At the beginning of the review period, as it became more apparent that the BoE would raise the Bank rate, the fund adopted a very defensive posture. When the MPC made its decision the fund had reduced its weighted asset maturity ('WAM') (WAM= average time remaining until the maturity of assets in a portfolio) to 45 days. 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

Portfolio Manager
25 April 2018

LF MONEY MARKET PENSION FUND

Manager's Report (continued)

TRUST INFORMATION

RISK PROFILE

As LF Money Market Pension Fund invests directly in Janus Henderson Money Market Unit Trust, the former is exposed to the following risks as disclosed in the Prospectus of the underlying fund:

'With funds investing in bonds there is a risk that interest rate fluctuations could affect the capital value of investments. Where long term interest rates rise, the capital value of shares/units is likely to fall, and vice versa. In addition to the interest rate risk, bond investments are also exposed to credit risk reflecting the ability of the borrower (i.e. bond issuer) to meet its obligations (i.e. pay the interest on a bond and return the capital on the redemption date). The risk of this happening is usually higher with bonds classified as 'sub-investment grade'. These may produce a higher level of income but at a higher risk than investments in 'investment grade' bonds. In turn, this may have an adverse impact on funds that invest in such bonds.'

COMPARATIVE TABLE

Information for 31 March 2018 relates to the 6 month period ending 31 March 2018. The operating charges relate to the expenses incurred on an *ex post* basis over the 6 month period ending 31 March 2018, expressed as an annualised percentage of the average net asset value.

Where the 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 period end weighted against the net asset value of the unit class at that date.

	31.03.18 (p/unit)	30.09.17 (p/unit)	30.09.16 (p/unit)	30.09.15 (p/unit)
Accumulation units				
Change in net assets per unit				
Opening net asset value per unit	140.27	140.09	139.54	139.15
Return before operating charges*	0.32	0.61	0.98	0.82
Operating charges	(0.22)	(0.43)	(0.43)	(0.43)
Return after operating charges	0.10	0.18	0.55	0.39
Distributions ²	(0.05)	(0.27)	(0.47)	(0.34)
Retained distributions on accumulation units	0.05	0.27	0.47	0.34
Closing net asset value per unit	140.37	140.27	140.09	139.54
* after direct transaction costs of: ¹	-	-	-	-
Performance				
Return after charges	0.07%	0.13%	0.39%	0.28%
Other Information				
Closing net asset value (£'000)	36,237	34,985	30,363	27,446
Closing number of units	25,815,463	24,940,621	21,674,451	19,669,173
Operating charges	0.31%	0.31%	0.31%	0.31%
Direct transaction costs ¹	-	-	-	-
Prices				
Highest unit price	140.37	140.29	140.09	139.46
Lowest unit price	140.25	140.08	139.57	139.06

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

² All interest distributions payable after 6 April 2017 will be paid gross.

LF MONEY MARKET PENSION FUND
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 31 MARCH 2018

	31.03.18	31.03.17
£'000	£'000	£'000
Income:		
Net capital gains/(losses)	11	(1)
Revenue	13	41
Expenses	–	–
Net revenue before taxation	13	41
Taxation	–	–
Net revenue after taxation	13	41
Total return before distributions (Accumulation)	24	40
Distributions (Accumulation)	(13)	(41)
Change in net assets attributable to unitholders from investment activities	11	(1)

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

	31.03.18	31.03.17
£'000	£'000	£'000
Opening net assets attributable to unitholders	34,985	30,363
Amounts receivable on issue of units	3,252	3,427
Amounts payable on redemption of units	(2,024)	(911)
	1,228	2,516
Change in net assets attributable to unitholders from investment activities	11	(1)
Retained distributions on Accumulation units	13	43
Closing net assets attributable to unitholders	36,237	32,921

The above statement shows the comparative closing net assets at 31 March 2017 whereas the current accounting period commenced 1 October 2017.

BALANCE SHEET
AS AT 31 MARCH 2018

Holding	31.03.18		30.09.17	
	£'000	%	£'000	%
ASSETS				
Fixed assets				
24,666,648 Janus Henderson Money Market Unit Trust	35,878	99.01	34,637	99.01
Current assets				
Debtors	130	0.36	105	0.30
Cash and bank balances	433	1.19	318	0.91
Total assets	36,441	100.56	35,060	100.22
LIABILITIES				
Creditors				
Bank overdraft	(84)	(0.23)	(75)	(0.22)
Other creditors	(120)	(0.33)	–	–
Total liabilities	(204)	(0.56)	(75)	(0.22)
Net assets attributable to unitholders	36,237	100.00	34,985	100.00

During the period under review there were purchases and sales of units in the underlying fund of £2,189,000 and £973,000 respectively. There are no direct transaction costs relating to these transactions. These comprise all of the investment transactions for the period.

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

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 September 2017 and are described in those annual financial statements.

The financial statements 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 and with the Statement of Recommended Practice for Financial Statements of Authorised Funds issued by the Investment Association in May 2014, as amended.

GENERAL INFORMATION

VALUATION POINT

The valuation point of the Scheme is 14.00 (London time) daily on the basis described below and are completed as soon as possible thereafter, with the exception of Christmas Eve and New Year's Eve, or the last Business Day prior to those days annually, when the valuations may be carried out at a time agreed in advance between the Manager and the Trustee. The Manager may carry out additional valuations if this is considered desirable or is required by the Regulations.

PRICES

The most recent mid-market prices in respect of units in each Constituent Fund are published daily on the Manager's website: www.pensions.linkfundsolutions.co.uk. They are also available from the Administrator on 0345 603 0142.

OTHER INFORMATION

The Prospectus and the most recent interim and annual reports may be inspected at the office of the Manager. Copies of these may be obtained upon application.

DATA PROTECTION

Unitholders' names will be added to a mailing list which may be used by the Manager, its associates or third parties to inform investors of other products by sending details of such products. Unitholders who do not want to receive such details should write to the Manager requesting their removal from any such mailing list.

Unitholders who have any complaints about the operation of the Scheme should contact the Manager or the Trustee in the first instance. In the event that a unitholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

