



LF Stakeholder Pension Scheme

LF Tracker Pension Fund
LF Corporate Bond Pension Fund
LF Cash Pension Fund

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020



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
K.J. Midl
A.J. Stenning (appointed 17 October 2019)
A.J. Stuart

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:
Central Square
29 Wellington Street
Leeds LS1 4DL
Telephone: 0345 603 0142
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

Atria One
144 Morrison Street
Edinburgh EH3 8EX

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)

LEGAL & GENERAL STERLING INCOME FUND

(Authorised and regulated by
the Financial Conduct Authority)

LGIM STERLING LIQUIDITY PLUS FUND

(Authorised and regulated by
the Financial Conduct Authority)

MANAGER OF THE MASTER FUNDS

LEGAL & GENERAL (UNIT TRUST MANAGERS) LIMITED

TRUSTEES OF THE MASTER FUNDS

NORTHERN TRUST GLOBAL SERVICES LIMITED

NORTHERN TRUST FIDUCIARY SERVICES

INVESTMENT ADVISOR OF THE MASTER FUNDS

LEGAL & GENERAL INVESTMENT MANAGEMENT LIMITED

AUDITORS OF THE MASTER FUNDS

PRICEWATERHOUSECOOPERS LLP

KPMG LLP

CONTENTS

Manager's Report	4
Authorised Status	4
Manager's Statement	4
Important Information	5
Policy	5
Cross Holdings	5
Remuneration Policy.	5
Securities Financing Transactions	7
Value Assessment	7
Director's Statement	8
Statement of Manager's Responsibilities	9
Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of LF Stakeholder Pension Scheme.	10
Independent Auditor's Report to the Unitholders of LF Stakeholder Pension Scheme	11
Accounting and Distribution Policies applicable to all Constituent Funds.	14

CONTENTS *continued*

LF TRACKER PENSION FUND

Manager's Report	17
Investment Objective and Policy	17
Benchmark	17
Portfolio Manager's Report	18
Trust Information	19

FINANCIAL STATEMENTS

Statement of Total Return	21
Statement of Change in Net Assets Attributable to Unitholders	21
Balance Sheet.	22
Notes to the Financial Statements	23
Distribution Table	30

LF CORPORATE BOND PENSION FUND

Manager's Report	31
Investment Objective and Policy	31
Benchmark	31
Portfolio Manager's Report	32
Trust Information	33

FINANCIAL STATEMENTS

Statement of Total Return	35
Statement of Change in Net Assets Attributable to Unitholders	35
Balance Sheet.	36
Notes to the Financial Statements	37
Distribution Table	44

CONTENTS *continued*

LF CASH PENSION FUND

Manager's Report	45
Investment Objective and Policy	45
Benchmark	46
Portfolio Manager's Report	47
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	58
General Information	59

MANAGER'S REPORT

for the year ended 30 September 2020

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.

Manager's Statement

COVID-19

The outbreak of COVID-19, declared by the World Health Organisation as a pandemic on 11 March 2020, caused significant disruption to business and economic activity which was reflected in the fluctuations seen in the global stock markets. In the period since its initial emergence and the global recognition of the seriousness of the pandemic, there were sharp declines in asset prices. As various national governments sought to provide financial support and stimulus to their economies and after the initial success of the global responses to constrain the spread of COVID-19, there followed a period of recovery. However, the fear of a second wave of COVID-19 meant this recovery was fragile and the now increasing global emergence of the second wave of COVID-19 and its ramifications on the global economy are being reassessed with the consequence that the initial recovery is now in retreat. This, when combined with the initial reaction seen in the markets, will further compound the most dramatic global recession seen in living memory. How this will translate into future asset pricing is dependent on the ability of governments, society and business to operate in the post COVID-19 world until such time that an effective global immunisation programme is implemented. Until such time all indicators are that the period of instability will exist well into 2021.

MANAGER'S REPORT *continued*

Important Information

With effect from 7 August 2019, amendments were made to the wording of the Investment Objective and Policy of the Underlying Funds held by the Constituent Funds as detailed below:

- L&G (N) Tracker Trust, which is the Underlying Fund held by LF Tracker Pension Fund; and
- Legal & General Sterling Income Fund, which is the Underlying Fund held by LF Corporate Bond Pension Fund.

With effect from 7 August 2019, the comparator benchmark changed for the Legal & General Sterling Income Fund, which is the Underlying Fund held by LF Corporate Bond Pension Fund.

Policy

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

The Underlying Funds are L&G (N) Tracker Trust, Legal & General Sterling Income Fund and LGIM Sterling Liquidity Plus Fund.

Cross Holdings

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

Remuneration Policy

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

None of LFSL's staff receives remuneration based on the performance of any individual fund.

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 may 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

MANAGER'S REPORT *continued*

Remuneration Policy *continued*

company Link Fund Administrators Limited (LFAL) or by employees of that entity), and excludes activities undertaken by third party investment management firms. LFSL staff do not perform duties in respect of particular AIFs, nor are they remunerated by reference to the performance of any individual AIF. Accordingly, the information below is for LFSL as a whole. No attempt has been made to attribute remuneration to the Scheme itself.

Information on LFSL's remuneration arrangements is collated annually, as part of its statutory accounts preparation processes. Accordingly, the information disclosed relates to the year ended 30 June 2020, being the most recent accounting period which accounts have been prepared for LFSL prior to the production of these accounts. As at 30 June 2020, LFSL operated 107 UCITS and 93 AIFs, whose respective assets under management ('AuM') were £41,011 million and £37,140 million. The Scheme was valued at £334 million as at that date and represented 0.43% of LFSL's total AuM and 0.90% 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.

2020	Number of beneficiaries	Fixed £'000	Variable £'000	Total £'000
Total amount of remuneration paid by LFSL for the financial year to 30 June 2020	165	6,573	635	7,208
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 30 June 2020				
Senior management (including all Board members)	6	609	215	824
Staff engaged in control functions	4	371	30	401
Risk takers and other identified staff	15	1,327	164	1,491
Any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers	–	–	–	–

LFSL's remuneration arrangement includes fixed salaries, contributory pension arrangements and certain other benefits, and the potential for discretionary bonuses. The amount available for payment of discretionary bonuses is dependent on satisfactory performance by LFSL, and the Link Group as a whole, rather than the performance of any individual fund. Bonuses may then be paid to staff to reflect their contribution to LFSL's success. The precise metrics used will vary by function, but consideration is given to both qualitative and quantitative measures.

Further details can be found at:

www.linkfundsolutions.co.uk/assets/media/LFS_Explanation_of_Compliance_with_Remuneration_Code.pdf.

MANAGER'S REPORT *continued*

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.

Value Assessment

In accordance with current Financial Conduct Authority rules, the Manager is required to carry out an annual assessment on whether the Scheme provides value to investors. The outcome of this assessment is published on the Manager's website.

LINK FUND SOLUTIONS LIMITED

Manager of LF Stakeholder Pension Scheme
29 January 2021

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

K. J. MIDL

LINK FUND SOLUTIONS LIMITED

Manager of LF Stakeholder Pension Scheme

29 January 2021

STATEMENT OF MANAGER'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook published by the Financial Conduct Authority ('the COLL Sourcebook'), and the Investment Funds Sourcebook (the 'FUND Sourcebook'), as applicable, requires the Manager to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Scheme, comprising each of its Constituent Funds and of the net revenue/expense and net capital gains/losses on the property of the Scheme's Constituent Funds for the year.

In preparing the financial statements the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Scheme and its Constituent Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Scheme or its Constituent Funds or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Scheme in accordance with its Trust Deed, the Prospectus, the COLL and FUND Sourcebook..

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

29 January 2021

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 2020 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 Constituent Funds, the accounting policies of the Scheme, the related notes for each Constituent 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 Constituent Funds as at 30 September 2020 and of the net revenue and the net capital losses on the scheme property of the Scheme comprising each of its Constituent Funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting standard applicable in the UK and Republic of Ireland'.

Basis for Opinion

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

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

Conclusions Relating to Going Concern

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

- the 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 Trust Deed;
- 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 9, 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

Edinburgh

29 January 2021

ACCOUNTING AND DISTRIBUTION POLICIES APPLICABLE TO ALL CONSTITUENT FUNDS

for the year ended 30 September 2020

1. Accounting Policies Attributable to all Constituent Funds

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.

These financial statements are prepared on a going concern basis. The Manager has made an assessment of each Constituent Fund's ability to continue as a going concern, and is satisfied they have the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment is made as at the date of issue of these financial statements and considers liquidity, declines in global capital markets, known redemption levels, expense projections, key service provider's operational resilience, and the impact of COVID-19. The Manager also considered each Constituent Fund's continued ability to meet ongoing costs, and is satisfied they have the resources to meet these costs and to continue in business.

(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) ALLOCATION OF REVENUE AND EXPENSES TO MULTIPLE UNIT CLASSES AND CONSTITUENT FUNDS

Any revenue or expense not directly attributable to a particular unit class or Constituent Fund will normally be allocated pro-rata to the net assets of the relevant unit classes and Constituent Funds, unless a different allocation method is deemed more appropriate by the Manager.

ACCOUNTING AND DISTRIBUTION POLICIES APPLICABLE TO ALL CONSTITUENT FUNDS *continued*

All unit classes are ranked pari passu and have no particular rights or terms attached, including rights on winding up.

(E) 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.

(F) BASIS OF VALUATION OF INVESTMENTS

All investments are valued at their fair value as at close of business on the last business day of the financial year.

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

(G) EXCHANGE RATES

The base and functional currency of each Constituent Fund is pounds sterling. Transactions in foreign currencies are recorded in sterling at the rate ruling at the date of the transactions. Assets and liabilities expressed in foreign currencies at the end of the accounting period are translated into sterling at close of business on the last business day of the financial year.

(H) 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.

(I) 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.

ACCOUNTING AND DISTRIBUTION POLICIES APPLICABLE TO ALL CONSTITUENT FUNDS *continued*

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 2020

Investment Objective and Policy

The LF Tracker Pension Fund ("the Constituent Fund") is invested in the L&G (N) Tracker Trust where investment management is provided by Legal & General Investment Management Limited. The objective of the L&G (N) Tracker Trust is to provide growth by tracking the capital performance of the FTSE All Share Index, the Benchmark Index. This objective is after the deduction of charges and taxation.

The Benchmark Index is comprised of shares in companies in the UK in accordance with the index provider's methodology. Such shares in companies are from all economic sectors.

The L&G (N) Tracker Trust is a Replicating Fund as it seeks to replicate as closely as possible the constituent of the Benchmark Index by holding all, or substantially all, of the assets comprising the Benchmark Index in similar proportions to their weightings in the Benchmark Index. The L&G (N) Tracker Trust will have at least 90% exposure to assets that are included in the Benchmark Index.

The L&G (N) Tracker Trust may also invest in shares in companies which are reasonably expected to become part of Benchmark Index in the near future or are an alternative to a constituent of the Benchmark Index and collective investment schemes, including those managed or operated by the Manager or any associate of the Manager as well as money market instruments (such as treasury bills), cash and permitted deposits.

The L&G (N) Tracker Trust may only use derivatives for Efficient Portfolio Management Purpose.

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.

Benchmark

The Constituent Fund's target benchmark is the FTSE All-Share Total Return Index.

The FTSE All-Share Total Return Index has been selected as the Constituent Fund's target benchmark as it represents a broad exposure to companies listed on the London Stock Exchange which is in line with the investment policy of the Constituent Fund and the underlying fund it invests in.

LINK FUND SOLUTIONS LIMITED

Manager of LF Tracker Pension Fund

29 January 2021

LF TRACKER PENSION FUND

MANAGER'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the year ended 30 September 2020

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 Legal & General Tracker Trust is focused on the aim of achieving close and efficient tracking of its benchmark.

UK equities generated negative returns over the review period, underperforming global counterparts. The final quarter of 2019 was positive for the asset class, which benefited from an improvement in sentiment in December following the decisive result of the general election. Nevertheless in 2020 the mood altered swiftly, on account of the dispute over oil supply between Russia and Saudi Arabia, which caused the price of oil to plummet, and due to the increasing spread of the coronavirus and the drastic measures taken in many countries across the world in order to contain it. Equity markets fell dramatically from mid-February to mid-March, beginning to recover only at the end of March following significant fiscal and monetary stimulus in many leading economies.

The Bank of England announced and swiftly commenced a corporate bond purchase programme, which was further supported by a wide-reaching fiscal stimulus package from the UK government. This served to quell short-term market fears and prop up riskier asset classes. Although global equities staged an impressive come-back, most of this was attributable to the stronger performance of a small number of technology stocks, rather than being representative of a broader recovery. Despite a recovery a lockdown measures were lifted in the second quarter, looming fears of a resurgence of the virus darkened the horizons during September which, coupled with protracted uncertainty about Brexit and repeated failures to agree important trade deals, hampered UK equities.

Outlook

As we reach the end of the third quarter of a challenging year, markets are in a better position than at the end of the first quarter. However, we are still experiencing market volatility, and a number of sectors remain underwater as a result of the impact of COVID-19 on global economies. We remain concerned about the risk of second waves of COVID-19, but there is increased optimism around the potential for an effective vaccine by mid-2021. The risk of a genuine relapse of the economy during a second wave is now lower thanks to a better understanding of the virus, more effective treatment and better targeted social distancing measures. Governments around the world have indicated they would be very reluctant to impose another round of damaging lockdowns. We will continue to monitor virus developments and the associated economic spill-overs; signs of economic scarring and bankruptcies are likely to emerge as emergency fiscal support is withdrawn.

LINK FUND SOLUTIONS LIMITED

Portfolio Manager
15 October 2020

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	30.09.20 pence per unit	30.09.19 pence per unit	30.09.18 pence per unit
Opening net asset value per unit	239.06	234.85	224.74
Return before operating charges*	(38.00)	6.49	12.42
Operating charges	(2.19)	(2.28)	(2.31)
Return after operating charges	(40.19)	4.21	10.11
Distributions	(7.10)	(6.93)	(5.65)
Retained distributions on accumulation units	7.10	6.93	5.65
Closing net asset value per unit	198.87	239.06	234.85
* after direct transaction costs of: ¹	–	–	–

PERFORMANCE

Return after charges	(16.81)%	1.79%	4.50%
----------------------	----------	-------	-------

OTHER INFORMATION

Closing net asset value (£'000)	254,586	311,793	315,372
Closing number of units	128,019,159	130,425,073	134,284,918
Operating charges	1.01% ²	1.00%	1.00%
Direct transaction costs ¹	–	–	–

PRICES

Highest unit price	251.17	243.93	243.41
Lowest unit price	163.46	207.61	215.09

Details of the distributions per unit for the year are shown in the Distribution Table on page 30.

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

² The Manager has agreed on a discretionary basis, to waive a portion of their fee, to seek to achieve an ongoing charges figure of 1.00%. For the year to 30 September 2020, there was an accounting adjustment resulting in the operating charges figure of 1.01%.

LF TRACKER PENSION FUND
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 30 September 2020

	Notes	£'000	30.09.20 £'000	£'000	30.09.19 £'000
Income:					
Net capital losses	3		(60,947)		(3,984)
Revenue	4	11,032		11,197	
Expenses	5	(1,795)		(1,931)	
Interest payable and similar charges	6	—		(1)	
Net revenue before taxation		9,237		9,265	
Taxation		—		—	
Net revenue after taxation			9,237		9,265
Total return before distributions (Accumulation)			(51,710)		5,281
Distributions (Accumulation)	7		(9,237)		(9,265)
Change in net assets attributable to unitholders from investment activities			(60,947)		(3,984)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
for the year ended 30 September 2020

	Note	£'000	30.09.20 £'000	£'000	30.09.19 £'000
Opening net assets attributable to unitholders			311,793		315,372
Amounts receivable on issue of units		4,816		4,617	
Amounts payable on redemption of units		(10,212)		(13,337)	
			(5,396)		(8,720)
Change in net assets attributable to unitholders from investment activities			(60,947)		(3,984)
Retained distributions on Accumulation units	7		9,136		9,125
Closing net assets attributable to unitholders			254,586		311,793

LF TRACKER PENSION FUND

FINANCIAL STATEMENTS *continued*

BALANCE SHEET

as at 30 September 2020

Holding	Notes	£'000	30.09.20 %	£'000	30.09.19 %
ASSETS					
Fixed assets					
Investments					
135,733,461	L&G (N) Tracker Trust	252,735	99.27	307,015	98.47
Current assets					
Debtors					
	8	980	0.39	2,257	0.72
Cash and cash equivalents					
	9	1,360	0.53	8,270	2.65
Total assets		<u>255,075</u>	<u>100.19</u>	<u>317,542</u>	<u>101.84</u>
LIABILITIES					
Creditors					
Bank overdraft					
		–	–	(5,309)	(1.70)
Other creditors					
	10	(489)	(0.19)	(440)	(0.14)
Total liabilities		<u>(489)</u>	<u>(0.19)</u>	<u>(5,749)</u>	<u>(1.84)</u>
Net assets attributable to unitholders		<u>254,586</u>	<u>100.00</u>	<u>311,793</u>	<u>100.00</u>

During the year under review there were purchases and sales of units in the underlying fund of £6,172,000 and £9,211,000 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
for the year ended 30 September 2020

1. Accounting Policies

The accounting policies described on pages 14 and 15 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 16 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:

	30.09.20 £'000	30.09.19 £'000
Non-derivative securities	(60,947)	(3,984)
Net capital losses	(60,947)	(3,984)

The net capital losses figure includes realised gains of £2,119,000 and unrealised gains of £31,176,000 (30.09.19: includes realised gains of £3,041,000 and unrealised gains of £94,242,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

4. Revenue

	30.09.20 £'000	30.09.19 £'000
Non-taxable dividends	9,707	9,734
AMC rebates from underlying investments	1,317	1,446
Bank interest	8	17
Total revenue	11,032	11,197

LF TRACKER PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2020

5. Expenses

	30.09.20 £'000	30.09.19 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Annual Management Charge	1,795	1,931
Total expenses	1,795	1,931

During the year, all fees and expenses (plus the VAT thereon) other than the annual management charge were borne directly by the Manager.

6. Interest Payable and Similar Charges

	30.09.20 £'000	30.09.19 £'000
Interest payable	–	1
Total interest payable and similar charges	–	1

7. Distributions

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

	30.09.20 £'000	30.09.19 £'000
Interim	5,754	5,169
Final	3,382	3,956
	9,136	9,125
Add: Revenue deducted on redemption of units	175	208
Deduct: Revenue received on issue of units	(74)	(68)
Net distributions for the year	9,237	9,265

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

LF TRACKER PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2020

8. Debtors

	30.09.20 £'000	30.09.19 £'000
Amounts receivable for issue of units	2	–
Accrued revenue:		
AMC rebates from underlying investments	978	2,257
Total debtors	980	2,257

9. Cash and Cash Equivalents

	30.09.20 £'000	30.09.19 £'000
Bank balances	1,360	8,270
Total cash and cash equivalents	1,360	8,270
Bank overdraft	–	5,309
Total bank overdraft	–	5,309

10. Other Creditors

	30.09.20 £'000	30.09.19 £'000
Amounts payable for redemption of units	212	278
Accrued expenses:		
Amounts payable to the Manager, associates of the Manager and agents of either of them:		
Annual Management Charge	277	162
Total other creditors	489	440

LF TRACKER PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2020

11. Related Party Transactions

The 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 10. The AMC rebates from underlying investments, receivables from the Manager, are disclosed in note 4 and amounts due at the year end are disclosed in note 8.

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

12. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (30.09.19: none).

13. Units in Issue

	Accumulation
Annual Management Charge	1.00%
Opening units in issue	130,425,073
Issues	2,318,114
Redemptions	<u>(4,724,028)</u>
Closing units in issue	<u>128,019,159</u>

14. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) purposes.

LF TRACKER PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2020

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.

The Constituent Fund invests in the L&G (N) Tracker 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 L&G (N) Tracker Trust. 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.

LF TRACKER PENSION FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 September 2020

(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 2020, leverage under the gross method was 0.99:1 (30.09.19: 0.98:1) and leverage under the commitment method was 1:1 (30.09.19: 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.

The Manager monitors the liquidity profile of the Constituent Fund on a daily basis. In assessing the liquidity profile of the Constituent Fund, the Manager assesses how much of the Constituent Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile. In assessing the liquidity of a company's shares, the Manager utilises the lower of the 5 and 30 day average market volume of that company's shares. Where a risk is identified then a more in depth review is undertaken to establish its significance, by assessing the liquidity profile of the Constituent Fund against a 25% market participation of the average daily volume. Based on this analysis 100% of the portfolio can be liquidated within 5 days and 100% within 30 days. Given this and the Manager's understanding of the investor base, it is considered that the liquidity profile of the Constituent Fund is appropriate.

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 TRACKER PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2020

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 £12,637,000 (30.09.19: £15,351,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

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

15. Portfolio Transaction Costs

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

16. Fair Value Hierarchy

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

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

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

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

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

17. Subsequent Events

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak a pandemic. In the immediate aftermath, global markets experienced a period of significant volatility which negatively impacted the performance of the Constituent Fund at the balance sheet date. Subsequent to that date and whilst markets have remained relatively volatile there has, in the period until the account signing date, been a general recovery in the markets.

This means that since the balance sheet date the price of the Constituent Fund's unit class has moved by 16.32% as at 22 January 2021.

LF TRACKER PENSION FUND
FINANCIAL STATEMENTS *continued*
DISTRIBUTION TABLE

for the year ended 30 September 2020 – 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 31.05.20	Distribution accumulated 31.05.19
Interim	4.4629	3.8936
	Distribution accumulated 30.11.20	Distribution accumulated 30.11.19
Final	2.6417	3.0334

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 2020

Investment Objective and Policy

The LF Corporate Bond Pension Fund ('the Constituent Fund') is invested in the Legal & General Sterling Income Fund where investment management is provided by Legal & General Investment Management Limited. The objective of the Legal & General Sterling Income Fund is to provide income consistent with preservation of capital.

The Legal & General Sterling Income Fund is actively managed and will invest at least 80% in investment grade bonds (corporate and government) from UK and overseas issuers. These are bonds with a credit rating from a nationally recognised statistical rating organisation (NRSRO) or non-rated bonds that are deemed equivalent by the Manager. The Legal & General Sterling Income Fund may hold up to 20% in sub-investment grade bonds. Non-Sterling currency is hedged to sterling and interest rate risk exposure is also hedged.

The Legal & General Sterling Income Fund may also invest in cash, permitted deposits, money market instruments (such as treasury bills), collective investment schemes, including those which are operated by the Manager or an associate of the manager and securities with bond features such as contingent convertible bonds.

The Legal & General Sterling Income Fund may only hold derivatives for the purpose of Efficient Portfolio Management.

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.

Benchmark

The Constituent Fund's comparator benchmark is the iBoxx GBP Corporates 1-5 Year Index.

The Constituent Fund's performance may be compared against the iBoxx GBP Corporates 1-5 Year Index. The comparator benchmark has been selected as we consider it assists investors in evaluating the Constituent Fund's performance against the performance of other funds invested in similar assets.

LINK FUND SOLUTIONS LIMITED

Manager of LF Corporate Bond Pension Fund
29 January 2021

LF CORPORATE BOND PENSION FUND

MANAGER'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the year ended 30 September 2020

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 portfolio has a dual objective of delivering a 2.75% distribution yield and maintaining capital over the medium term.

Having been low and remained broadly range-bound for much of 2019, sterling investment-grade credit spreads rose sharply during March 2020 in response to the downward lurch of markets as the coronavirus spread and lockdown measures were implemented around the world. This took place in the context of already ultra-low interest rates, leaving less room for central banks to support economies, and already highly-indebted governments, limiting fiscal support. Nevertheless, monetary and fiscal support packages have been announced in many leading economies. In the UK, the announcement of the Bank of England's corporate bond purchase programme and interest rate cut to 0.1%, along with the government's fiscal support package, helped to stabilise credit spreads into the end of March and support markets through the second quarter, during which returns from sterling credit were strong. Returns eased off slightly over the third quarter as concerns over Brexit, a resurgence of virus cases and concerns over the strength and trajectory of the economic recovery dampened sentiment.

During the final quarter of 2019, we had increased the overweight to UK utilities and telecoms whilst sharply reducing the underweight to UK financial risk in both banks and insurers. Immediately after the sell-off experienced in March 2020, we sought to add risk gradually and selectively in sectors and names that moved to being attractively valued, and to take advantage of potential opportunities in the market dislocation. Whilst we started the second quarter of 2020 with a positive view on the outlook for investment grade credit, given sharp moves in valuations, we became more defensive as valuations tightened towards pre-COVID-19 levels during the third quarter, and as the economic outlook became more concerning amid the second wave of virus infections in Europe.

Outlook

Looking ahead, there are a number of key events in the coming weeks that are likely to influence markets, notably the US election, a second wave of the virus, Brexit negotiations, vaccine development and the next US fiscal package. Given that valuations are no longer cheap, this uncertainty makes us more cautious. Nevertheless, central banks continue implicitly and explicitly to support markets, which leaves us neutrally positioned across global credit markets in general.

LINK FUND SOLUTIONS LIMITED

Portfolio Manager

21 October 2020

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	30.09.20 pence per unit	30.09.19 pence per unit	30.09.18 pence per unit
Opening net asset value per unit	213.08	204.12	203.80
Return before operating charges*	5.48	11.03	2.37
Operating charges	(2.20)	(2.07)	(2.05)
Return after operating charges	3.28	8.96	0.32
Distributions	(4.95)	(5.94)	(5.70)
Retained distributions on accumulation units	4.95	5.94	5.70
Closing net asset value per unit	216.36	213.08	204.12
* after direct transaction costs of: ¹	–	–	–

PERFORMANCE

Return after charges	1.54%	4.39%	0.16%
----------------------	-------	-------	-------

OTHER INFORMATION

Closing net asset value (£'000)	22,658	23,301	23,106
Closing number of units	10,472,272	10,935,614	11,319,876
Operating charges	1.03% ²	1.00%	1.00%
Direct transaction costs ¹	–	–	–

PRICES

Highest unit price	218.04	213.23	207.54
Lowest unit price	199.82	201.42	203.58

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.

² The Manager has agreed on a discretionary basis, to waive a portion of their fee, to seek to achieve an ongoing charges figure of 1.00%. For the year to 30 September 2020, there was an accounting adjustment resulting in the operating charges figure of 1.03%.

LF CORPORATE BOND PENSION FUND
FINANCIAL STATEMENTS
STATEMENT OF TOTAL RETURN
for the year ended 30 September 2020

	Notes	£'000	30.09.20 £'000	£'000	30.09.19 £'000
Income:					
Net capital (losses)/gains	3		(186)		331
Revenue	4	679		810	
Expenses	5	(147)		(148)	
Net revenue before taxation		532		662	
Taxation		—		—	
Net revenue after taxation			532		662
Total return before distributions (Accumulation)			346		993
Distributions (Accumulation)	6		(532)		(662)
Change in net assets attributable to unitholders from investment activities			(186)		331

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
for the year ended 30 September 2020

	Note	£'000	30.09.20 £'000	£'000	30.09.19 £'000
Opening net assets attributable to unitholders			23,301		23,106
Amounts receivable on issue of units		674		723	
Amounts payable on redemption of units		(1,655)		(1,516)	
			(981)		(793)
Change in net assets attributable to unitholders from investment activities			(186)		331
Retained distributions on Accumulation units	6		524		657
Closing net assets attributable to unitholders			22,658		23,301

LF CORPORATE BOND PENSION FUND

FINANCIAL STATEMENTS *continued*

BALANCE SHEET

as at 30 September 2020

Holding	Notes	£'000	30.09.20 %	£'000	30.09.19 %	
ASSETS						
Fixed assets						
Investments						
22,198,797	Legal & General Sterling Income	22,244	98.17	22,820	97.94	
Current assets						
	Debtors	7	292	1.29	342	1.47
	Cash and cash equivalents	8	254	1.12	183	0.78
	Total assets		<u>22,790</u>	<u>100.58</u>	<u>23,345</u>	<u>100.19</u>
LIABILITIES						
Creditors						
	Other creditors	9	(132)	(0.58)	(44)	(0.19)
	Total liabilities		<u>(132)</u>	<u>(0.58)</u>	<u>(44)</u>	<u>(0.19)</u>
	Net assets attributable to unitholders		<u>22,658</u>	<u>100.00</u>	<u>23,301</u>	<u>100.00</u>

During the year under review there were purchases and sales of units in the underlying fund of £1,031,000 and £1,421,000 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
for the year ended 30 September 2020

1. Accounting Policies

The accounting policies described on pages 14 and 15 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 16 have been applied to the financial statements of the Constituent Fund in the current and prior year.

3. Net Capital (Losses)/Gains

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

	30.09.20 £'000	30.09.19 £'000
Non-derivative securities	(186)	331
Net capital (losses)/gains	(186)	331

The net capital losses figure includes realised gains of £85,000 and unrealised gains of £1,393,000 (30.09.19: includes realised gains of £45,000 and unrealised gains of £1,664,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

4. Revenue

	30.09.20 £'000	30.09.19 £'000
Interest distributions on collective investment schemes	508	625
AMC rebates from underlying investments	171	185
Total revenue	679	810

LF CORPORATE BOND PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2020

5. Expenses

	30.09.20 £'000	30.09.19 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Annual Management Charge	147	148
Total expenses	147	148

During the year, all fees and expenses (plus the VAT thereon) other than the annual management charge 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:

	30.09.20 £'000	30.09.19 £'000
Interim	267	319
Final	257	338
	524	657
Add: Revenue deducted on redemption of units	10	10
Deduct: Revenue received on issue of units	(2)	(5)
Net distributions for the year	532	662

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

7. Debtors

	30.09.20 £'000	30.09.19 £'000
Amounts receivable for issue of units	2	-
Sales awaiting settlement	103	-

LF CORPORATE BOND PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2020

	30.09.20 £'000	30.09.19 £'000
Accrued revenue:		
Interest distributions on collective investment schemes	43	48
AMC rebates from underlying investments	134	284
	177	332
Taxation recoverable:		
Income tax	10	10
Total debtors	292	342

8. Cash and Cash Equivalents

	30.09.20 £'000	30.09.19 £'000
Bank balances	254	183
Total cash and cash equivalents	254	183

9. Other Creditors

	30.09.20 £'000	30.09.19 £'000
Amounts payable for redemption of units	108	31
Accrued expenses:		
Amounts payable to the Manager, associates of the Manager and agents of either of them:		
Annual Management Charge	24	13
Total other creditors	132	44

10. Related Party Transactions

The 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 AMC rebates from underlying investments, receivable from the Manager, are disclosed in note 4 and amounts due at the year end are disclosed in note 7.

LF CORPORATE BOND PENSION FUND
FINANCIAL STATEMENTS *continued*
NOTES TO THE FINANCIAL STATEMENTS *continued*
for the year ended 30 September 2020

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 35 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 (30.09.19: none).

12. Units in Issue

	Accumulation
Annual Management Charge	1.00%
Opening units in issue	10,935,614
Issues	318,029
Redemptions	<u>(781,371)</u>
Closing units in issue	<u>10,472,272</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 Constituent 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 2020

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 2020, leverage under the gross method was 0.98:1 and leverage under the commitment method was 1:1 (30.09.19: 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 2020

(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.

The Manager monitors the liquidity profile of the Constituent Fund on a daily basis. In assessing the liquidity profile of the Constituent Fund, the Manager assesses how much of the Constituent Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile. In assessing the liquidity of a company's shares, the Manager utilises the lower of the 5 and 30 day average market volume of that company's shares. Where a risk is identified then a more in depth review is undertaken to establish its significance, by assessing the liquidity profile of the Constituent Fund against a 25% market participation of the average daily volume. Based on this analysis 100.00% of the portfolio can be liquidated within 5 days and 100.00% within 30 days. Given this and the Managers understanding of the investor base, it is considered that the liquidity profile of the Constituent Fund is appropriate.

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 £1,112,000 (30.09.19: £1,141,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

The Constituent Fund held no derivatives in 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 2020

14. Portfolio Transaction Costs

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

15. Fair Value Hierarchy

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

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

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

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

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 2020 – 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 31.05.20	Distribution accumulated 31.05.19
Interim	2.4901	2.8514
	Distribution accumulated 30.11.20	Distribution accumulated 30.11.19
Final	2.4586	3.0879

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 2020

Investment Objective and Policy

The LF Cash Pension Fund ('the Constituent Fund') is invested in the LGIM Sterling Liquidity Plus Fund. The principal investment objective of the LGIM Sterling Liquidity Plus Fund is to preserve capital and generate income.

In seeking to achieve the investment objective, the LGIM Sterling Liquidity Plus Fund may invest in a diversified portfolio of:

- money market instruments (including but not limited to certificates of deposits, commercial paper and treasury bills);
- fixed and floating rate securities issued or guaranteed by banks or other corporations, governments or supranationals (including but not limited to the following; asset backed securities, mortgage backed securities, Eurobonds, government bonds, supranational bonds, corporate bonds etc.) and which are rated investment grade or sub-investment by Standard & Poor's or another internationally recognised credit rating agency;
- shares of other open-ended collective investment schemes constituted as UCITS (including shares of the LGIM Sterling Liquidity Fund, a sub-fund of the LGIM Liquidity Funds plc);
- deposits with credit institutions.

With the exception of permitted investment in unlisted securities, the LGIM Sterling Liquidity Plus Fund will only invest in securities that are listed or traded on a Recognised Exchange (as defined in the prospectus of the LGIM Sterling Liquidity Plus Fund). The LGIM Sterling Liquidity Plus Fund does not have any specific geographic or sector focus and is not required to invest any particular percentage of its Net Asset Value in any type of investment outlined above.

The LGIM Sterling Liquidity Plus Fund measures its performance against the 3-month Sterling LIBOR (hereinafter referred to as the 'LGIM Sterling Liquidity Plus Fund Benchmark'). The LGIM Sterling Liquidity Plus Fund may at any time change the LGIM Sterling Liquidity Plus Fund Benchmark in certain circumstances and any change will be disclosed in the annual or half-yearly report of the LGIM Sterling Liquidity Plus Fund issued subsequent to such change.

Further Information regarding the LGIM Sterling Liquidity Plus Fund is detailed in its prospectus, a copy of which is available from https://fundcentres.lgim.com/srp/lit/7ZjEZ7/Prospectus_LGIM-Liquidity-Funds-plc_25-05-2018_Multi-Audience.pdf.

LF CASH PENSION FUND

MANAGER'S REPORT *continued*

Benchmark

The Constituent Fund's comparator benchmark is the 3-Month Sterling LIBOR.

The Constituent Fund's performance may be compared against the 3-Month Sterling LIBOR which may assist investors in evaluating the Constituent Fund's performance when compared with returns available from cash.

LINK FUND SOLUTIONS LIMITED

Manager of LF Cash Pension Fund

29 January 2021

LF CASH PENSION FUND

MANAGER'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the year ended 30 September 2020

Investment Review (Provided by Legal & General Investment Management)

The following information relates to the LGIM Sterling Liquidity Plus Fund, the underlying Collective Investment Scheme of the LF Cash Pension Fund.

Investment Activity and Market Review

Sterling money market rates across maturities fell during the review period. Sterling money market rates rose during the fourth quarter of 2019; investors scaled back expectations for UK interest rate cuts during October as the EU granted an extension to the withdrawal date to 20 January 2020, and a general election was announced for December, which resulted in a decisive Conservative victory.

Nevertheless, during 2020 the backdrop changed significantly and sterling money market rates plunged from mid-February, hitting a nadir in mid-March, on account of the measures taken to contain the spreads of the coronavirus. The Bank of England cut rates from 0.25% to 0.1%, their lowest level in its 350-year history, and announced a £200bn package of corporate bond purchases as part of its efforts to stabilise markets. The UK government subsequently followed, with a substantial fiscal package. The extraordinary levels of monetary support served to keep bond yields and money market rates at low levels throughout the remainder of the review period.

Outlook

We expect the virus to continue to circulate through the course of the rest of the year. We still expect an extension of the Bank of England's quantitative easing programme, probably in November or December of this year. Regarding Brexit, there is still some risk of a disruptive outcome. On a global scale, while the economic shock was far greater than a normal recession, the policy response has also been on a much larger scale, and private sector balance sheets were in reasonable shape before the virus. However, there will be some permanent scarring from businesses which have been forced to close.

LINK FUND SOLUTIONS LIMITED

Portfolio Manager

15 October 2020

LF CASH PENSION FUND

MANAGER'S REPORT *continued*

TRUST INFORMATION

Risk Profile

As the Constituent Fund invests directly in the LGIM Sterling Liquidity Plus Fund, the former is exposed to a number of risks as disclosed in the Prospectus and KIID of the underlying fund and the notable ones can be summarised as:

Credit Risk – there can be no assurance that issuers of the securities or other instruments in which a fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. Funds will also be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default. They may also be fixed and floating rate securities issued or guaranteed by banks, other companies, government and supranational organisations. These will be rated by recognised ratings agencies as investment grade (rated as lower risk). Credit ratings give an indication of how likely it is that the issuer of a bond will be able to pay back interest and the loan on time.

Liquidity Risk – the Fund holds bonds that are traded through agents, brokers or investment banks matching buyers and sellers. This makes the bonds less easy to buy and sell than investments traded on an exchange. In exceptional circumstances the Fund may not be able to sell bonds and may defer withdrawals or suspend dealing.

Changes in interest rates will impact the investment returns on bonds as these are sensitive to trends in interest rates movements. Such changes will affect the value of your investment.

Foreign Exchange Risk – as the Fund may have underlying investments that are valued in currencies that are different from GBP. Exchange rate fluctuations will impact the value of your investment. Currency hedging techniques may be applied to reduce this impact but may not entirely eliminate it.

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.

LF CASH PENSION FUND

MANAGER'S REPORT *continued*

TRUST INFORMATION *continued*

Comparative Table *continued*

ACCUMULATION UNITS

CHANGE IN NET ASSETS PER UNIT	30.09.20 pence per unit	30.09.19 pence per unit	30.09.18 pence per unit
Opening net asset value per unit	141.77	140.64	140.27
Return before operating charges*	1.27	1.38	0.81
Operating charges	(0.17)	(0.25)	(0.44)
Return after operating charges	1.10	1.13	0.37
Distributions	(0.04)	(0.33)	(0.24)
Retained distributions on accumulation units	0.04	0.33	0.24
Closing net asset value per unit	142.87	141.77	140.64
* after direct transaction costs of: ¹	–	–	–

PERFORMANCE

Return after charges	0.78%	0.80%	0.26%
----------------------	-------	-------	-------

OTHER INFORMATION

Closing net asset value (£'000)	48,456	42,550	38,059
Closing number of units	33,916,535	30,014,208	27,061,323
Operating charges ²	0.12%	0.18%	0.31%
Direct transaction costs ¹	–	–	–

PRICES

Highest unit price	142.87	141.77	140.63
Lowest unit price	141.78	140.64	140.25

Details of the distributions per unit for the year are shown in the Distribution Table on page 58.

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

² Effective 11 January 2019, the underlying investment of the Fund changed from Janus Henderson Money Markets Unit Trust to the LGIM Sterling Liquidity Plus Fund, as such the underlying operating charge has also changed. This has caused the decrease in the current year as compared to the prior years.

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

for the year ended 30 September 2020

	Notes	£'000	30.09.20 £'000	£'000	30.09.19 £'000
Income:					
Net capital gains	3		339		230
Revenue	4	12		91	
Expenses	5	—		—	
Net revenue before taxation		12		91	
Taxation		—		—	
Net revenue after taxation			12		91
Total return before distributions (Accumulation)			351		321
Distributions (Accumulation)	6		(12)		(91)
Change in net assets attributable to unitholders from investment activities			339		230

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the year ended 30 September 2020

	Note	£'000	30.09.20 £'000	£'000	30.09.19 £'000
Opening net assets attributable to unitholders			42,550		38,059
Amounts receivable on issue of units		8,199		7,261	
Amounts payable on redemption of units		(2,644)		(3,093)	
			5,555		4,168
Change in net assets attributable to unitholders from investment activities			339		230
Retained distributions on Accumulation units	6		12		93
Closing net assets attributable to unitholders			48,456		42,550

LF CASH PENSION FUND
FINANCIAL STATEMENTS *continued*
BALANCE SHEET

as at 30 September 2020

Holding	Notes	£'000	30.09.20 %	£'000	30.09.19 %
ASSETS					
Fixed assets					
Investments					
46,893		LGIM Sterling Liquidity Plus	48,150	99.37	42,169 99.11
Current assets					
	7	Debtors	211	0.44	175 0.41
	8	Cash and cash equivalents	495	1.02	375 0.88
		Total assets	<u>48,856</u>	<u>100.83</u>	<u>42,719</u> <u>100.40</u>
LIABILITIES					
Creditors					
	8	Bank overdraft	—	—	(94) (0.22)
	9	Other creditors	(400)	(0.83)	(75) (0.18)
		Total liabilities	<u>(400)</u>	<u>(0.83)</u>	<u>(169)</u> <u>(0.40)</u>
		Net assets attributable to unitholders	<u>48,456</u>	<u>100.00</u>	<u>42,550</u> <u>100.00</u>

During the year there were purchases and sales of units in LGIM Sterling Liquidity Plus of £6,184,000 and £542,000 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 2020

1. Accounting Policies

The accounting policies described on pages 14 and 15 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 16 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:

	30.09.20 £'000	30.09.19 £'000
Non-derivative securities	339	230
Net capital gains	339	230

The net capital gains figure includes realised gains of £3,000 and unrealised gains of £605,000 (30.09.19: includes realised losses of £4,000 and unrealised gains of £269,000). The realised gains on investments in the current year include amounts previously recognised as unrealised gains in the prior year.

4. Revenue

	30.09.20 £'000	30.09.19 £'000
Interest distributions on collective investment schemes	–	83
AMC rebates from underlying investments	11	7
Bank interest	1	1
Total revenue	12	91

5. Expenses

During the year, all fees and expenses (plus the VAT thereon) 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 2020

6. Distributions

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

	30.09.20 £'000	30.09.19 £'000
Interim	6	87
Final	6	6
	<u>12</u>	<u>93</u>
Add: Revenue deducted on redemption of units	–	2
Deduct: Revenue received on issue of units	–	(4)
Net distributions for the year	<u>12</u>	<u>91</u>

Details of the distributions per unit are set out in the table on page 58.

7. Debtors

	30.09.20 £'000	30.09.19 £'000
Amounts receivable for issue of units	168	132
Accrued revenue:		
AMC rebates from underlying investments	3	3
Taxation recoverable:		
Income tax	40	40
Total debtors	<u>211</u>	<u>175</u>

8. Cash and Cash Equivalents

	30.09.20 £'000	30.09.19 £'000
Bank balances	495	375
Total cash and cash equivalents	<u>495</u>	<u>375</u>

LF CASH PENSION FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 September 2020

	30.09.20 £'000	30.09.19 £'000
Bank overdraft	–	94
Total bank overdraft	–	94

9. Other Creditors

	30.09.20 £'000	30.09.19 £'000
Amounts payable for redemption of units	263	75
Purchases awaiting settlement	137	–
Total other creditors	400	75

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 notes 7 and 9.

11. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments (30.09.19: none).

12. Units in Issue

	<i>Accumulation</i>
Annual Management Charge	–
Opening units in issue	30,014,208
Issues	5,761,292
Redemptions	(1,858,965)
Closing units in issue	<u>33,916,535</u>

LF CASH PENSION FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 September 2020

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 2020

The Constituent Fund invests in the LGIM Sterling Liquidity Plus 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 LGIM Sterling Liquidity Plus 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 2020, leverage under the gross method was 0.99:1 (30.09.19: 0.99:1) and leverage under the commitment method was 1:1 (30.09.19: 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.

The Manager monitors the liquidity profile of the Constituent Fund on a daily basis. In assessing the liquidity profile of the Constituent Fund, the Manager assesses how much of the Constituent Fund can be realised in one and five days, under normal and stressed market conditions, and the impact this would have on the overall subsequent liquidity profile. In assessing the liquidity of a company's shares, the Manager utilises the lower of the 5 and 30 day average market volume of that company's shares. Where a risk is identified then a more in depth review is undertaken to establish its significance, by assessing the liquidity profile of the Constituent Fund against a 25% market participation of the average daily volume. Based on this analysis 100.00% of the portfolio can be liquidated within 5 days and 100.00% within 30 days. Given this and the Manager's understanding of the investor base, it is considered that the liquidity profile of the Constituent Fund is appropriate.

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

LF CASH PENSION FUND

FINANCIAL STATEMENTS *continued*

NOTES TO THE FINANCIAL STATEMENTS *continued*

for the year ended 30 September 2020

(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 £2,408,000 (30.09.19: £2,108,000). A 5% decrease would have an equal and opposite effect.

(G) DERIVATIVES

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

14. Portfolio Transaction Costs

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

15. Fair Value Hierarchy

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

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

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

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

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 2020 – 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 31.05.20	Distribution accumulated 31.05.19
Interim	0.0193	0.3081
	Distribution accumulated 30.11.20	Distribution accumulated 30.11.19
Final	0.0177	0.0198

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 Constituent Funds 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 will be published on every dealing day on the Manager's website: <https://pensions.linkassetsservices.com/>. They are also available by calling 0345 603 0142 during the Manager's normal business hours.

Other Information

The Prospectus and the most recent interim and annual reports are available on the website <https://pensions.linkassetsservices.com/> and 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.

LINKGroup

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

 0870 607 2555

 0870 607 2550

 linkfundsolutions.co.uk