

LF Stakeholder Pension Scheme

(Formerly CF Stakeholder Pension Scheme)

LF Tracker Pension Fund (Formerly CF Tracker Pension Fund)

LF Corporate Bond Pension Fund (Formerly CF Corporate Bond Pension Fund)

LF Cash Pension Fund (Formerly LF Money Market Pension Fund)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018



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

NATWEST TRUSTEE AND DEPOSITARY SERVICES LIMITED

250 Bishopsgate
London EC2M 4AA
(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 AUDITOR

ERNST & YOUNG LLP

25 Churchill Place
Canary Wharf
London E14 5EY

ADMINISTRATOR

CAPITA LIFE & PENSIONS REGULATED SERVICES LIMITED

The Grange
Bishops Cleeve
Cheltenham GL52 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

NATWEST TRUSTEE AND DEPOSITARY SERVICES LIMITED

INVESTMENT ADVISORS OF THE MASTER FUNDS

LEGAL & GENERAL INVESTMENT MANAGEMENT LIMITED

HENDERSON GLOBAL INVESTORS LIMITED

AUDITORS OF THE MASTER FUNDS

PRICEWATERHOUSECOOPERS LLP

CONTENTS

Manager's Report	4
Authorised Status	4
Policy	4
Cross Holdings	4
Important Information	4
Remuneration Policy	5
Securities Financing Transactions	6
Director's Statement	7
Statement of Manager's Responsibilities in Relation to the Financial Statements	8
Statement of Trustee's Responsibilities and Report of the Trustee to Unitholders of LF Stakeholder Pension Scheme.	9
Independent Auditor's Report to the Unitholders of LF Stakeholder Pension Scheme	10
FINANCIAL STATEMENTS	
Accounting and Distribution Policies applicable to all Constituent Funds	13

CONTENTS *continued*

LF TRACKER PENSION FUND

Manager’s Report	15
Important Information	15
Investment Objective and Policy	15
Portfolio Manager’s Report	16
Trust Information	17

FINANCIAL STATEMENTS

Statement of Total Return	19
Statement of Change in Net Assets Attributable to Unitholders	19
Balance Sheet	20
Notes to the Financial Statements	21
Distribution Table	29

LF CORPORATE BOND PENSION FUND

Manager’s Report	30
Important Information	30
Investment Objective and Policy	30
Portfolio Manager’s Report	31
Trust Information	32

FINANCIAL STATEMENTS

Statement of Total Return	34
Statement of Change in Net Assets Attributable to Unitholders	34
Balance Sheet	35
Notes to the Financial Statements	36
Distribution Table	44

CONTENTS *continued*

LF CASH PENSION FUND

Manager's Report	45
Important Information	45
Investment Objective and Policy	45
Portfolio Manager's Report	46
Trust Information	48

FINANCIAL STATEMENTS

Statement of Total Return	50
Statement of Change in Net Assets Attributable to Unitholders	50
Balance Sheet	51
Notes to the Financial Statements	52
Distribution Table	60
General Information	61

MANAGER'S REPORT

for the year ended 30 September 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 Annual 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 year.

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 of the Manager and Administrator has also changed from Capita Asset Services to Link Asset Services.

MANAGER'S REPORT *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 to LF Tracker Pension Fund;
- CF Corporate Bond Pension Fund to LF Corporate Bond Pension Fund; and
- CF Money Market Pension Fund to LF Money Market Pension Fund.

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

With effect from 29 October 2018, the following Trustee changes were made:

- Name change from National Westminster Bank Plc to Natwest Trustee and Depositary Services Limited; and
- Registered office address changed to 250 Bishopgate, London EC2M 4AA.

With effect from 11 January 2019, the following changes were made to the LF Money Market Pension Fund:

- Name change from LF Money Market Pension Fund to LF Cash Pension Fund; and
- Underlying fund has changed from Janus Henderson Money Market Unit Trust to LGIM Sterling Liquidity Plus Fund.

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 expense 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.

MANAGER'S REPORT *continued*

Remuneration Policy *continued*

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 £379 million as at that date and represented 0.65% of LFSL's total AuM and 2.26% 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 (including 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 Stakeholder Pension Scheme
24 January 2019

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

P. HUGH-SMITH

LINK FUND SOLUTIONS LIMITED

Manager of LF Stakeholder Pension Scheme

24 January 2019

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 sub-funds, and of the net revenue/expense and of the net capital gains/losses on the scheme property of the Scheme's sub-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 Scheme 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 sub-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 sub-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.

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES AND REPORT OF THE TRUSTEE TO THE UNITHOLDERS OF LF STAKEHOLDER PENSION SCHEME

The Trustee must ensure that the LF Stakeholder Pension Scheme ('the Scheme') is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, 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 into the cash accounts in accordance with the Regulations;
- the sale, issue and redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units in the Scheme is 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 AIFM are carried out (unless they conflict with the Regulations).

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

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 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.

NATWEST TRUSTEE AND DEPOSITARY SERVICES LIMITED

Trustee of LF Stakeholder Pension Scheme

24 January 2019

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LF STAKEHOLDER PENSION SCHEME

Opinion

We have audited the financial statements of LF Stakeholder Pension Scheme ('the Scheme') for the year ended 30 September 2018 which comprise the Statement of Total Return and Statement of Change in Net Assets Attributable to Unitholders together with the Balance Sheet for each of the Scheme's sub-funds, the accounting policies of the Scheme, the related notes for each sub-fund and the Distribution Tables, 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 sub-funds as at 30 September 2018 and of the net revenue and the net capital gains/losses on the scheme property of the Scheme comprising each of its sub-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 to 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 Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has 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.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LF STAKEHOLDER PENSION SCHEME *continued*

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 Manager is 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.

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 Manager's 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.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF LF STAKEHOLDER PENSION SCHEME *continued*

Responsibilities of Manager

As explained more fully in the Manager's Responsibilities Statement set out on page 8, the Manager is 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 Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is 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 Manager either intends to liquidate the Scheme or to cease operations, or has 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

24 January 2019

ACCOUNTING AND DISTRIBUTION POLICIES

for the year ended 30 September 2018

1. Accounting Policies

The principal accounting policies, which have been applied to the financial statements of the Constituent Funds in both the current and prior year, are set out below. These have been applied consistently across all Constituent Funds unless otherwise stated in the Notes to the Financial Statements of each Constituent Fund.

(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 ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') 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.

Revenue is recognised gross of any withholding taxes but excludes attributable tax credits.

(C) TREATMENT OF EXPENSES

All expenses, except for those relating to the purchase and sale of investments, are charged 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 28 September 2018, being 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.

ACCOUNTING AND DISTRIBUTION 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 28 September 2018, being the last business day of the financial year.

(G) DILUTION LEVY

The Manager may apply a dilution levy on the issue and redemption of units if, in its opinion, the existing unitholders (for sales) or remaining unitholders (for redemptions) might be adversely affected, and if in applying a dilution levy, so far as practicable, it is fair to all unitholders and potential unitholders. Typically the Manager will apply the dilution levy on each Dealing Day when there is either net sales or net redemptions.

The Manager's policy is not to charge a dilution levy in respect of the Scheme.

(H) 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.

LF TRACKER PENSION FUND MANAGER'S REPORT

for the year ended 30 September 2018

Important Information

Refer to the 'Important Information' section on pages 4 and 5.

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

24 January 2019

LF TRACKER PENSION FUND
MANAGER'S REPORT *continued*
PORTFOLIO MANAGER'S REPORT
for the year ended 30 September 2018

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.

UK equities have underperformed global indices over the last 12 months as Brexit negotiations have weighed on investor sentiment. More internationally oriented FTSE 100 stocks have outperformed mid-caps and smaller companies. The market has been led higher by energy stocks, benefitting from the recovery in the oil price. Food retailers also performed well on encouraging earnings announcements. Amongst the weakest sectors were utilities, food producers, telecoms and tobacco. 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 global economic outlook.

Outlook

Two countervailing forces have kept markets in a holding pattern recently: 1) growth in the global economy and company earnings, and 2) the ascent of populist economic policies. Trade wars continue to occupy markets' attention and although there has yet to be any major fall-out, our economists do anticipate some damage to growth over the next year, and have slightly revised down our GDP forecasts for both US and China.

LINK FUND SOLUTIONS LIMITED

Portfolio Manager
16 October 2018

LF TRACKER PENSION FUND

MANAGER'S REPORT *continued*

TRUST INFORMATION

Risk Profile

The Constituent 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 Constituent 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 Constituent 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.

LF TRACKER PENSION FUND
MANAGER'S REPORT *continued*
TRUST INFORMATION *continued*

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.

ACCUMULATION UNITS

CHANGE IN NET ASSETS PER UNIT	30.09.18 pence per unit	30.09.17 pence per unit	30.09.16 pence per unit
Opening net asset value per unit	224.74	201.48	175.28
Return before operating charges*	12.42	25.38	27.26
Operating charges	(2.31)	(2.12)	(1.06)
Return after operating charges	10.11	23.26	26.20
Distributions	(5.65)	(5.60)	(5.08)
Retained distributions on accumulation units	5.65	5.60	5.08
Closing net asset value per unit	234.85	224.74	201.48
* after direct transaction costs of: ¹	–	–	–

PERFORMANCE

Return after charges	4.50%	11.54%	14.95%
----------------------	-------	--------	--------

OTHER INFORMATION

Closing net asset value (£'000)	315,372	308,709	283,668
Closing number of units	134,284,918	137,363,222	140,790,433
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs ¹	–	–	–

PRICES

Highest unit price	243.41	227.60	203.61
Lowest unit price	215.09	197.15	161.34

Details of the distributions per unit for the year are shown in the Distribution Table on page 29.

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.

LF TRACKER PENSION FUND
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 30 September 2018

	Notes	£'000	30.09.18 £'000	£'000	30.09.17 £'000
Income:					
Net capital gains	3		5,999		24,608
Revenue	4	9,748		9,752	
Expenses	5	(2,008)		(1,918)	
Net revenue before taxation		7,740		7,834	
Taxation		—		—	
Net revenue after taxation			7,740		7,834
Total return before distributions (Accumulation)			13,739		32,442
Distributions (Accumulation)	6		(7,740)		(7,834)
Change in net assets attributable to unitholders from investment activities			5,999		24,608

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
for the year ended 30 September 2018

	Note	£'000	30.09.18 £'000	£'000	30.09.17 £'000
Opening net assets attributable to unitholders			308,709		283,668
Amounts receivable on issue of units		5,373		5,612	
Amounts payable on redemption of units		(12,355)		(12,923)	
			(6,982)		(7,311)
Change in net assets attributable to unitholders from investment activities			5,999		24,608
Retained distributions on Accumulation units	6		7,646		7,744
Closing net assets attributable to unitholders			315,372		308,709

LF TRACKER PENSION FUND
FINANCIAL STATEMENTS *continued*
BALANCE SHEET

as at 30 September 2018

Holding	Notes	£'000	30.09.18 %	£'000	30.09.17 %
ASSETS					
Fixed assets					
Investments					
141,418,294	L&G (N) Tracker Trust	311,686	98.83	304,382	98.60
Current assets					
Debtors					
	7	882	0.28	890	0.29
Cash and bank balances					
	8	8,157	2.59	7,996	2.59
Total assets		<u>320,725</u>	<u>101.70</u>	<u>313,268</u>	<u>101.48</u>
LIABILITIES					
Creditors					
Bank overdraft					
	8	(5,158)	(1.64)	(4,310)	(1.40)
Other creditors					
	9	(195)	(0.06)	(249)	(0.08)
Total liabilities		<u>(5,353)</u>	<u>(1.70)</u>	<u>(4,559)</u>	<u>(1.48)</u>
Net assets attributable to unitholders		<u>315,372</u>	<u>100.00</u>	<u>308,709</u>	<u>100.00</u>

During the year under review there were purchases and sales of units in the underlying fund of £5,849,000 and £13,045,000 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 TRACKER PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2018

1. Accounting Policies

The accounting policies described on pages 13 and 14 have been applied to the financial statements of the Constituent Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 14 have been applied to the financial statements of the Constituent Fund in the current and prior year.

3. Net Capital Gains

The net capital gains during the year comprise:

	30.09.18 £'000	30.09.17 £'000
Non-derivative securities	5,999	24,608
Net capital gains	5,999	24,608

The net capital gains figure includes realised gains of £4,078,000 and unrealised gains of £101,267,000 (30.09.17: includes realised gains of £3,440,000 and unrealised gains of £99,346,000). The realised gains on investments in the current period include amounts previously recognised as unrealised gains in the prior year.

4. Revenue

	30.09.18 £'000	30.09.17 £'000
Non-taxable dividends	8,501	7,387
AMC rebates from underlying investments	1,242	2,365
Bank interest	5	–
Total revenue	9,748	9,752

LF TRACKER PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2018

5. Expenses

	30.09.18 £'000	30.09.17 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Annual Management Charge	2,008	1,918
Total expenses	2,008	1,918

During the year, audit fees of £6,360 and VAT on audit fees of £1,272 (audit fees of £6,662 and VAT on audit fees of £1,332 as at 30 September 2017) were borne directly by the Manager.

6. Distributions

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

	30.09.18 £'000	30.09.17 £'000
Interim	5,000	4,213
Final	2,646	3,531
	7,646	7,744
Add: Revenue deducted on redemption of units	159	159
Deduct: Revenue received on issue of units	(65)	(69)
Net distributions for the year	7,740	7,834

Details of the distributions per unit are set out in the table on page 29.

7. Debtors

	30.09.18 £'000	30.09.17 £'000
Amounts receivable for issue of units	70	61
Accrued revenue:		
AMC rebates from underlying investments	812	829
Total debtors	882	890

LF TRACKER PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2018

8. Cash and Bank Balances

	30.09.18 £'000	30.09.17 £'000
Bank balances	8,157	7,996
Total cash and bank balances	8,157	7,996
Bank overdraft	5,158	4,310
Total bank overdraft	5,158	4,310

9. Other Creditors

	30.09.18 £'000	30.09.17 £'000
Amounts payable for redemption of units	31	87
Amounts payable to the Manager, associates of the Manager and agents of either of them:		
Annual Management Charge	164	162
Total other creditors	195	249

10. Related Party Transactions

Annual Management Charge, payable to Link Fund Solutions Limited ('the Manager'), is disclosed in note 5 and amounts due at the year end are 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 19 and amounts due at the year end are disclosed in notes 7 and 9.

11. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (30.09.17: none).

LF TRACKER PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2018

12. Units in Issue

	Accumulation
Annual Management Charge	1.00%
Opening units in issue	137,363,222
Issues	2,353,576
Redemptions	<u>(5,431,880)</u>
Closing units in issue	<u>134,284,918</u>

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, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management and hedging purposes.

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 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 Portfolio Manager to the Constituent 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.

(A) 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 Portfolio Manager, 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.

LF TRACKER PENSION FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 September 2018

(B) 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 takes on interest rate risk within its investment portfolio where the Manager and Portfolio Manager believe that the expected return compensates for the overall risk. The Manager and Portfolio Manager continue to monitor the level of interest rate risk posed by the Constituent Fund's underlying investments on a regular basis. As the Constituent Fund seeks to obtain its return from investing in a non-interest paying collective investment scheme and has no significant exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

(C) 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.

(D) 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 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 30 September 2018, leverage under the gross method was 0.99:1 (30.09.17: 0.99:1) and leverage under the commitment method was 1:1 (30.09.17: 1:1).

LF TRACKER PENSION FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 September 2018

(E) 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 Portfolio Manager 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.

(F) 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 £15,584,000 (30.09.17: £15,219,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

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

LF TRACKER PENSION FUND
FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 September 2018

14. Portfolio Transaction Costs

30.09.18	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Collective investment schemes	5,849	–	–	5,849
Purchases total	5,849	–	–	5,849
<i>Transaction cost % of purchases total</i>		–	–	
<i>Transaction cost % of average NAV</i>		–	–	
Collective investment schemes	13,045	–	–	13,045
Sales total	13,045	–	–	13,045
<i>Transaction cost % of sales total</i>		–	–	
<i>Transaction cost % of average NAV</i>		–	–	

Average portfolio dealing spread at 30.09.18 is 0.00% (30.09.17: 0.00%).

30.09.17	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Collective investment schemes	567	–	–	567
Purchases total	567	–	–	567
<i>Transaction cost % of purchases total</i>		–	–	
<i>Transaction cost % of average NAV</i>		–	–	
Collective investment schemes	11,029	–	–	11,029
Sales total	11,029	–	–	11,029
<i>Transaction cost % of sales total</i>		–	–	
<i>Transaction cost % of average NAV</i>		–	–	

All direct transaction costs have already been suffered by the underlying funds and therefore the Constituent Fund will not be passed these costs.

LF TRACKER PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2018

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 and prior year end are collective investment schemes categorised as Level 2.

LF TRACKER PENSION FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE

for the year ended 30 September 2018 – in pence per unit

As the Constituent Fund is a 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.

ACCUMULATION UNITS

	Distribution accumulated 31.05.18	Distribution accumulated 31.05.17
Interim	3.6801	3.0313
	Distribution accumulated 30.11.18	Distribution accumulated 30.11.17
Final	1.9704	2.5709

FURTHER INFORMATION

The table above shows the interim and 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 CORPORATE BOND PENSION FUND MANAGER'S REPORT

for the year ended 30 September 2018

Important Information

Refer to the 'Important Information' section on pages 4 and 5.

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

24 January 2019

LF CORPORATE BOND PENSION FUND

MANAGER'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the year ended 30 September 2018

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.

Returns from bond markets have been disappointing over the last 12 months, although a marked rise in equity market volatility highlighted the 'safe haven' appeal of government bonds. Sterling corporate bonds have struggled to make material headway given concerns about the impact of weaker UK economic growth on earnings, and uncertainty over the outcome of Brexit negotiations. Throughout the period we maintained duration slightly shorter than the benchmark's, a stance that supported returns as underlying yields rose. High yield exposure ended the period at 15.5% of the fund, including a 9.3% holding in the L&G High Income Trust. At September month-end we held bonds from 111 different issuers, with an average duration of 3.5 years.

Outlook

Looking ahead, the move higher in interest rates, combined with evidence of increasing inflation pressure, has the potential to undermine risky asset classes as investors factor in the accelerating removal of central bank support. Emerging markets are once again in the firing line, while geopolitical tensions (e.g. Italy, Brexit, US-China trade) are likely to have an exaggerated impact on the market. That said, global growth should remain strong for now, and the upcoming earnings season is likely to show healthy growth. Given this mixed outlook, we remain comfortable with our cautious outlook.

LINK FUND SOLUTIONS LIMITED

Portfolio Manager

16 October 2018

LF CORPORATE BOND PENSION FUND

MANAGER'S REPORT *continued*

TRUST INFORMATION

Risk Profile

As the Constituent 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.'

LF CORPORATE BOND PENSION FUND**MANAGER'S REPORT** *continued***TRUST INFORMATION** *continued***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.

ACCUMULATION UNITS

CHANGE IN NET ASSETS PER UNIT	30.09.18 pence per unit	30.09.17 pence per unit	30.09.16 pence per unit
Opening net asset value per unit	203.80	200.17	181.01
Return before operating charges*	2.37	5.64	20.24
Operating charges	(2.05)	(2.01)	(1.08)
Return after operating charges	0.32	3.63	19.16
Distributions	(5.70)	(6.03)	(6.93)
Retained distributions on accumulation units	5.70	6.03	6.93
Closing net asset value per unit	204.12	203.80	200.17
* after direct transaction costs of: ¹	–	–	–

PERFORMANCE

Return after charges	0.16%	1.81%	10.59%
----------------------	-------	-------	--------

OTHER INFORMATION

Closing net asset value (£'000)	23,106	24,018	24,337
Closing number of units	11,319,876	11,784,721	12,158,265
Operating charges	1.00%	1.00%	1.00%
Direct transaction costs ¹	–	–	–

PRICES

Highest unit price	207.54	205.00	201.10
Lowest unit price	203.58	193.78	178.90

Details of the distributions per unit for the year are shown in the Distribution Table on page 44.

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.

LF CORPORATE BOND PENSION FUND
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN

for the year ended 30 September 2018

	Notes	£'000	30.09.18 £'000	£'000	30.09.17 £'000
Income:					
Net capital losses	3		(615)		(295)
Revenue	4	809		872	
Expenses	5	(151)		(153)	
Net revenue before taxation		658		719	
Taxation		—		—	
Net revenue after taxation			658		719
Total return before distributions (Accumulation)			43		424
Distributions (Accumulation)	6		(658)		(719)
Change in net assets attributable to unitholders from investment activities			(615)		(295)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 30 September 2018

	Note	£'000	30.09.18 £'000	£'000	30.09.17 £'000
Opening net assets attributable to unitholders			24,018		24,337
Amounts receivable on issue of units		813		664	
Amounts payable on redemption of units		(1,762)		(1,404)	
			(949)		(740)
Change in net assets attributable to unitholders from investment activities			(615)		(295)
Retained distributions on Accumulation units	6		652		716
Closing net assets attributable to unitholders			23,106		24,018

LF CORPORATE BOND PENSION FUND
FINANCIAL STATEMENTS *continued*
BALANCE SHEET

as at 30 September 2018

Holding	Notes	£'000	30.09.18 %	£'000	30.09.17 %
ASSETS					
Fixed assets					
Investments					
22,741,146	Legal & General Sterling Income Fund	22,637	97.97	23,498	97.83
Current assets					
Debtors					
	7	175	0.76	153	0.64
Cash and bank balances					
	8	310	1.34	381	1.59
Total assets		<u>23,122</u>	<u>100.07</u>	<u>24,032</u>	<u>100.06</u>
LIABILITIES					
Creditors					
Other creditors					
	9	(16)	(0.07)	(14)	(0.06)
Total liabilities		<u>(16)</u>	<u>(0.07)</u>	<u>(14)</u>	<u>(0.06)</u>
Net assets attributable to unitholders		<u>23,106</u>	<u>100.00</u>	<u>24,018</u>	<u>100.00</u>

During the year under review there were purchases and sales of units in the underlying fund of £1,069,000 and £1,314,000 respectively. There are no 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 CORPORATE BOND PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2018

1. Accounting Policies

The accounting policies described on pages 13 and 14 have been applied to the financial statements of the Constituent Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 14 have been applied to the financial statements of the Constituent Fund in the current and prior year.

3. Net Capital Losses

The net capital losses during the year comprise:

	30.09.18 £'000	30.09.17 £'000
Non-derivative securities	(615)	(295)
Net capital losses	(615)	(295)

The net capital (losses) figure includes realised gains of £109,000 and unrealised gains of £1,378,000 (30.09.17: includes realised gains of £58,000 and unrealised gains of £2,102,000). The realised gains on investments in the current period include amounts previously recognised as unrealised gains in the prior year.

4. Revenue

	30.09.18 £'000	30.09.17 £'000
Interest distributions on collective investment schemes	635	636
AMC rebates from underlying investments	174	236
Total revenue	809	872

LF CORPORATE BOND PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2018

5. Expenses

	30.09.18 £'000	30.09.17 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Annual Management Charge	151	153
Total expenses	151	153

During the year, audit fees of £6,360 and VAT on audit fees of £1,272 (audit fees of £6,662 and VAT on audit fees of £1,332 as at 30 September 2017) were borne directly by the Manager.

6. Distributions

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

	30.09.18 £'000	30.09.17 £'000
Interim	348	345
Final	304	371
	652	716
Add: Revenue deducted on redemption of units	11	7
Deduct: Revenue received on issue of units	(5)	(4)
Net distributions for the year	658	719

Details of the distributions per unit are set out in the table on page 44.

7. Debtors

	30.09.18 £'000	30.09.17 £'000
Amounts receivable for issue of units	2	5

LF CORPORATE BOND PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2018

	30.09.18 £'000	30.09.17 £'000
Accrued revenue:		
Interest distributions on collective investment schemes	64	55
AMC rebates from underlying investments	99	83
	163	138
Taxation recoverable:		
Income tax	10	10
Total debtors	175	153

8. Cash and Bank Balances

	30.09.18 £'000	30.09.17 £'000
Bank balances	310	381
Total cash and bank balances	310	381

9. Other Creditors

	30.09.18 £'000	30.09.17 £'000
Amounts payable for redemption of units	4	1
Amounts payable to the Manager, associates of the Manager and agents of either of them:		
Annual Management Charge	12	13
Total other creditors	16	14

10. Related Party Transactions

Annual Management Charge 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 34 and amounts due at the year end are disclosed in notes 7 and 9.

LF CORPORATE BOND PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2018

11. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (30.09.17: none).

12. Units in Issue

	Accumulation
Annual Management Charge	1.00%
Opening units in issue	11,784,721
Issues	399,308
Redemptions	<u>(864,153)</u>
Closing units in issue	<u>11,319,876</u>

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, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management and hedging purposes.

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 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 Portfolio Manager to the Constituent 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.

(A) 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.

LF CORPORATE BOND PENSION FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 September 2018

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 Portfolio Manager, 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.

(B) 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 Sterling Income Fund 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 Legal & General Sterling Income Fund. As the Constituent Fund has no direct exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

(C) 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.

(D) 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 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 30 September 2018, leverage under the gross method was 0.98:1 and leverage under the commitment method was 1:1 (30.09.17: 0.98:1 and 1:1 respectively).

LF CORPORATE BOND PENSION FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 September 2018

(E) 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 Portfolio Manager 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.

(F) 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 £1,132,000 (30.09.17: £1,175,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

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

LF CORPORATE BOND PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2018

14. Portfolio Transaction Costs

30.09.18	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Collective investment schemes	1,069	–	–	1,069
Purchases total	1,069	–	–	1,069
<i>Transaction cost % of purchases total</i>		–	–	
<i>Transaction cost % of average NAV</i>		–	–	
Collective investment schemes	1,314	–	–	1,314
Sales total	1,314	–	–	1,314
<i>Transaction cost % of sales total</i>		–	–	
<i>Transaction cost % of average NAV</i>		–	–	

Average portfolio dealing spread at 30.09.18 is 0.00% (30.09.17: 0.00%).

30.09.17	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Collective investment schemes	543	–	–	543
Purchases total	543	–	–	543
<i>Transaction cost % of purchases total</i>		–	–	
<i>Transaction cost % of average NAV</i>		–	–	
Collective investment schemes	684	–	–	684
Sales total	684	–	–	684
<i>Transaction cost % of sales total</i>		–	–	
<i>Transaction cost % of average NAV</i>		–	–	

All direct transaction costs have already been suffered by the underlying funds and therefore the Constituent Fund will not be passed these costs.

LF CORPORATE BOND PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2018

15. Fair Value Hierarchy

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

Level 1: The unadjusted quoted price in an active market for identical assets that the Constituent Fund can access at the year end date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset, either directly or indirectly.

Level 3: Inputs are unobservable (i.e. for which market data is unavailable) for the assets.

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

LF CORPORATE BOND PENSION FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLE

for the year ended 30 September 2018 – in pence per unit

As the Constituent Fund is a 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.

ACCUMULATION UNITS

	Distribution accumulated 31.05.18	Distribution accumulated 31.05.17
Interim	3.0159	2.8851
Final	2.6868	3.1476

FURTHER INFORMATION

The table above shows the interim and 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 CASH PENSION FUND MANAGER'S REPORT

for the year ended 30 September 2018

Important Information

Refer to the 'Important Information' section on pages 4 and 5.

Investment Objective and Policy

The LF Cash 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
24 January 2019

LF CASH PENSION FUND

MANAGER'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the year ended 30 September 2018

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 Cash 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.

By the end of March, the European Union had agreed on the broad terms of the UK's two-year transition deal after leaving the bloc in March 2019. Following the announcement the MPC became more optimistic over the state of the UK economy, while mindful of a tightening labour market; however, a period of bad weather caused the economy to slow, delaying the committee's intentions.

July saw Brexit differences among the UK government graphically highlighted, after the Prime Minister attempted to get the backing of her cabinet regarding her strategy for how the UK's future customs regime would work. Following the meeting, MPs (including Brexit Secretary David Davis and Foreign Secretary Boris Johnson) resigned. As politicians returned to parliament and the October deadline for an agreement drew nearer, optimism remained low, with the Prime Minister refusing to rule out a Brexit no-deal scenario. By the end of the review period, while nothing tangible had been agreed, it appeared that the EU was adopting a more conciliatory approach.

Despite these political clouds, UK economic data continued to improve. So much so that the BoE raised interest rates by 25 basis points to 0.75% in August. The statement saw the BoE highlight the recent rebound in second quarter activity and state its confidence that the economy would progress in-line with expectations.

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. Following the November rate rise, the fund started to extend its maturity profile.

With the MPC's assertions that the weakness of the first quarter economic data was due, in part, to the 'beast from the east' and fact that all of the committee agreed that policy needed tightening, the fund adopted a more defensive stance. Following the BoE's rate rise the fund looked to increase its weighted asset maturity (WAM); however, possibly due to the summer holidays, banks were reluctant to pass on the full effect of the rate rise. As such, the fund maintained its cautious stance, by the end of the review period the fund's WAM was 49 days.

LF CASH PENSION FUND

MANAGER'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

Outlook

With low unemployment starting to produce domestically-generated inflation through higher wages, the MPC is looking to gradually tighten monetary policy. However, with Brexit negotiations still stuck on several thorny issues and the Article 50 deadline rapidly approaching it is likely the MPC will wish to wait. At the end of the review period the market had priced in a 70% chance of a rate rise by May 2019.

LINK FUND SOLUTIONS LIMITED

Portfolio Manager

17 October 2018

LF CASH PENSION FUND

MANAGER'S REPORT *continued*

TRUST INFORMATION

Risk Profile

As the Constituent 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.'

LF CASH PENSION FUND**MANAGER'S REPORT** *continued***TRUST INFORMATION** *continued***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.

ACCUMULATION UNITS

CHANGE IN NET ASSETS PER UNIT	30.09.18 pence per unit	30.09.17 pence per unit	30.09.16 pence per unit
Opening net asset value per unit	140.27	140.09	139.54
Return before operating charges*	0.81	0.61	0.98
Operating charges	(0.44)	(0.43)	(0.43)
Return after operating charges	0.37	0.18	0.55
Distributions	(0.24)	(0.27)	(0.47)
Retained distributions on accumulation units	0.24	0.27	0.47
Closing net asset value per unit	140.64	140.27	140.09
* after direct transaction costs of: ¹	–	–	–

PERFORMANCE

Return after charges	0.26%	0.13%	0.39%
----------------------	-------	-------	-------

OTHER INFORMATION

Closing net asset value (£'000)	38,059	34,985	30,363
Closing number of units	27,061,323	24,940,621	21,674,451
Operating charges	0.31%	0.31%	0.31%
Direct transaction costs ¹	–	–	–

PRICES

Highest unit price	140.63	140.29	140.09
Lowest unit price	140.25	140.08	139.57

Details of the distributions per unit for the year are shown in the Distribution Table on page 60.

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.

**LF CASH PENSION FUND
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN**

for the year ended 30 September 2018

	Notes	£'000	30.09.18 £'000	£'000	30.09.17 £'000
Income:					
Net capital gains/(losses)	3		33		(20)
Revenue	4	63		63	
Expenses	5	—		—	
Net revenue before taxation		63		63	
Taxation		—		—	
Net revenue after taxation			63		63
Total return before distributions (Accumulation)			96		43
Distributions (Accumulation)	6		(63)		(63)
Change in net assets attributable to unitholders from investment activities			33		(20)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 30 September 2018

		£'000	30.09.18 £'000	£'000	30.09.17 £'000
Opening net assets attributable to unitholders			34,985		30,363
Amounts receivable on issue of units		6,380		6,951	
Amounts payable on redemption of units		(3,403)		(2,374)	
			2,977		4,577
Change in net assets attributable to unitholders from investment activities			33		(20)
Retained distributions on Accumulation units	6		64		65
Closing net assets attributable to unitholders			38,059		34,985

LF CASH PENSION FUND
FINANCIAL STATEMENTS *continued*
BALANCE SHEET

as at 30 September 2018

Holding	Notes	£'000	30.09.18 %	£'000	30.09.17 %
ASSETS					
Fixed assets					
Investments					
25,865,285	Janus Henderson Money Market Unit Trust	37,693	99.04	34,637	99.01
Current assets					
	Debtors	59	0.15	105	0.30
	Cash and bank balances	399	1.05	318	0.91
	Total assets	<u>38,151</u>	<u>100.24</u>	<u>35,060</u>	<u>100.22</u>
LIABILITIES					
Creditors					
	Bank overdraft	(47)	(0.12)	(75)	(0.22)
	Other creditors	(45)	(0.12)	–	–
	Total liabilities	<u>(92)</u>	<u>(0.24)</u>	<u>(75)</u>	<u>(0.22)</u>
	Net assets attributable to unitholders	<u>38,059</u>	<u>100.00</u>	<u>34,985</u>	<u>100.00</u>

During the year under review there were purchases and sales of units in the underlying fund of £4,778,000 and £1,816,000 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 CASH PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2018

1. Accounting Policies

The accounting policies described on pages 13 and 14 have been applied to the financial statements of the Constituent Fund in the current and prior year.

2. Distribution Policies

The distribution policies described on page 14 have been applied to the financial statements of the Constituent Fund in the current and prior year.

3. Net Capital Gains/(Losses)

The net capital gains/(losses) during the year comprise:

	30.09.18 £'000	30.09.17 £'000
Non-derivative securities	33	(20)
Net capital gains/(losses)	33	(20)

The net capital gains/(losses) figure includes realised gains of £nil and unrealised gains of £35,000 (30.09.17: includes realised gains of £1,000 and unrealised gains of £2,000). The realised gains on investments in the current period include amounts previously recognised as unrealised gains in the prior year.

4. Revenue

	30.09.18 £'000	30.09.17 £'000
Interest distributions on collective investment schemes	62	63
Bank interest	1	–
Total revenue	63	63

5. Expenses

During the year, audit fees of £6,360 and VAT on audit fees of £1,272 (audit fees of £6,662 and VAT on audit fees of £1,332 as at 30 September 2017) were borne directly by the Manager.

LF CASH PENSION FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 September 2018

6. Distributions

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

	30.09.18 £'000	30.09.17 £'000
Interim	14	43
Final	50	22
	<u>64</u>	<u>65</u>
Add: Revenue deducted on redemption of units	1	1
Deduct: Revenue received on issue of units	<u>(2)</u>	<u>(3)</u>
Net distributions for the year	<u>63</u>	<u>63</u>

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

7. Debtors

	30.09.18 £'000	30.09.17 £'000
Amounts receivable for issue of units	19	65
Taxation recoverable:		
Income tax	40	40
Total debtors	<u>59</u>	<u>105</u>

8. Cash and Bank Balances

	30.09.18 £'000	30.09.17 £'000
Bank balances	399	318
Total cash and bank balances	<u>399</u>	<u>318</u>

LF CASH PENSION FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 September 2018

	30.09.18 £'000	30.09.17 £'000
Bank overdraft	47	75
Total bank overdraft	47	75

9. Other Creditors

	30.09.18 £'000	30.09.17 £'000
Amounts payable for redemption of units	45	–
Total other creditors	45	–

10. Related Party Transactions

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 50 and amounts due at the year end are disclosed in note 7 and 9.

11. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (30.09.17: none).

12. Units in Issue

	<i>Accumulation</i>
Annual Management Charge	–
Opening units in issue	24,940,621
Issues	4,545,414
Redemptions	<u>(2,424,712)</u>
Closing units in issue	<u>27,061,323</u>

LF CASH PENSION FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 September 2018

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, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management and hedging purposes.

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 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 Portfolio Manager to the Constituent 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.

(A) 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 Portfolio Manager, 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.

(B) 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.

LF CASH PENSION FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 September 2018

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.

(C) 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.

(D) 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 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 30 September 2018, leverage under the gross method was 0.99:1 (30.09.17: 0.99:1) and leverage under the commitment method was 1.1 (30.09.17: 1:1).

(E) 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 Portfolio Manager 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.

(F) 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.

LF CASH PENSION FUND**FINANCIAL STATEMENTS** *continued***NOTES TO THE FINANCIAL STATEMENTS** *continued*

for the year ended 30 September 2018

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 £1,885,000 (30.09.17: £1,732,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

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

14. Portfolio Transaction Costs

30.09.18	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Collective investment schemes	4,778	–	–	4,778
Purchases total	<u>4,778</u>	<u>–</u>	<u>–</u>	<u>4,778</u>
<i>Transaction cost % of purchases total</i>		–	–	
<i>Transaction cost % of average NAV</i>		–	–	
Collective investment schemes	1,816	–	–	1,816
Sales total	<u>1,816</u>	<u>–</u>	<u>–</u>	<u>1,816</u>
<i>Transaction cost % of sales total</i>		–	–	
<i>Transaction cost % of average NAV</i>		–	–	

Average portfolio dealing spread at 30.09.18 is 0.00% (30.09.17: 0.00%).

LF CASH PENSION FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 September 2018

30.09.17	Purchases/ sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
Collective investment schemes	5,617	–	–	5,617
Purchases total	<u>5,617</u>	<u>–</u>	<u>–</u>	<u>5,617</u>
<i>Transaction cost % of purchases total</i>		–	–	
<i>Transaction cost % of average NAV</i>		–	–	
Collective investment schemes	1,068	–	–	1,068
Sales total	<u>1,068</u>	<u>–</u>	<u>–</u>	<u>1,068</u>
<i>Transaction cost % of sales total</i>		–	–	
<i>Transaction cost % of average NAV</i>		–	–	

All direct transaction costs have already been suffered by the underlying funds and therefore the Constituent Fund will not be passed these costs.

LF CASH PENSION FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 September 2018

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 and prior year end are collective investment schemes categorised as Level 2.

LF CASH PENSION FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE

for the year ended 30 September 2018 – in pence per unit

As the Constituent Fund is a 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.

ACCUMULATION UNITS

	Distribution accumulated 31.05.18	Distribution accumulated 31.05.17
Interim	0.0522	0.1842
	Distribution accumulated 30.11.18	Distribution accumulated 30.11.17
Final	0.1860	0.0889

FURTHER INFORMATION

The table above shows the interim and 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

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.linkfundsolutions.co.uk/pensions. 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.



 6th Floor, 65 Gresham Street, London EC2V 7NQ

 0870 607 2555

 0870 607 2550

 linkfundsolutions.co.uk

Part of **Link Group**