

# LF Canada Life Investments Fund II

INTERIM UNAUDITED REPORT AND FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 15 APRIL 2023



**LF Canlife Diversified Monthly Income Fund**

**LF Canlife Diversified Risk Managed III Fund  
(Formerly LF Canlife Managed 0% – 35% Fund)**

**LF Canlife Diversified Risk Managed IV Fund  
(Formerly LF Canlife Managed 20% – 60% Fund)**

**LF Canlife Diversified Risk Managed V Fund**

**LF Canlife Diversified Risk Managed VI Fund**

**LF Canlife Portfolio III Fund**

**LF Canlife Portfolio IV Fund**

**LF Canlife Portfolio V Fund**

**LF Canlife Portfolio VI Fund**

**LF Canlife Portfolio VII Fund**

## AUTHORISED CORPORATE DIRECTOR ('ACD') AND ALTERNATIVE INVESTMENT FUND MANAGER ('AIFM')

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## INDEPENDENT AUDITOR

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## ACD'S REPORT

for the half year ended 15 April 2023

### Authorised Status

LF Canada Life Investments Fund II ('the Company') is an investment company with variable capital incorporated in England and Wales under registered number IC000980 and authorised by the Financial Conduct Authority with effect from 21 November 2013. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

The Company is a Non-UCITS Retail Scheme. The base currency of the Company and each sub-fund is pounds sterling.

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

### ACD's Statement

#### Economic Uncertainty

The outbreak of COVID-19 in March 2020 caused significant disruption to business and economic activity, which was reflected in the fluctuations seen in the global stock markets for an extended period. However, after various national governments provided financial support and stimulus to their economies, combined with the development of effective vaccines to immunise populations, society and businesses are learning to operate in the post COVID-19 world which led to a recovery in asset prices.

In the first quarter of 2022, the geopolitical situation came into sharp focus, culminating in February 2022 with Russia's incursion into Ukraine, a position which continues to evolve. The consequences of this, combined with other factors, led to significant disruption to the global supply chains and soaring energy and commodity prices, leading to a significant increase in inflation in many countries. To curb the increase in global inflation, many nations' central banks have been increasing interest rates, a process which is expected to continue until inflation is brought under control. What is not clear at this time is whether the combination of high inflation and increasing interest rates will culminate in a global recession. With this level of uncertainty, it is reasonably foreseeable, that markets may see further periods of instability and consequently volatility in asset pricing.

## ACD'S REPORT *continued*

### Important Information

With effect from 12 December 2022, the following changes were made:

- The LF Canlife Managed 0% – 35% Fund changed its name to the LF Canlife Diversified Risk Managed III Fund;
- The LF Canlife Managed 20% – 60% Fund changed its name to the LF Canlife Diversified Risk Managed IV Fund;
- Amendments were made to the wording of the Investment Objective and Policy of the LF Canlife Diversified Risk Managed III Fund and the LF Canlife Diversified Risk Managed IV Fund; and
- A new sub-fund, the LF Canlife Diversified Risk Managed V Fund, was launched.

With effect from 24 February 2023, a new sub-fund, the LF Canlife Diversified Risk Managed VI Fund, was launched. Following a scheme of arrangement, the property of the LF Canlife Managed 40% – 85% Fund (a sub-fund of LF Canada Life Investments Fund) was received by the sub-fund.

### Cross Holdings

No sub-funds had holdings in any other sub-fund of the Company at the end of the period.

### Securities Financing Transactions

The Company 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 for the sub-funds other than the LF Canlife Diversified Monthly Income Fund.

The following table details the value of securities on loan for the LF Canlife Diversified Monthly Income Fund. Additionally there is an analysis of the maturity tenor of the associated collateral received, as at the balance sheet date, split between counterparty borrower:

#### LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

Counterparty Borrower and Collateral Type Received	Country of Incorporation	Total Securities on Loan £'000
Barclays Bank Plc	UK	376
Citigroup Global Markets Ltd	UK	300
JP Morgan Securities Plc	UK	236
Merrill Lynch International	UK	1,356
The Bank of Nova Scotia	Canada	4
UBS AG	Switzerland	527
Total		<u>2,799</u>

## ACD'S REPORT *continued*

### Securities Financing Transactions *continued*

Maturity Tenor of Collateral	1 to 7 days £'000	8 to 30 days £'000	31 to 90 days £'000	91 to 365 days £'000	More than 365 days £'000	Open £'000	Total Collateral £'000
OECD Government rated A and above and Supra- Nationals Bonds	-	-	2	404	1,812	-	2,218
Recognised Equity Index	-	-	-	-	-	800	800
Total	-	-	2	404	1,812	800	3,018

Currency of Collateral	Total Collateral £'000	Collateral by Settlement	Total Collateral	
			Triparty £'000	Bilateral £'000
AUD	133			
CAD	20			
CHF	225			
EUR	1,462			
GBP	246	Barclays Bank Plc	398	-
JPY	77	Citigroup Global Markets Ltd	333	-
NOK	2	JP Morgan Securities Plc	246	-
NZD	2	Merrill Lynch International	1,429	-
SEK	19	The Bank of Nova Scotia	4	-
USD	832	UBS AG	608	-
Total	3,018	Total	3,018	-

The total value of securities on loan as a proportion of the Fund's Net Asset Value, as at the balance sheet date, is 6.64% (15.10.22: 3.32%).

The total value of securities on loan as a proportion of the Fund's total lendable assets, as at the balance sheet date, is 6.98% (15.10.22: 3.43%). Total lendable assets represents the aggregate value of asset type forming part of the Fund's securities lending programme.

The gross earnings and the fees for the period are £3,000 (15.10.22: £3,000) and £1,000 (15.10.22: £1,000) respectively.

#### LINK FUND SOLUTIONS LIMITED

ACD of LF Canada Life Investments Fund II

9 June 2023



## 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 and modified by a direction given by the Financial Conduct Authority where the ACD has opted to provide a NURS KII Document, a Key Investor Information Document for Non-UCITS Retail Schemes.

N. BOYLING

LINK FUND SOLUTIONS LIMITED

ACD of LF Canada Life Investments Fund II

9 June 2023

## LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND ACD'S REPORT

for the half year ended 15 April 2023

### Important Information

Refer to the 'Important Information' section on page 12.

### Investment Objective and Policy

The investment objective of the LF Canlife Diversified Monthly Income Fund ('the Fund') is to provide income monthly with the prospect for long term (at least 5 years) capital growth.

The investment policy of the Fund is to invest globally in the following asset classes: equities, debt securities (government, corporate bonds, convertibles and preference shares), cash, near cash, money market instruments, immovable property, infrastructure and commodities.

The Fund may gain exposure to the asset classes listed directly and indirectly by investing in other transferable securities, Real Estate Investment Trusts, Exchange Traded Funds and collective investment schemes (open and closed ended), which may include collective investment schemes managed or advised by the ACD, the Portfolio Manager or their associates. Exposure to immovable property, infrastructure and commodities will be indirect.

The Fund may not have exposure to all asset classes at all times.

The Fund's exposure to the following asset classes will be within the ranges stated:

Asset Class	Min %	Max %
Property	0	20
Equities	25	55
Government and Corporate Bonds	30	70

The Fund has no particular geographic focus.

The Portfolio Manager may employ derivatives for the purpose of efficient portfolio management.

### Additional Information

The Portfolio Manager undertakes asset allocation with a particular focus on both valuation and yield. A review is undertaken at least quarterly which determines target weights for the asset classes (for example, whether government or corporate bonds are preferred and which regions are preferred).

At an individual security level the Portfolio Manager will consider investment in securities which in their opinion have a robust business model, a strong balance sheet and market share and the ability to provide stable and/or growing level of distribution.

## LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

### ACD'S REPORT *continued*

#### Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 20-60% Shares sector.

The Fund's performance may be compared against the Investment Association IA Mixed Investment 20-60% Shares sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. The comparator benchmark has been selected as we consider it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets. The Fund is not constrained by the requirements of the sector.

#### LINK FUND SOLUTIONS LIMITED

ACD of LF Canlife Diversified Monthly Income Fund

9 June 2023

## LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT

for the half year ended 15 April 2023

#### Market Overview

Following a prolonged period of suppression throughout much of 2022, risk assets began to rally toward the end of the year as inflation appeared to be nearing its peak and central bank rhetoric began to soften.

This trajectory continued into the new year as, in addition to the market's growing expectations of interest rate cuts, the re-opening of China's borders buoyed investor sentiment. Stock markets across the developed market economies all gained throughout the period, most notably in Europe and China, albeit the latter lost momentum in February following a spy balloon incident in the US, which knocked investor confidence.

Following a period where the rising rate environment was supportive of value stocks, the market began to rotate back toward growth-oriented stocks, which brought technology stocks in particular back into vogue.

There was a brief bout of volatility in March, following the collapse of US-based Silicon Valley Bank ('SVB'). The situation surrounding SVB sparked a domino effect, ending with the emergency takeover of European banking giant Credit Suisse by long-time rival UBS in a merger forced by the Swiss authorities. These events caused a rapid and indiscriminate selloff in financial assets. Markets rebounded towards the end of March however, recovering many of the gains lost during this period.

Over the period, developed economy central banks began laying the groundwork for an easing of monetary policy as, with the exception of the UK, inflation data began dipping. In line with the softening inflation data, the banks reduced the pace of interest rate hikes.

#### Fund Review

The rally in risk assets benefitted the portfolio throughout the period. Our allocation to equities was the key driver of positive performance. In the UK, retailer Dunelm and aerospace and defence supplier BAE systems notably added value, while the European LVMH also performed well. In North America, the market's tilt toward growth stocks favoured US technology company Broadcom and Apollo Global Management.

The performance of our property and alternative plays softened in the higher rate environment, notably the real estate investment trusts. Additionally, financials (banks and their bonds) and longer-dated fixed-income vehicles struggled in the immediate aftermath of the SVB collapse.

We were able to take advantage of the volatility within the financial sector to add to our fixed-income allocations, particularly sterling corporate bonds, which were trading well beneath their intrinsic value. These included Barclays, and Pacific Life. Within equities we added some defensive names to the portfolio, including Siemens, Pfizer and GSK, the last of which had been weak and represented good value. Having enjoyed a very positive period, our holding in Blackstone was pared back to crystallise gains and shift the capital to other ideas with more scope for price growth.

## LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT *continued*

#### Outlook

As in previous months, the key consideration as we move further into 2023 is inflation. In the US, market indicators suggest that the Federal Reserve is nearing its terminal rate, which will then shift the focus towards inflation itself and the level at which it may eventually settle. It's widely accepted that headline inflation has all but peaked throughout developed market economies, but how much it falls from here, with the central banks having used the tools at their disposal, remains to be seen.

Certainly, some anticipate inflation dropping in the short-to-mid-term but ultimately settling at a higher level than pre-2022. This would present difficulties for certain businesses and companies, so we remain cognisant of the trajectory of inflation and the potential ramifications from here.

The collapse of SVB and the merger between Credit Suisse and UBS dominated the headlines toward the end of the period and dampened investor sentiment in the short term. We believe these instances to have been more idiosyncratic than indicative of a widespread banking crisis. However, we are mindful of the challenges facing the sector within this high-rate environment and will continue to monitor the situation closely.

From a portfolio perspective, we are very comfortable with our positioning and continue seeking opportunities to add quality names into the portfolio at sensible valuations.

#### CANADA LIFE ASSET MANAGEMENT LIMITED

Portfolio Manager

5 May 2023

## LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

### ACD'S REPORT *continued*

#### FUND INFORMATION

##### Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. As the Fund has less than 5 years' price history, this calculation incorporates the volatility of an appropriate benchmark index. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

During the period the indicator changed from 4 to 5. The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time. Number 1 on the scale does not mean that a fund is risk free.

**Income Risk:** The amount of income is not guaranteed. The Fund can only distribute income it has and there is no guarantee that income will be paid each month.

**Charges to Capital Risk:** As charges are taken from the Fund's capital, this will erode capital and may constrain capital growth.

**Currency Risk:** As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

**Liquidity Risk:** In unfavourable market conditions, corporate bonds may be harder to sell in a timely manner and at reasonable prices, than in normal market conditions. This could have a negative impact on the value of the Fund. In extreme market conditions this could affect the Fund's ability to meet investors' redemptions.

**Property Fund Investment Risk:** Property Funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

**Counterparty Risk:** The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

**Emerging Markets Risk:** The Fund may invest in emerging markets, which are markets in countries that are developing. Emerging markets may have more political and economic risks than developed markets, which may result in large and frequent price movements that may cause a loss to the Fund.

**Changes in Interest Rate Risk:** A rise in interest rates generally causes bond prices to fall.

**Credit Risk:** The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

**LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND**

**ACD'S REPORT** *continued*

**FUND INFORMATION** *continued*

**Comparative Tables**

Information for 15 April 2023 relates to the 6 month period ending 15 April 2023. The operating charges relate to the expenses incurred on an ex post basis over the 6 month period ending 15 April 2023, expressed as an annualised percentage of the average net asset value.

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the half year end weighted against the net asset value of the share class at that date. Following an update to industry guidance, with effect from 1 July 2021, the operating charges figure also takes account of the ongoing charges incurred in closed end underlying schemes calculated as the expense value of such holdings at the half year end weighted against the net asset value of the share class at that date.

## LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	93.86	106.55	96.34	99.85
Return before operating charges*	8.35	(7.45)	15.47	1.16
Operating charges	(0.40)	(0.70)	(0.66)	(0.63)
Return after operating charges	7.95	(8.15)	14.81	0.53
Distributions	(2.14)	(4.54)	(4.60)	(4.04)
Closing net asset value per share	99.67	93.86	106.55	96.34
* after direct transaction costs of:	0.02	0.06	0.03	0.07

##### PERFORMANCE

Return after charges	8.47%	(7.65)%	15.37%	0.53%
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##### OTHER INFORMATION

Closing net asset value (£'000)	3,115	2,306	18	4
Closing number of shares	3,125,366	2,456,920	16,513	4,399
Operating charges	0.79%	0.66% <sup>1</sup>	0.64% <sup>1</sup>	0.65% <sup>1</sup>
Direct transaction costs	0.04%	0.06%	0.03%	0.07%

##### PRICES

Highest share price	104.32	110.91	108.67	104.53
Lowest share price	94.65	94.78	93.56	81.32

<sup>1</sup> As the Fund did not have significant investment in collective investment schemes, the operating charges did not take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end date weighted against the net asset value of the share class at that date.



## LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	107.59	116.93	101.19	100.61
Return before operating charges*	9.57	(8.56)	16.46	1.20
Operating charges	(0.46)	(0.78)	(0.72)	(0.62)
Return after operating charges	9.11	(9.34)	15.74	0.58
Distributions	(2.30)	(5.06)	(4.92)	(4.07)
Retained distributions on accumulation shares	2.30	5.06	4.92	4.07
Closing net asset value per share	116.70	107.59	116.93	101.19
* after direct transaction costs of:	0.02	0.07	0.04	0.07

##### PERFORMANCE

Return after charges	8.47%	(7.99)%	15.55%	0.58%
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##### OTHER INFORMATION

Closing net asset value (£'000)	3,778	628	26	2
Closing number of shares	3,237,342	583,593	22,547	2,303
Operating charges	0.79%	0.66% <sup>1</sup>	0.65% <sup>1</sup>	0.63% <sup>1</sup>
Direct transaction costs	0.04%	0.06%	0.03%	0.07%

##### PRICES

Highest share price	120.72	122.03	117.91	106.50
Lowest share price	108.49	107.85	98.26	83.14

<sup>1</sup> As the Fund did not have significant investment in collective investment schemes, the operating charges did not take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end date weighted against the net asset value of the share class at that date.

## LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'G' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	94.18	106.81	96.49	99.86
Return before operating charges*	8.38	(7.50)	15.47	1.12
Operating charges	(0.34)	(0.57)	(0.54)	(0.50)
Return after operating charges	8.04	(8.07)	14.93	0.62
Distributions	(2.12)	(4.56)	(4.61)	(3.99)
Closing net asset value per share	100.10	94.18	106.81	96.49
* after direct transaction costs of:	0.02	0.06	0.03	0.07

##### PERFORMANCE

Return after charges	8.54%	(7.56)%	15.47%	0.62%
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##### OTHER INFORMATION

Closing net asset value (£'000)	3,859	1,308	473	415
Closing number of shares	3,854,838	1,389,009	442,500	430,095
Operating charges	0.67%	0.54% <sup>1</sup>	0.52% <sup>1</sup>	0.52% <sup>1</sup>
Direct transaction costs	0.04%	0.06%	0.03%	0.07%

##### PRICES

Highest share price	104.72	111.21	108.95	104.60
Lowest share price	94.98	95.16	93.71	81.39

<sup>1</sup> As the Fund did not have significant investment in collective investment schemes, the operating charges did not take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end date weighted against the net asset value of the share class at that date.

## LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'G' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	108.13	117.37	101.45	100.76
Return before operating charges*	9.61	(8.60)	16.49	1.21
Operating charges	(0.39)	(0.64)	(0.57)	(0.52)
Return after operating charges	9.22	(9.24)	15.92	0.69
Distributions	(2.32)	(5.09)	(4.94)	(4.09)
Retained distributions on accumulation shares	2.32	5.09	4.94	4.09
Closing net asset value per share	117.35	108.13	117.37	101.45
* after direct transaction costs of:	0.02	0.07	0.04	0.07

##### PERFORMANCE

Return after charges	8.53%	(7.87)%	15.69%	0.68%
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##### OTHER INFORMATION

Closing net asset value (£'000)	31,404	28,939	31,411	30,437
Closing number of shares	26,762,074	26,762,074	26,762,074	30,000,250
Operating charges	0.66%	0.54% <sup>1</sup>	0.52% <sup>1</sup>	0.52% <sup>1</sup>
Direct transaction costs	0.04%	0.06%	0.03%	0.07%

##### PRICES

Highest share price	121.37	122.52	118.35	106.73
Lowest share price	109.03	108.39	98.51	83.32

<sup>1</sup> As the Fund did not have significant investment in collective investment schemes, the operating charges did not take account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the year end date weighted against the net asset value of the share class at that date.

## LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Distributions

	First Interim 15.11.22 pence per share	Second Interim 15.12.22 pence per share	Third Interim 15.01.23 pence per share
Share Class			
'C' Income	0.3054	0.3055	0.3400
'C' Accumulation	0.2979	0.2980	0.3500
'G' Income	0.2998	0.2998	0.3400
'G' Accumulation	0.3021	0.3021	0.3500

	Fourth Interim 15.02.23 pence per share	Fifth Interim 15.03.23 pence per share	Sixth Interim 15.04.23 pence per share
Share Class			
'C' Income	0.3360	0.3360	0.5200
'C' Accumulation	0.3278	0.3278	0.7000
'G' Income	0.3298	0.3298	0.5200
'G' Accumulation	0.3323	0.3323	0.7000

#### Fund Performance to 15 April 2023 (%)

	6 months	1 year	3 years	Since launch <sup>1</sup>
LF Canlife Diversified Monthly Income Fund	7.35	(1.42)	27.01	17.38
IA Mixed Investment 20-60% Shares sector <sup>2</sup>	7.15	(2.80)	13.44	5.71

<sup>1</sup> Launch date: 28 June 2019.

<sup>2</sup> Source: Morningstar Direct.

The performance of the Fund is based on the published price per 'C' Income share with income reinvested.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the period end, rather than the period end return after operating charges.

#### RISK WARNING

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

# LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

## ACD'S REPORT *continued*

### PORTFOLIO STATEMENT

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	DEBT SECURITIES - 38.45% (15.10.22 - 35.72%)		
	GOVERNMENT BONDS - 2.24% (15.10.22 - 0.47%)		
\$990,000	US Treasury 0.25% 30/9/2023	779	1.85
\$175,000	US Treasury 0.75% 15/2/2042	163	0.39
	TOTAL GOVERNMENT BONDS	942	2.24
	CORPORATE BONDS - 36.21% (15.10.22 - 35.25%)		
£500,000	AA BOND 8.45% 31/7/2050	501	1.19
\$400,000	Allianz 3.2% <i>floating rate notes Perpetual</i>	232	0.55
£275,000	America Movil 5.75% 28/6/2030	284	0.67
\$480,000	Amgen 3% 15/1/2052	262	0.62
\$450,000	Argentum Netherlands BV 5.625% 15/8/2052	339	0.80
£250,000	AT&T 7% 30/4/2040	280	0.66
£320,000	Aviva 6.125% <i>floating rate notes</i> 14/11/2036	318	0.75
€300,000	AXA 3.375% 6/7/2047	247	0.59
£400,000	Barclays 9.25% 15/6/2071	366	0.87
\$200,000	BMW US Capital 3.7% 1/4/2032	149	0.35
£400,000	BP Capital Markets 4.25% <i>Perpetual</i>	359	0.85
£200,000	Cheltenham & Gloucester 11.75% <i>Perpetual</i>	283	0.67
\$400,000	Cloverie 5.625% 24/6/2046	315	0.75
€400,000	CNP Assurances 4.75% <i>Perpetual</i>	316	0.75
\$370,000	Comcast 4.25% 15/1/2033	289	0.69
€400,000	Crédit Agricole Assurances 4.25% <i>floating rate notes</i> <i>Perpetual</i>	347	0.82
£300,000	Deutsche Bank 4% 24/6/2026	282	0.67
\$280,000	Deutsche Telekom International Finance 7.625% 15/6/2030	326	0.77
£400,000	Électricité de France 6% <i>Perpetual</i>	355	0.84
£200,000	Gatwick Funding 4.375% 7/4/2026	184	0.44
£300,000	Gatwick Funding 6.125% 2/3/2028	307	0.73
£150,000	HSBC 6.75% 11/9/2028	153	0.36
\$450,000	ING 4.875% <i>Perpetual</i>	276	0.66
\$400,000	International Business Machines 4.15% 15/5/2039	283	0.67
€400,000	Intesa Sanpaolo 7.75% <i>Perpetual</i>	337	0.80
£320,000	Intu Metrocentre Finance & Co. 4.125% 6/12/2028	125	0.30
£465,000	John Lewis 4.25% 18/12/2034	297	0.70

# LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

## ACD'S REPORT *continued*

## PORTFOLIO STATEMENT *continued*

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
\$460,000	JPMorgan Chase & Co 4.6% <i>Perpetual</i>	344	0.82
£375,000	M&G 5.625% 20/10/2051	341	0.81
£200,937	Marstons Issuer 1.88902% <i>floating rate notes</i> 15/10/2027	183	0.43
£243,896	Mitchells & Butlers Finance 6.013% 15/12/2030	226	0.54
£2,000	Nationwide Building Society 10.25% <i>floating rate notes</i> <i>Perpetual</i>	238	0.56
£300,000	NIE Finance 5.875% 1/12/2032	314	0.75
\$450,000	Nordea Bank ABP 6.125% <i>Perpetual</i>	338	0.80
£600,000	Pacific Life Global 5% 12/1/2028	597	1.42
£325,000	Phoenix 5.75% <i>Perpetual</i>	261	0.62
€200,000	Rabobank 4.875% <i>Perpetual</i>	152	0.36
£400,000	RENTOKIL 5% 27/6/2032	388	0.92
£250,000	RL Finance No. 4 4.875% 7/10/2049	189	0.45
£200,000	Society of Lloyd's 4.75% 30/10/2024	195	0.46
£500,000	Southern Gas Network 4.875% 21/3/2029	490	1.16
\$540,000	Stanley Black & Decker 4% 15/3/2060	337	0.80
€400,000	Telefonica Europe 4.375% <i>Perpetual</i>	346	0.82
£500,000	Total Capital International 1.66% 22/7/2026	456	1.08
£400,000	Toyota Motor Finance Netherlands BV 4.625% 8/6/2026	397	0.94
\$500,000	UBS Switzerland 7% <i>Perpetual</i>	383	0.91
\$300,000	Verizon Communications 5.25% 16/3/2037	245	0.58
\$400,000	Vodafone 6.25% 3/10/2078	313	0.74
£100,000	Volkswagen International Finance 3.748% <i>floating rate</i> <i>note Perpetual</i>	79	0.19
£400,000	Volkswagen International Finance 3.748% <i>floating rate</i> <i>note Perpetual</i>	315	0.75
£300,000	Yorkshire Power Finance 7.25% 4/8/2028	327	0.78
	TOTAL CORPORATE BONDS	15,266	36.21
	TOTAL DEBT SECURITIES	16,208	38.45
	PREFERENCE SHARES - 3.38% (15.10.22 - 4.89%)		
4,030	Aptiv	381	0.90
12,000	Becton Dickinson	484	1.15
5,600	Boston Scientific	559	1.33
	TOTAL PREFERENCE SHARES	1,424	3.38

## LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT *continued*

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	EQUITIES - 55.27% (15.10.22 - 56.10%)		
	UNITED KINGDOM - 30.44% (15.10.22 - 30.64%)		
3,569	AstraZeneca	424	1.00
75,438	BAE Systems	766	1.82
12,233	Bellway	286	0.68
29,362	BlackRock Smaller Companies <sup>1</sup>	387	0.92
134,431	BP	727	1.72
8,565	British American Tobacco	243	0.58
92,071	British Land	363	0.86
176,925	Custodian REIT	165	0.39
36,098	Dunelm	410	0.97
259,285	Greencoat UK Wind <sup>1</sup>	411	0.97
185,064	Gresham House Energy Storage <sup>1</sup>	304	0.72
43,870	GSK	665	1.58
245,370	HICL Infrastructure <sup>1</sup>	384	0.91
70,667	HSBC	413	0.98
31,016	IG	221	0.52
277,047	International Public Partnership <sup>1</sup>	408	0.97
348,026	JLEN Environmental Assets <sup>1</sup>	420	1.00
61,561	Landsec	399	0.95
163,794	Legal & General	410	0.97
70,633	LondonMetric Property	130	0.31
247,512	LXI REIT	259	0.61
60,690	National Grid	679	1.61
21,923	Persimmon	279	0.66
57,508	Phoenix	331	0.79
179,592	Picton Property Income	138	0.33
201,674	Primary Health Properties REIT	214	0.51
327,601	Renewables Infrastructure <sup>1</sup>	419	0.99
13,217	Severn Trent	384	0.91
35,221	Shell 'B'	867	2.06
240,618	Supermarket Income REIT	212	0.50
214,809	Tesco	576	1.37
7,973	Unilever	344	0.82
211,004	Vodafone	194	0.46
	TOTAL UNITED KINGDOM	12,832	30.44

# LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

## ACD'S REPORT *continued*

## PORTFOLIO STATEMENT *continued*

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	CONTINENTAL EUROPE - 3.99% (15.10.22 - 3.03%)		
2,422	BASF	106	0.25
5,767	CRH	228	0.54
13,572	Electrolux 'B'	140	0.33
538	LVMH Moët Hennessy Louis Vuitton	424	1.01
204,749	Real Estate Credit Investments <sup>1</sup>	268	0.64
4,000	Siemens	516	1.22
	TOTAL CONTINENTAL EUROPE	1,682	3.99
	NORTH AMERICA - 15.75% (15.10.22 - 17.06%)		
7,508	Apollo Global Management	392	0.93
27,515	Ares Commercial Real Estate	191	0.45
4,228	Blackstone	290	0.69
1,343	Broadcom	669	1.59
21,669	Clearway Energy	526	1.25
11,672	Coca-Cola	591	1.40
12,599	Exchange Income	410	0.97
18,757	Kinder Morgan	268	0.64
33,346	Ladder Capital REIT	241	0.57
4,177	Microsoft	960	2.28
19,606	OneMain	594	1.41
3,760	Paychex	326	0.77
18,057	Pfizer	598	1.42
23,921	Sixth Street Specialty Lending	347	0.82
17,288	Starwood Property REIT	238	0.56
	TOTAL NORTH AMERICA	6,641	15.75
	ASIA PACIFIC (EXCLUDING JAPAN) - 0.59% (15.10.22 - 0.49%)		
3,533	Taiwan Semiconductor Manufacturing ADS	248	0.59
	AUSTRALIA - 1.99% (15.10.22 - 2.02%)		
15,970	BHP	394	0.93
8,147	Rio Tinto	445	1.06
	TOTAL AUSTRALIA	839	1.99



## LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT *continued*

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	GLOBAL - 2.51% (15.10.22 - 2.86%)		
277,109	BBGI Global Infrastructure <sup>1</sup>	418	0.99
194,195	CQS New City High Yield <sup>1</sup>	96	0.23
351,609	Foresight Solar <sup>1</sup>	397	0.94
91,753	Invesco Bond Income Plus <sup>1</sup>	149	0.35
	TOTAL GLOBAL	1,060	2.51
	TOTAL EQUITIES	23,302	55.27
	Portfolio of investments	40,934	97.10
	Net other assets	1,222	2.90
	Net assets	42,156	100.00

The investments are ordinary shares listed on a regulated market unless stated otherwise.

<sup>1</sup> Closed end fund.

*Definition:*

ADS - American Depositary Shares.

## LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

### ACD'S REPORT *continued*

#### SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 15 April 2023

Total purchases for the half year £'000	9,622	Total sales for the half year £'000	2,804
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
US Treasury 0.25% 30/9/2023	800	Danaher	333
Pacific Life Global 5% 12/1/2028	598	AA Bond 4.875% 31/7/2043	318
Siemens	510	John Lewis 6.125% 21/1/2025	285
AA BOND 8.45% 31/7/2050	505	Direct Line	227
Southern Gas Network 4.875% 21/3/2029	491	UK Treasury 0.178% index-linked	
Total Capital International 1.66%		22/3/2044	215
22/7/2026	459	EDF	212
Barclays 9.25% 15/6/2071	401	Premier Asset Management	189
Toyota Motor Finance Netherlands BV		Broadcom	179
4.625% 8/6/2026	400	Primary Health Properties REIT	152
BlackRock Smaller Companies	387	Blackstone	152
BP Capital Markets 4.25% <i>Perpetual</i>	359		

The summary of material portfolio changes represents the 10 largest purchases and sales during the half year.

**LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**STATEMENT OF TOTAL RETURN**  
for the half year ended 15 April 2023

	£'000	15.04.23 £'000	£'000	15.04.22 £'000
Income:				
Net capital gains/(losses)		2,027		(143)
Revenue	964		750	
Expenses	(105)		(90)	
Net revenue before taxation	859		660	
Taxation	(99)		(66)	
Net revenue after taxation		760		594
Total return before distributions		2,787		451
Distributions		(764)		(608)
Change in net assets				
attributable to shareholders				
from investment activities		2,023		(157)

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the half year ended 15 April 2023

	£'000	15.04.23 £'000	£'000	15.04.22 £'000
Opening net assets attributable to shareholders		33,181		31,928
Amounts receivable on issue of shares	7,157		1,845	
Amounts payable on redemption of shares	(872)		(72)	
		6,285		1,773
Change in net assets				
attributable to shareholders				
from investment activities		2,023		(157)
Retained distributions on Accumulation shares		667		596
Closing net assets attributable to shareholders		42,156		34,140

The above statement shows the comparative closing net assets at 15 April 2022 whereas the current accounting period commenced 16 October 2022.

**LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*

**BALANCE SHEET**

as at 15 April 2023

	15.04.23 £'000	15.10.22 £'000
<b>ASSETS</b>		
Fixed assets		
Investments	40,934	32,088
Current assets		
Debtors	952	400
Cash and cash equivalents	1,042	949
<b>Total assets</b>	<b>42,928</b>	<b>33,437</b>
<b>LIABILITIES</b>		
Creditors		
Bank overdraft	–	(106)
Distribution payable	(58)	(38)
Other creditors	(714)	(112)
<b>Total liabilities</b>	<b>(772)</b>	<b>(256)</b>
<b>Net assets attributable to shareholders</b>	<b>42,156</b>	<b>33,181</b>

**LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
for the half year ended 15 April 2023

**1. Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 15 October 2022 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has 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, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

**2. Subsequent Events**

On 20 April 2023 Link Group announced the sale of the Fund Solutions Business ('FS Business') and that certain subsidiaries of Link Group, including Link Fund Solutions Limited ('LFSL'), entered into sale agreements with entities within the Waystone Group pursuant to which Link Group companies have agreed to sell to the Waystone Group: (i) the business and certain assets of LFSL; (ii) the business and certain assets of Link Fund Manager Solutions (Ireland) Limited (LFMS(I)L); and (iii) the entire issued share capital of certain other subsidiaries of Link Group, which together with the business of LFSL and LFMS(I)L comprise the FS Business (other than its Luxembourg and Swiss entities), but excluding Woodford related liabilities and, subject to normalised working capital adjustments, on a debt and cash free basis. The sale is conditional on various matters, including receipt of certain regulatory approvals, notices and consents from the FCA and the Central Bank of Ireland, anti-trust approval from the Competition and Consumer Protection Commission of Ireland and no in-depth investigation of the sale by the UK Competition and Markets Authority. It is possible that Irish foreign investment approval may also be needed depending on whether a foreign investment regime is introduced in Ireland before completion of the sale and the parties agree a filing is required. The sale is also conditional on contracts representing a significant majority of revenue in respect of LFSL's ACD business and LFMS(I)L's business being transferred to the Waystone Group and consent having been

**LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS** *continued*

received from certain third parties in respect of the transfer of their business to the Waystone Group. The Waystone Group, LFSL and LFMS(I)L have agreed to work to achieve those and other conditions. The sale is not contingent on the Scheme or the Settlement becoming unconditional. The sale is targeted to complete by October 2023.

The above proposed changes will not impact either the ongoing management of the Fund nor its continuing viability. Investors will be notified, assuming the proposed changes conclude satisfactorily, in due course on the timing of the transfer of the Fund to Waystone Group.

## LF CANLIFE DIVERSIFIED RISK MANAGED III FUND ACD'S REPORT

for the half year ended 15 April 2023

### Important Information

Refer to the 'Important Information' section on page 12.

### Investment Objective and Policy

The investment objective of the LF Canlife Diversified Risk Managed III Fund ('the Fund') is to achieve capital growth and income over the long term (at least five years), after all costs and charges have been taken, whilst seeking to remain within a defined risk profile with defined volatility parameters. The Fund will seek to remain in risk profile 3 on a scale of 1 to 10, where 1 is the lowest risk profile and 10 is the highest risk profile.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

For further information on the approach to risk for this Fund please refer to the Approach to Risk document on the Link website [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

The Fund aims to invest in the following assets: debt (including government and public securities, corporate bonds), equities (including shares of companies, equity related securities such as depositary receipts, equity infrastructure, equity warrants), cash (including deposits, money market instruments) and alternative investments (including immovable property, property related securities).

The asset mix of the Fund is tailored to its risk profile (which is provided by an external risk provider). At least 45% of the Fund's assets by value will be exposed to lower risk assets such as fixed income assets and cash. The Fund's exposure to equities can be between 0% to 40% of the assets by value and the exposure to alternative investments will be no more than 10% of the assets by value. The capital growth of the Fund is dictated by the limits of the risk profile. The Fund may not always have exposure to all asset classes at all times and the Portfolio Manager may operate outside of the limits to ensure the risk profile of the Fund is adhered to.

The Fund will invest at least 90% of the assets by value indirectly and will gain exposure to the above asset classes by investing in collective investment schemes managed by the Portfolio Manager. It may also invest in other collective investment schemes (including Exchange Traded Funds) as well as closed end funds (including Investment Trusts and REITS). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates.

The Fund may also invest up to 10% of the assets by value directly in permitted transferable securities to gain exposure to the above asset classes.

The Fund can invest, directly or indirectly, in securities issued by non-UK domiciled entities denominated in Sterling or non-Sterling. The Fund will typically invest in sterling denominated assets which in turn may have exposure to non-Sterling denominated currency.

There is no limit to the Fund's exposure to any sector or geographic area.

The Portfolio Manager may use derivatives for the purpose of efficient portfolio management.

## LF CANLIFE DIVERSIFIED RISK MANAGED III FUND

### ACD'S REPORT *continued*

#### Investment Objective and Policy *continued*

The exposures limits referenced above will not apply under extraordinary market conditions or a sustained period of changes to the historic norms that are used to model the exposure limits, in which circumstances the Fund may invest in asset classes in order to mitigate its exposure to market risk. Examples of extraordinary market conditions include economic, political unrest or instability, world events leading to market instability, or any events which give rise to high downside risk. During such periods, the Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government and public securities and/or short term money market instruments or have substantial holding in cash and cash equivalents. In these circumstances the capital growth of the Fund may be constrained.

#### Additional Information

The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The asset mix is diversified and adjusted regularly with the aim of keeping the Fund within risk profile 3 on a scale of 1 to 10. The Fund's risk profile is managed by varying the weighting of the asset types that are indirectly held in the Fund.

Strategic Asset Allocation ('SAA') provides a reference SAA for the Fund. Based on the SAA, the Portfolio Manager constructs a diversified, actively managed portfolio.

The Portfolio Manager may position the portfolio away from the SAA on a medium to long term basis, or to capture opportunities presented by shorter term market movements ("tactical asset allocation"). In such instances the allocation of the portfolio will be kept consistent with achieving the Fund's objective.

The Portfolio Manager's views of the economic environment along with the absolute and relative risk-adjusted attractions of different asset classes is used to determine the mix of assets to invest in to achieve the Fund's objective.

The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the strategic asset allocation and to take advantage of tactical investment opportunities.

Other information: The Fund's objective to stay within its specified risk profile may restrict the type and proportions of the assets it holds and limit the potential gains and losses.



## LF CANLIFE DIVERSIFIED RISK MANAGED III FUND

### ACD'S REPORT *continued*

#### Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 0-35% Shares sector.

The Fund's performance may be compared against the Investment Association IA Mixed Investment 0-35% Shares sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. The comparator benchmark has been selected as we consider it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets. The Fund is not constrained by the requirements of the sector.

#### LINK FUND SOLUTIONS LIMITED

ACD of LF Canlife Diversified Risk Managed III Fund

9 June 2023

## LF CANLIFE DIVERSIFIED RISK MANAGED III FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT

for the half year ended 15 April 2023

#### Market Overview

Following a prolonged period of suppression throughout much of 2022, risk assets began to rally toward the end of the year as inflation appeared to be nearing its peak and central bank rhetoric began to soften.

This trajectory continued into the new year as, in addition to the market's growing expectations of interest rate cuts, the re-opening of China's borders buoyed investor sentiment. Stock markets across the developed market economies all gained throughout the period, most notably in Europe and China, albeit the latter lost momentum in February following a spy balloon incident in the US, which knocked investor confidence.

Following a period where the rising rate environment was supportive of value stocks, the market began to rotate back toward growth-oriented stocks, which brought technology stocks in particular back into vogue.

There was a brief bout of volatility in March, following the collapse of US-based Silicon Valley Bank ('SVB'). The situation surrounding SVB sparked a domino effect, ending with the emergency takeover of European banking giant Credit Suisse by long-time rival UBS in a merger forced by the Swiss authorities. These events caused a rapid and indiscriminate selloff in financial assets. Markets rebounded towards the end of March however, recovering many of the gains lost during this period.

Over the period, developed economy central banks began laying the groundwork for an easing of monetary policy as, with the exception of the UK, inflation data began dipping. In line with the softening inflation data, the banks reduced the pace of interest rate hikes.

#### Fund Review

Upon the switch of the mandate on 12 December 2022, we reshaped the Fund's equity portfolio to take advantage of the full breadth of global equities now at our disposal. Having previously been largely confined to the UK, we allocated capital to North American, Asian, European and Emerging Markets equities, affording the portfolio with a layer of diversity and exposure to a range of different economies and themes. This was timely, as the fund was then able to capture some of the rally in tech stocks in the US, which had been suppressed earlier in the year.

Conversely, we took the opportunity to pare back our exposures to property, chiefly due to an economic backdrop which we believe will be less supportive of commercial property in the near-term.

#### Outlook

As in previous months, the key consideration as we move further into 2023 is inflation. In the US, market indicators suggest that the Federal Reserve is nearing its terminal rate, which will then shift the focus towards inflation itself and the level at which it may eventually settle. It's widely accepted that headline inflation has all but peaked throughout developed market economies, but how much it falls from here, with the central banks having used the tools at their disposal, remains to be seen.

## LF CANLIFE DIVERSIFIED RISK MANAGED III FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT *continued*

Certainly, some anticipate inflation dropping in the short-to-mid-term but ultimately settling at a higher level than pre-2022. This would present difficulties for certain businesses and companies, so we remain cognisant of the trajectory of inflation and the potential ramifications from here.

The collapse of SVB and the merger between Credit Suisse and UBS dominated the headlines toward the end of the period and dampened investor sentiment in the short term. We believe these instances to have been more idiosyncratic than indicative of a widespread banking crisis. However, we are mindful of the challenges facing the sector within this high-rate environment and will continue to monitor the situation closely.

From a portfolio perspective, we are very comfortable with our positioning and continue seeking opportunities to add quality names into the portfolio at sensible valuations.

### CANADA LIFE ASSET MANAGEMENT LIMITED

Portfolio Manager

10 May 2023

## LF CANLIFE DIVERSIFIED RISK MANAGED III FUND

### ACD'S REPORT *continued*

#### FUND INFORMATION

##### Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

The SRRI measure differs from the risk rating referenced in the Fund's objective and name. Further details about the Fund's risk rating can be found in the Prospectus.

**Liquidity Risk:** In unfavourable market conditions, corporate bonds may be harder to sell in a timely manner and at reasonable prices, than in normal market conditions. This could have a negative impact on the value of the Fund. In extreme market conditions this could affect the Fund's ability to meet investors' redemptions.

**Property Fund Investment Risk:** Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

**Counterparty Risk:** The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

**Changes in Interest Rate Risk:** A rise in interest rates generally causes bond prices to fall.

**Credit Risk:** The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

**LF CANLIFE DIVERSIFIED RISK MANAGED III FUND**

**ACD'S REPORT** *continued*

**FUND INFORMATION** *continued*

**Comparative Tables**

Information for 15 April 2023 relates to the 6 month period ending 15 April 2023. The operating charges relate to the expenses incurred on an ex post basis over the 6 month period ending 15 April 2023, expressed as an annualised percentage of the average net asset value.

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the half year end weighted against the net asset value of the share class at that date.

## LF CANLIFE DIVERSIFIED RISK MANAGED III FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	97.53	108.42	102.37	107.15
Return before operating charges*	7.58	(8.98)	7.95	(2.90)
Operating charges <sup>1</sup>	(0.81)	(1.72)	(1.69)	(1.72)
Property expenses	(0.08)	(0.19)	(0.21)	(0.16)
Return after operating charges	6.69	(10.89)	6.05	(4.78)
Distributions	(0.52)	(1.17)	(1.11)	(1.55)
Retained distributions on accumulation shares	0.52	1.17	1.11	1.55
Closing net asset value per share	104.22	97.53	108.42	102.37
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	6.86%	(10.04)%	5.91%	(4.46)%
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##### OTHER INFORMATION

Closing net asset value (£'000)	15,905	15,534	20,459	23,552
Closing number of shares	15,261,234	15,927,388	18,871,160	23,006,552
Operating charges <sup>1</sup>	1.57%	1.62%	1.58%	1.64%
Property expenses	0.15%	0.18%	0.20%	0.15%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	106.39	110.21	109.88	109.90
Lowest share price	97.70	95.98	101.00	93.70

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

## LF CANLIFE DIVERSIFIED RISK MANAGED III FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	89.77	101.01	96.37	102.46
Return before operating charges*	6.91	(8.51)	7.32	(2.98)
Operating charges <sup>1</sup>	(0.37)	(0.81)	(0.78)	(0.84)
Property expenses	(0.07)	(0.18)	(0.20)	(0.15)
Return after operating charges	6.47	(9.50)	6.34	(3.97)
Distributions	(0.78)	(1.74)	(1.70)	(2.12)
Closing net asset value per share	95.46	89.77	101.01	96.37
* after direct transaction costs of:	–	–	–	–

##### PERFORMANCE

Return after charges	7.21%	(9.41)%	6.58%	(3.87)%
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##### OTHER INFORMATION

Closing net asset value (£'000)	128	107	133	157
Closing number of shares	134,063	119,434	131,571	163,159
Operating charges <sup>1</sup>	0.77%	0.82%	0.78%	0.84%
Property expenses	0.15%	0.18%	0.20%	0.15%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	98.17	102.80	103.36	105.32
Lowest share price	89.93	89.37	95.12	89.84

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

## LF CANLIFE DIVERSIFIED RISK MANAGED III FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	101.26	111.84	104.93	109.12
Return before operating charges*	7.78	(9.48)	7.99	(3.13)
Operating charges <sup>1</sup>	(0.41)	(0.90)	(0.86)	(0.90)
Property expenses	(0.08)	(0.20)	(0.22)	(0.16)
Return after operating charges	7.29	(10.58)	6.91	(4.19)
Distributions	(0.88)	(1.93)	(1.86)	(2.27)
Retained distributions on accumulation shares	0.88	1.93	1.86	2.27
Closing net asset value per share	108.55	101.26	111.84	104.93
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	7.20%	(9.46)%	6.59%	(3.84)%
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##### OTHER INFORMATION

Closing net asset value (£'000)	2,431	2,320	3,234	4,325
Closing number of shares	2,239,385	2,290,766	2,891,386	4,121,271
Operating charges <sup>1</sup>	0.77%	0.82%	0.78%	0.84%
Property expenses	0.15%	0.18%	0.20%	0.15%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	110.73	113.83	113.23	112.18
Lowest share price	101.44	99.64	103.57	95.70

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.



## LF CANLIFE DIVERSIFIED RISK MANAGED III FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'G' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	101.43	111.97	104.98	109.11
Return before operating charges*	7.77	(9.52)	7.99	(3.15)
Operating charges <sup>1</sup>	(0.35)	(0.82)	(0.78)	(0.82)
Property expenses	(0.08)	(0.20)	(0.22)	(0.16)
Return after operating charges	7.34	(10.54)	6.99	(4.13)
Distributions	(0.91)	(2.00)	(1.94)	(2.34)
Retained distributions on accumulation shares	0.91	2.00	1.94	2.34
Closing net asset value per share	108.77	101.43	111.97	104.98
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	7.24%	(9.41)%	6.66%	(3.79)%
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##### OTHER INFORMATION

Closing net asset value (£'000)	143,058	6,416	7,647	8,156
Closing number of shares	131,526,007	6,325,853	6,829,942	7,769,213
Operating charges <sup>1</sup>	0.64%	0.74%	0.71%	0.77%
Property expenses	0.15%	0.18%	0.20%	0.15%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	110.94	113.97	113.33	112.19
Lowest share price	101.61	99.81	103.62	95.71

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

**LF CANLIFE DIVERSIFIED RISK MANAGED III FUND**

**ACD'S REPORT** *continued*

**FUND INFORMATION** *continued*

**Fund Performance to 15 April 2023 (%)**

	6 months	1 year	3 years	5 years
LF Canlife Diversified Risk Managed III Fund	7.06	(2.42)	6.24	3.82
IA Mixed Investment 0-35% Shares sector <sup>1</sup>	6.07	(3.94)	3.93	5.02

<sup>1</sup> Source: Morningstar Direct.

The performance of the Fund is based on the published price per 'C' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the period end, rather than the period end return after operating charges.

**RISK WARNING**

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

## LF CANLIFE DIVERSIFIED RISK MANAGED III FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	FIXED INTEREST – 49.62% (15.10.22 – 60.63%)		
207,361	Amundi Index J.P. Morgan GBI Global Govies	9,017	5.58
620,637	iShares \$ Treasury Bond UCITS ETF	2,722	1.69
849,298	iShares Core UK Gilts UCITS ETF	8,973	5.56
9,481,113	LF Canlife Corporate Bond <sup>1</sup>	24,436	15.13
7,420,686	LF Canlife Global Macro Bond <sup>1</sup>	9,548	5.91
14,268,236	LF Canlife Short Duration Corporate Bond <sup>1</sup>	14,702	9.10
107,694	Vanguard Global Corporate Bond Index	10,749	6.65
	TOTAL FIXED INTEREST	80,147	49.62
	EQUITIES – 31.76% (15.10.22 – 25.06%)		
171,957	Amundi Prime Japan UCITS ETF	3,502	2.17
1,957,951	iShares Continental European Equity Index	6,730	4.17
715,074	iShares Mid Cap UK Equity Index (UK)	1,625	1.01
217,407	LF Canlife Asia Pacific <sup>1</sup>	3,228	2.00
375,771	LF Canlife North American <sup>1</sup>	8,917	5.52
2,897,178	LF Canlife UK Equity Income <sup>1</sup>	21,122	13.08
19,172	SPDR Morningstar Multi-Asset Global Infrastructure UCITS ETF	502	0.31
12,436	SPDR S&P 500 UCITS ETF	4,127	2.55
7,437	Xtrackers Russell 2000 UCITS ETF	1,531	0.95
	TOTAL EQUITIES	51,284	31.76
	UK PROPERTY – 6.87% (15.10.22 – 10.63%)		
11,968,845	LF Canlife UK Property ACS <sup>1</sup>	11,101	6.87
	EMERGING MARKETS – 1.01% (15.10.22 – 0.00%)		
901,778	iShares Emerging Markets Equity Index	1,636	1.01
	MONEY MARKETS – 10.60% (15.10.22 – 3.66%)		
3,009,252	LF Canlife Sterling Short Term Bond <sup>1</sup>	3,060	1.89
13,450,868	LF Canlife UK Sterling Liquidity <sup>1</sup>	14,062	8.71
	TOTAL MONEY MARKETS	17,122	10.60

**LF CANLIFE DIVERSIFIED RISK MANAGED III FUND**

**ACD'S REPORT** *continued*

**PORTFOLIO STATEMENT** *continued*

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	Portfolio of investments	161,290	99.86
	Net other assets	232	0.14
	Net assets	161,522	100.00

The investments are collective investment schemes.

<sup>1</sup> Related party holding.

## LF CANLIFE DIVERSIFIED RISK MANAGED III FUND

### ACD'S REPORT *continued*

#### SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 15 April 2023

Total purchases for the half year £'000	143,880	Total sales for the half year £'000	22,905
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
LF Canlife Corporate Bond	21,788	LF Canlife Short Duration Corporate Bond	3,901
LF Canlife UK Equity Income	17,542	LF Canlife UK Equity Income	3,672
LF Canlife Short Duration Corporate Bond	13,099	LF Canlife Corporate Bond	3,285
Vanguard Global Corporate Bond Index	10,898	SPDR S&P 500 UCITS ETF	2,541
Amundi Index J.P. Morgan GBI Global Govies	9,758	LF Canlife Sterling Short Term Bond	1,498
LF Canlife UK Property ACS	9,707	LF Canlife UK Government Bond	1,104
LF Canlife Global Macro Bond	9,650	Amundi Index J.P. Morgan GBI Global Govies	849
LF Canlife North American	9,305	iShares Core UK Gilts UCITS ETF	836
iShares Core UK Gilts UCITS ETF	8,497	iShares Core Global Aggregate Bond UCITS ETF	678
iShares Continental European Equity Index	6,619	LF Canlife UK Property ACS	650

In addition to the above, purchases totalling £13,421,000 and sales totalling £320,000 were made in short term investments during the half year.

The summary of material portfolio changes represents the 10 largest purchases and sales during the half year.

**LF CANLIFE DIVERSIFIED RISK MANAGED III FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**STATEMENT OF TOTAL RETURN**  
for the half year ended 15 April 2023

	£'000	15.04.23 £'000	£'000	15.04.22 £'000
Income:				
Net capital gains/(losses)		2,526		(334)
Revenue	506		349	
Expenses	(245)		(193)	
Net revenue before taxation	261		156	
Taxation	(40)		(17)	
Net revenue after taxation		221		139
Total return before distributions		2,747		(195)
Distributions		(226)		(144)
Change in net assets				
attributable to shareholders				
from investment activities		2,521		(339)

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the half year ended 15 April 2023

	£'000	15.04.23 £'000	£'000	15.04.22 £'000
Opening net assets attributable to shareholders		24,377		31,473
Amounts receivable on issue of shares	135,205		847	
Amounts payable on redemption of shares	(1,883)		(3,600)	
		133,322		(2,753)
Change in net assets attributable to shareholders from investment activities		2,521		(339)
Retained distributions on Accumulation shares		1,302		139
Closing net assets attributable to shareholders		161,522		28,520

The above statement shows the comparative closing net assets at 15 April 2022 whereas the current accounting period commenced 16 October 2022.

**LF CANLIFE DIVERSIFIED RISK MANAGED III FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**BALANCE SHEET**  
as at 15 April 2023

	15.04.23 £'000	15.10.22 £'000
<b>ASSETS</b>		
Fixed assets		
Investments	161,290	24,372
Current assets		
Debtors	275	127
Cash and cash equivalents	362	64
<b>Total assets</b>	<b>161,927</b>	<b>24,563</b>
<b>LIABILITIES</b>		
Creditors		
Distribution payable	(1)	(1)
Other creditors	(404)	(185)
<b>Total liabilities</b>	<b>(405)</b>	<b>(186)</b>
<b>Net assets attributable to shareholders</b>	<b>161,522</b>	<b>24,377</b>

**LF CANLIFE DIVERSIFIED RISK MANAGED III FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
for the half year ended 15 April 2023

**1. Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 15 October 2022 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has 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, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

**2. Subsequent Events**

On 20 April 2023 Link Group announced the sale of the Fund Solutions Business ('FS Business') and that certain subsidiaries of Link Group, including Link Fund Solutions Limited ('LFSL'), entered into sale agreements with entities within the Waystone Group pursuant to which Link Group companies have agreed to sell to the Waystone Group: (i) the business and certain assets of LFSL; (ii) the business and certain assets of Link Fund Manager Solutions (Ireland) Limited (LFMS(I)L); and (iii) the entire issued share capital of certain other subsidiaries of Link Group, which together with the business of LFSL and LFMS(I)L comprise the FS Business (other than its Luxembourg and Swiss entities), but excluding Woodford related liabilities and, subject to normalised working capital adjustments, on a debt and cash free basis. The sale is conditional on various matters, including receipt of certain regulatory approvals, notices and consents from the FCA and the Central Bank of Ireland, anti-trust approval from the Competition and Consumer Protection Commission of Ireland and no in-depth investigation of the sale by the UK Competition and Markets Authority. It is possible that Irish foreign investment approval may also be needed depending on whether a foreign investment regime is introduced in Ireland before completion of the sale and the parties agree a filing is required. The sale is also conditional on contracts representing a significant majority of revenue in respect of LFSL's ACD business and LFMS(I)L's business being transferred to the Waystone Group and consent having been



**LF CANLIFE DIVERSIFIED RISK MANAGED III FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS** *continued*

received from certain third parties in respect of the transfer of their business to the Waystone Group. The Waystone Group, LFSL and LFMS(I)L have agreed to work to achieve those and other conditions. The sale is not contingent on the Scheme or the Settlement becoming unconditional. The sale is targeted to complete by October 2023.

The above proposed changes will not impact either the ongoing management of the Fund nor its continuing viability. Investors will be notified, assuming the proposed changes conclude satisfactorily, in due course on the timing of the transfer of the Fund to Waystone Group.

## LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND ACD'S REPORT

for the half year ended 15 April 2023

### Important Information

Refer to the 'Important Information' section on page 12.

### Investment Objective and Policy

The investment objective of the LF Canlife Diversified Risk Managed IV Fund ('the Fund') is to achieve capital growth over the long term (at least five years), after all costs and charges have been taken, whilst seeking to remain within a defined risk profile with defined volatility parameters. The Fund will seek to remain in risk profile 4 on a scale of 1 to 10, where 1 is the lowest risk profile and 10 is the highest risk profile.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

For further information on the approach to risk for this Fund please refer to the Approach to Risk document on the Link website [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

The Fund aims to invest in the following assets: debt (including government and public securities, corporate bonds), equities (including shares of companies, equity related securities such as depositary receipts, equity infrastructure, equity warrants), cash (including deposits, money market instruments) and alternative investments (including immovable property, property related securities).

The asset mix of the Fund is tailored to its risk profile (which is provided by an external risk provider). The Fund has a balanced exposure between lower risk assets such as fixed income assets and cash, and a higher risk assets such as equities. The Fund's exposure to equities can be between 20% to 60% of the assets by value and the exposure to alternative investments will be no more than 10% of the assets by value. The capital growth of the Fund is dictated by the limits of the risk profile. The Fund may not always have exposure to all asset classes at all times and the Portfolio Manager may operate outside of the limits to ensure the risk profile of the Fund is adhered to.

The Fund will invest at least 90% of the assets by value indirectly and will gain exposure to the above asset classes by investing in collective investment schemes managed by the Portfolio Manager. It may also invest in other collective investment schemes (including Exchange Traded Funds) as well as closed end funds (including Investment Trusts and REITS). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates.

The Fund may also invest up to 10% of the assets by value directly in permitted transferable securities to gain exposure to the above asset classes.

The Fund can invest, directly or indirectly, in securities issued by non-UK domiciled entities denominated in Sterling or non-Sterling. The Fund will typically invest in sterling denominated assets which in turn may have exposure to non-Sterling denominated currency.

There is no limit to the Fund's exposure to any sector or geographic area.

The Portfolio Manager may invest in derivatives for efficient portfolio management purposes.

## LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND

### ACD'S REPORT *continued*

#### Investment Objective and Policy *continued*

The exposures limits referenced above will not apply under extraordinary market conditions or a sustained period of changes to the historic norms that are used to model the exposure limits, in which circumstances the Fund may invest in asset classes in order to mitigate its exposure to market risk. Examples of extraordinary market conditions include economic, political unrest or instability, world events leading to market instability, or any events which give rise to high downside risk. During such periods, the Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government and public securities and/or short-term money market instruments or have substantial holding in cash and cash equivalents. In these circumstances the capital growth of the Fund may be constrained.

#### Additional Information

The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The asset mix is diversified and adjusted regularly with the aim of keeping the Fund within risk profile 4 on a scale of 1 to 10. The Fund's risk profile is managed by varying the weighting of the asset types that are indirectly held in the Fund.

Strategic Asset Allocation ('SAA') provides a reference SAA for the Fund. Based on the SAA, the Portfolio Manager constructs a diversified, actively managed portfolio.

The Portfolio Manager may position the portfolio away from the SAA on a medium to long term basis, or to capture opportunities presented by shorter term market movements ("tactical asset allocation"). In such instances the allocation of the portfolio will be kept consistent with achieving the Fund's objective.

The Portfolio Manager's views of the economic environment along with the absolute and relative risk-adjusted attractions of different asset classes is used to determine the mix of assets to invest in to achieve the Fund's objective.

The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the strategic asset allocation and to take advantage of tactical investment opportunities.

Other information: The Fund's objective to stay within its specified risk profile may restrict the type and proportions of the assets it holds and limit the potential gains and losses.

## LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND

### ACD'S REPORT *continued*

#### Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 20-60% Shares sector.

The Fund's performance may be compared against the Investment Association IA Mixed Investment 20-60% Shares sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. The comparator benchmark has been selected as we consider it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets. The Fund is not constrained by the requirements of the sector.

#### LINK FUND SOLUTIONS LIMITED

ACD of LF Canlife Diversified Risk Managed IV Fund

9 June 2023

## LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT

for the half year ended 15 April 2023

#### Market Overview

Following a prolonged period of suppression throughout much of 2022, risk assets began to rally toward the end of the year as inflation appeared to be nearing its peak and central bank rhetoric began to soften.

This trajectory continued into the new year as, in addition to the market's growing expectations of interest rate cuts, the re-opening of China's borders buoyed investor sentiment. Stock markets across the developed market economies all gained throughout the period, most notably in Europe and China, albeit the latter lost momentum in February following a spy balloon incident in the US, which knocked investor confidence.

Following a period where the rising rate environment was supportive of value stocks, the market began to rotate back toward growth-oriented stocks, which brought technology stocks in particular back into vogue.

There was a brief bout of volatility in March, following the collapse of US-based Silicon Valley Bank ('SVB'). The situation surrounding SVB sparked a domino effect, ending with the emergency takeover of European banking giant Credit Suisse by long-time rival UBS in a merger forced by the Swiss authorities. These events caused a rapid and indiscriminate selloff in financial assets. Markets rebounded towards the end of March however, recovering many of the gains lost during this period.

Over the period, developed economy central banks began laying the groundwork for an easing of monetary policy as, with the exception of the UK, inflation data began dipping. In line with the softening inflation data, the banks reduced the pace of interest rate hikes.

#### Fund Review

Following the switch in the mandate on 12 December 2022, we took the opportunity to pare back our exposures to property, chiefly due to an economic backdrop which we believe will be less supportive of commercial property in the near-term.

Throughout this period, equities were the key driver of returns, most notably in our allocations towards North America, which were buoyed by strong performance within the technology sector as the market rotated away from value in favour of more growth-oriented stocks.

Financial assets were negatively affected by the collapse of SVB, and this had an impact on the portfolio through both its equity and bond exposures. Our property and alternatives exposures also detracted from performance, in part as a knock-on from SVB but also due to a more challenging, high-rate environment that impacted on the property sector.

#### Outlook

As in previous months, the key consideration as we move further into 2023 is inflation. In the US, market indicators suggest that the Federal Reserve is nearing its terminal rate, which will then shift the focus towards inflation itself and the level at which it may eventually settle. It's widely accepted that headline inflation has all but peaked throughout developed market economies, but how much it falls from here, with the central banks having used the tools at their disposal, remains to be seen.

## LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT *continued*

Certainly, some anticipate inflation dropping in the short-to-mid-term but ultimately settling at a higher level than pre-2022. This would present difficulties for certain businesses and companies, so we remain cognisant of the trajectory of inflation and the potential ramifications from here.

The collapse of SVB and the merger between Credit Suisse and UBS dominated the headlines toward the end of the period and dampened investor sentiment in the short term. We believe these instances to have been more idiosyncratic than indicative of a widespread banking crisis. However, we are mindful of the challenges facing the sector within this high-rate environment and will continue to monitor the situation closely.

From a portfolio perspective, we are very comfortable with our positioning and continue seeking opportunities to add quality names into the portfolio at sensible valuations.

### CANADA LIFE ASSET MANAGEMENT LIMITED

Portfolio Manager

10 May 2023

## LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND

### ACD'S REPORT *continued*

#### FUND INFORMATION

##### Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

The SRRI measure differs from the risk rating referenced in the Fund's objective and name. Further details about the Fund's risk rating can be found in the Prospectus.

**Currency Risk:** As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

**Property Fund Investment Risk:** Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

**Counterparty Risk:** The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

**Emerging Markets Risk:** The Fund may invest in emerging markets, which are markets in countries that are developing. Emerging markets may have more political and economic risks than developed markets, resulting in price movements that may cause a loss to the Fund.

**Changes in Interest Rate Risk:** A rise in interest rates generally causes bond prices to fall.

**Credit Risk:** The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

**Liquidity Risk:** In unfavourable market conditions, corporate bonds may be harder to sell in a timely manner and at reasonable prices, than in normal market conditions. This could have a negative impact on the value of the Fund. In extreme market conditions this could affect the Fund's ability to meet investors' redemptions.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

**LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND**

**ACD'S REPORT** *continued*

**FUND INFORMATION** *continued*

**Comparative Tables**

Information for 15 April 2023 relates to the 6 month period ending 15 April 2023. The operating charges relate to the expenses incurred on an ex post basis over the 6 month period ending 15 April 2023, expressed as an annualised percentage of the average net asset value.

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the half year end weighted against the net asset value of the share class at that date.



## LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	100.01	111.33	101.51	102.64
Return before operating charges*	7.53	(8.25)	12.78	1.86
Operating charges <sup>1</sup>	(0.40)	(0.85)	(0.82)	(0.81)
Property expenses	(0.07)	(0.12)	(0.12)	(0.11)
Return after operating charges	7.06	(9.22)	11.84	0.94
Distributions	(0.82)	(2.10)	(2.02)	(2.07)
Closing net asset value per share	106.25	100.01	111.33	101.51
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	7.06%	(8.28)%	11.66%	0.92%
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##### OTHER INFORMATION

Closing net asset value (£'000)	–	–	–	–
Closing number of shares	250	250	250	250
Operating charges <sup>1</sup>	0.75%	0.77%	0.76%	0.80%
Property expenses	0.13%	0.11%	0.11%	0.11%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	109.14	115.08	113.90	107.02
Lowest share price	99.54	100.19	99.07	89.36

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude property operating expenses.

## LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	107.21	117.11	105.02	104.09
Return before operating charges*	7.97	(8.88)	13.07	1.87
Operating charges <sup>1</sup>	(0.43)	(0.89)	(0.86)	(0.83)
Property expenses	(0.07)	(0.13)	(0.12)	(0.11)
Return after operating charges	7.47	(9.90)	12.09	0.93
Distributions	(0.81)	(2.03)	(1.90)	(1.96)
Retained distributions on accumulation shares	0.81	2.03	1.90	1.96
Closing net asset value per share	114.68	107.21	117.11	105.02
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	6.97%	(8.45)%	11.51%	0.89%
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##### OTHER INFORMATION

Closing net asset value (£'000)	884	869	736	635
Closing number of shares	770,439	810,539	628,001	604,640
Operating charges <sup>1</sup>	0.75%	0.77%	0.76%	0.80%
Property expenses	0.13%	0.11%	0.11%	0.11%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	117.03	121.04	118.51	108.49
Lowest share price	106.70	106.08	102.48	90.60

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

## LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'G' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	107.38	117.23	105.06	104.07
Return before operating charges*	7.96	(8.91)	13.06	1.85
Operating charges <sup>1</sup>	(0.38)	(0.81)	(0.77)	(0.75)
Property expenses	(0.07)	(0.13)	(0.12)	(0.11)
Return after operating charges	7.51	(9.85)	12.17	0.99
Distributions	(0.84)	(2.10)	(1.97)	(2.02)
Retained distributions on accumulation shares	0.84	2.10	1.97	2.02
Closing net asset value per share	114.89	107.38	117.23	105.06
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	6.99%	(8.40)%	11.58%	0.95%
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##### OTHER INFORMATION

Closing net asset value (£'000)	111,078	29,305	31,452	31,065
Closing number of shares	96,679,350	27,291,118	26,830,389	29,568,874
Operating charges <sup>1</sup>	0.67%	0.70%	0.68%	0.73%
Property expenses	0.13%	0.11%	0.11%	0.11%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	117.24	121.18	118.63	108.49
Lowest share price	106.88	106.25	102.52	90.60

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

## LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Fund Performance to 15 April 2023 (%)

	6 months	1 year	3 years	Since launch <sup>1</sup>
LF Canlife Diversified Risk Managed IV Fund	6.94	(2.13)	18.67	14.75
IA Mixed Investment 20–60% Shares sector <sup>2</sup>	7.15	(2.80)	13.44	8.63

<sup>1</sup> Launch date: 22 March 2019.

<sup>2</sup> Source: Morningstar Direct.

The performance of the Fund is based on the published price per 'C' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the period end, rather than the period end return after operating charges.

#### RISK WARNING

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

## LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	FIXED INTEREST – 41.17% (15.10.22 – 39.87%)		
93,770	Amundi Index J.P. Morgan GBI Global Govies	4,077	3.64
386,240	iShares Core UK Gilts UCITS ETF	4,081	3.64
471,555	iShares USD Treasury Bond UCITS ETF	2,068	1.85
4,760,881	LF Canlife Corporate Bond <sup>1</sup>	12,271	10.96
3,424,154	LF Canlife Global Macro Bond <sup>1</sup>	4,406	3.93
8,645,069	LF Canlife Short Duration Corporate Bond <sup>1</sup>	8,908	7.96
5,054,059	LF Canlife Sterling Short Term Bond <sup>1</sup>	5,140	4.59
51,574	Vanguard Global Corporate Bond Index	5,147	4.60
	TOTAL FIXED INTEREST	46,098	41.17
	EQUITIES – 43.09% (15.10.22 – 46.38%)		
109,906	Amundi Prime Japan UCITS ETF	2,238	2.00
1,676,200	iShares Continental European Equity Index (UK)	5,762	5.15
488,681	iShares Mid Cap UK Equity Index (UK)	1,111	0.99
224,206	LF Canlife Asia Pacific <sup>1</sup>	3,329	2.97
575,724	LF Canlife North American <sup>1</sup>	13,662	12.20
2,466,475	LF Canlife UK Equity Income <sup>1</sup>	17,982	16.06
242,658	Renewable Infrastructure <sup>2</sup>	311	0.28
12,160	SPDR Morningstar Multi-Asset Global Infrastructure UCITS ETF	318	0.28
4,627	SPDR S&P 500 UCITS ETF	1,535	1.37
9,718	Xtrackers Russell 2000 UCITS ETF	2,000	1.79
	TOTAL EQUITIES	48,248	43.09
	UK PROPERTY – 6.40% (15.10.22 – 11.71%)		
7,719,718	LF Canlife UK Property ACS <sup>1</sup>	7,160	6.40
	EMERGING MARKETS – 2.00% (15.10.22 – 0.00%)		
1,235,072	iShares Emerging Markets Equity Index (UK)	2,240	2.00
	MONEY MARKETS – 7.00% (15.10.22 – 0.00%)		
7,495,454	LF Canlife Sterling Liquidity <sup>1</sup>	7,836	7.00

**LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND**

**ACD'S REPORT** *continued*

**PORTFOLIO STATEMENT** *continued*

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	Portfolio of investments	111,582	99.66
	Net other assets	380	0.34
	Net assets	111,962	100.00

The investments are collective investment schemes.

<sup>1</sup> Related party holding.

<sup>2</sup> Closed end fund.

## LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND

### ACD'S REPORT *continued*

#### SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 15 April 2023

Total purchases for the half year £'000	94,578	Total sales for the half year £'000	23,126
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
LF Canlife North American	13,422	LF Canlife Global Equity	7,323
LF Canlife UK Equity Income	12,642	LF Canlife Corporate Bond	2,501
LF Canlife Corporate Bond	9,038	iShares Core Global Aggregate Global	
LF Canlife Short Duration Corporate		Bond UCITS ETF	2,169
Bond	7,518	LF Canlife Global Macro Bond	2,104
LF Canlife UK Property ACS	5,652	LF Canlife UK Equity Income	1,495
iShares Continental European Equity		iShares UK Property UCITS ETF	1,227
Index (UK)	5,649	LF Canlife Short Duration Corporate	
LF Canlife Sterling Short Term Bond	5,308	Bond	1,125
Vanguard Global Corporate Bond Index	5,102	LF Canlife UK Property ACS	950
Amundi Index J.P. Morgan GBI Global		iShares S&P U.S. Banks UCITS ETF	683
Govies	4,536	Amundi Index J.P. Morgan GBI Global	
iShares Core UK Gilts UCITS ETF	4,534	Govies	499

In addition to the above, purchases totalling £8,538,000 and sales totalling £750,000 were made in short term investments during the half year.

The summary of material portfolio changes represents the 10 largest purchases and sales during the half year.

**LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**STATEMENT OF TOTAL RETURN**

for the half year ended 15 April 2023

	£'000	15.04.23 £'000	£'000	15.04.22 £'000
Income:				
Net capital gains/(losses)		2,492		(162)
Revenue	451		357	
Expenses	(151)		(106)	
Interest payable and similar charges	(1)		–	
Net revenue before taxation	299		251	
Taxation	(42)		(29)	
Net revenue after taxation		257		222
Total return before distributions		2,749		60
Distributions		(261)		(226)
Change in net assets attributable to shareholders from investment activities		2,488		(166)

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**

for the half year ended 15 April 2023

	£'000	15.04.23 £'000	£'000	15.04.22 £'000
Opening net assets attributable to shareholders		30,174		32,188
Amounts receivable on issue of shares	78,787		324	
Amounts payable on redemption of shares	(255)		(29)	
		78,532		295
Change in net assets attributable to shareholders from investment activities		2,488		(166)
Retained distributions on Accumulation shares		768		228
Closing net assets attributable to shareholders		111,962		32,545

The above statement shows the comparative closing net assets at 15 April 2022 whereas the current accounting period commenced 16 October 2022.



**LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**BALANCE SHEET**  
as at 15 April 2023

	15.04.23 £'000	15.10.22 £'000
<b>ASSETS</b>		
Fixed assets		
Investments	111,582	29,558
Current assets		
Debtors	25	826
Cash and cash equivalents	627	99
<b>Total assets</b>	<b>112,234</b>	<b>30,483</b>
<b>LIABILITIES</b>		
Creditors		
Other creditors	(272)	(309)
<b>Total liabilities</b>	<b>(272)</b>	<b>(309)</b>
<b>Net assets attributable to shareholders</b>	<b>111,962</b>	<b>30,174</b>

**LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
for the half year ended 15 April 2023

**1. Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 15 October 2022 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has 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, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

**2. Subsequent Events**

On 20 April 2023 Link Group announced the sale of the Fund Solutions Business ('FS Business') and that certain subsidiaries of Link Group, including Link Fund Solutions Limited ('LFSL'), entered into sale agreements with entities within the Waystone Group pursuant to which Link Group companies have agreed to sell to the Waystone Group: (i) the business and certain assets of LFSL; (ii) the business and certain assets of Link Fund Manager Solutions (Ireland) Limited (LFMS(I)L); and (iii) the entire issued share capital of certain other subsidiaries of Link Group, which together with the business of LFSL and LFMS(I)L comprise the FS Business (other than its Luxembourg and Swiss entities), but excluding Woodford related liabilities and, subject to normalised working capital adjustments, on a debt and cash free basis. The sale is conditional on various matters, including receipt of certain regulatory approvals, notices and consents from the FCA and the Central Bank of Ireland, anti-trust approval from the Competition and Consumer Protection Commission of Ireland and no in-depth investigation of the sale by the UK Competition and Markets Authority. It is possible that Irish foreign investment approval may also be needed depending on whether a foreign investment regime is introduced in Ireland before completion of the sale and the parties agree a filing is required. The sale is also conditional on contracts representing a significant majority of revenue in respect of LFSL's ACD business and LFMS(I)L's business being transferred to the Waystone Group and consent having been

**LF CANLIFE DIVERSIFIED RISK MANAGED IV FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS** *continued*

received from certain third parties in respect of the transfer of their business to the Waystone Group. The Waystone Group, LFSL and LFMS(I)L have agreed to work to achieve those and other conditions. The sale is not contingent on the Scheme or the Settlement becoming unconditional. The sale is targeted to complete by October 2023.

The above proposed changes will not impact either the ongoing management of the Fund nor its continuing viability. Investors will be notified, assuming the proposed changes conclude satisfactorily, in due course on the timing of the transfer of the Fund to Waystone Group.

## LF CANLIFE DIVERSIFIED RISK MANAGED V FUND ACD'S REPORT

For the period from 12 December 2022 to 15 April 2023

### Important Information

Refer to the 'Important Information' section on page 12.

### Investment Objective and Policy

The investment objective of the LF Canlife Diversified Risk Managed V Fund ('the Fund') is to achieve capital growth over the long term (at least five years), after all costs and charges have been taken, whilst seeking to remain within a defined risk profile with defined volatility parameters. The Fund will seek to remain in risk profile 5 on a scale of 1 to 10, where 1 is the lowest risk profile and 10 is the highest risk profile.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

For further information on the approach to risk for this Fund please refer to the Approach to Risk document on the Link website [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

The Fund aims to invest in the following assets: equities (including shares of companies, equity related securities such as depositary receipts, equity infrastructure, equity warrants), debt (including government and public securities, corporate bonds), cash (including deposits, money market instruments) and alternative investments (including immovable property, property related securities).

The asset mix of the Fund is tailored to its risk profile (which is provided by an external risk provider). The Fund will have a bias to higher risk assets, such as equities over lower risk assets such as fixed income assets and cash. The Fund's exposure to equities can be between 40% to 85% of the assets by value and the exposure to alternative investments will be no more than 10% of the assets by value. The capital growth of the Fund is dictated by the limits of the risk profile. The Fund may not always have exposure to all asset classes at all times and the Portfolio Manager may operate outside of the limits to ensure the risk profile of the Fund is adhered to.

The Fund will invest at least 90% of the assets by value indirectly and will gain exposure to the above asset classes by investing in collective investment schemes managed by the Portfolio Manager. It may also invest in other collective investment schemes (including Exchange Traded Funds) as well as closed end funds (including Investment Trusts and REITS). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates.

The Fund may also invest up to 10% of the assets by value directly in permitted transferable securities to gain exposure to the above asset classes.

The Fund can invest, directly or indirectly, in securities issued by non-UK domiciled entities denominated in Sterling or non-Sterling. The Fund will typically invest in sterling denominated assets which in turn may have exposure to non-Sterling denominated currency.

There is no limit to the Fund's exposure to any sector or geographic area.

The Portfolio Manager may invest in derivatives for efficient portfolio management purposes.

## LF CANLIFE DIVERSIFIED RISK MANAGED V FUND

### ACD'S REPORT *continued*

#### Investment Objective and Policy *continued*

The exposures limits referenced above will not apply under extraordinary market conditions or a sustained period of changes to the historic norms that are used to model the exposure limits, in which circumstances the Fund may invest in asset classes in order to mitigate its exposure to market risk. Examples of extraordinary market conditions include economic, political unrest or instability, world events leading to market instability, or any events which give rise to high downside risk. During such periods, the Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government and public securities and/or short-term money market instruments or have substantial holding in cash and cash equivalents. In these circumstances the capital growth of the Fund may be constrained.

#### Additional Information

The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The asset mix is diversified and adjusted regularly with the aim of keeping the Fund within risk profile 5 on a scale of 1 to 10. The Fund's risk profile is managed by varying the weighting of the asset types that are indirectly held in the Fund.

Strategic Asset Allocation ('SAA') provides a reference SAA for the Fund. Based on the SAA, the Portfolio Manager constructs a diversified, actively managed portfolio.

The Portfolio Manager may position the portfolio away from the SAA on a medium to long term basis, or to capture opportunities presented by shorter term market movements ("tactical asset allocation"). In such instances the allocation of the portfolio will be kept consistent with achieving the Fund's objective.

The Portfolio Manager's views of the economic environment along with the absolute and relative risk-adjusted attractions of different asset classes is used to determine the mix of assets to invest in to achieve the Fund's objective.

The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the strategic asset allocation and to take advantage of tactical investment opportunities.

Other information: The Fund's objective to stay within its specified risk profile may restrict the type and proportions of the assets it holds and limit the potential gains and losses.

## LF CANLIFE DIVERSIFIED RISK MANAGED V FUND

### ACD'S REPORT *continued*

#### Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 40-85% Shares sector.

The Fund's performance may be compared against the Investment Association IA Mixed Investment 40-85% Shares sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. The comparator benchmark has been selected as we consider it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets. The Fund is not constrained by the requirements of the sector.

#### LINK FUND SOLUTIONS LIMITED

ACD of LF Canlife Diversified Risk Managed V Fund

9 June 2023

## LF CANLIFE DIVERSIFIED RISK MANAGED V FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT

For the period from 12 December 2022 to 15 April 2023

#### Market Overview

Following a prolonged period of suppression throughout much of 2022, risk assets began to rally toward the end of the year as inflation appeared to be nearing its peak and central bank rhetoric began to soften.

This trajectory continued into the new year as, in addition to the market's growing expectations of interest rate cuts, the re-opening of China's borders buoyed investor sentiment. Stock markets across the developed market economies all gained throughout the period, most notably in Europe and China, albeit the latter lost momentum in February following a spy balloon incident in the US, which knocked investor confidence.

Following a period where the rising rate environment was supportive of value stocks, the market began to rotate back toward growth-oriented stocks, which brought technology stocks in particular back into vogue.

There was a brief bout of volatility in March, following the collapse of US-based Silicon Valley Bank ('SVB'). The situation surrounding SVB sparked a domino effect, ending with the emergency takeover of European banking giant Credit Suisse by long-time rival UBS in a merger forced by the Swiss authorities. These events caused a rapid and indiscriminate selloff in financial assets. Markets rebounded towards the end of March however, recovering many of the gains lost during this period.

Over the period, developed economy central banks began laying the groundwork for an easing of monetary policy as, with the exception of the UK, inflation data began dipping. In line with the softening inflation data, the banks reduced the pace of interest rate hikes.

#### Fund Review

Equities were the key driver of returns throughout the period following the Fund's launch in mid-December 2022, specifically our allocations towards North America, which were buoyed by strong performance within the technology sector as the market rotated away from value in favour of more growth-oriented stocks.

Financial assets were negatively affected by the collapse of SVB both in equities and in bonds. Our property and alternatives exposures detracted from performance also, in part as a knock-on from SVB but also due to a more challenging, high-rate environment impacting on the property sector.

#### Outlook

As in previous months, the key consideration as we move further into 2023 is inflation. In the US, market indicators suggest that the Federal Reserve is nearing its terminal rate, which will then shift the focus towards inflation itself and the level at which it may eventually settle. It's widely accepted that headline inflation has all but peaked throughout developed market economies, but how much it falls from here, with the central banks having used the tools at their disposal, remains to be seen.

Certainly, some anticipate inflation dropping in the short-to-mid-term but ultimately settling at a higher level than pre-2022. This would present difficulties for certain businesses and companies, so we remain cognisant of the trajectory of inflation and the potential ramifications from here.

## LF CANLIFE DIVERSIFIED RISK MANAGED V FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT *continued*

The collapse of SVB and the merger between Credit Suisse and UBS dominated the headlines toward the end of the period and dampened investor sentiment in the short term. We believe these instances to have been more idiosyncratic than indicative of a widespread banking crisis. However, we are mindful of the challenges facing the sector within this high-rate environment and will continue to monitor the situation closely.

From a portfolio perspective, we are very comfortable with our positioning and continue seeking opportunities to add quality names into the portfolio at sensible valuations.

### CANADA LIFE ASSET MANAGEMENT LIMITED

Portfolio Manager

10 May 2023



## LF CANLIFE DIVERSIFIED RISK MANAGED V FUND

### ACD'S REPORT *continued*

#### FUND INFORMATION

##### Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. As the Fund has less than 5 years' price history, this calculation incorporates the volatility of an appropriate benchmark index. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

The SRRI measure differs from the risk rating referenced in the Fund's objective and name. Further details about the Fund's risk rating can be found in the Prospectus.

**Currency Risk:** As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

**Property Fund Investment Risk:** Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

**Counterparty Risk:** The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

**Emerging Markets Risk:** The Fund may invest in emerging markets, which are markets in countries that are developing. Emerging markets may have more political and economic risks than developed markets, resulting in price movements that may cause a loss to the Fund.

**Changes in Interest Rate Risk:** A rise in interest rates generally causes bond prices to fall.

**Credit Risk:** The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

**Liquidity Risk:** In unfavourable market conditions, corporate bonds may be harder to sell in a timely manner and at reasonable prices, than in normal market conditions. This could have a negative impact on the value of the Fund. In extreme market conditions this could affect the Fund's ability to meet investors' redemptions.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

**LF CANLIFE DIVERSIFIED RISK MANAGED V FUND**

**ACD'S REPORT** *continued*

**FUND INFORMATION** *continued*

**Comparative Tables**

Information for 15 April 2023 relates to the period ending 15 April 2023. The operating charges relate to the expenses incurred on an ex post basis over the period ending 15 April 2023, expressed as an annualised percentage of the average net asset value.

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the period end weighted against the net asset value of the share class at that date.

## LF CANLIFE DIVERSIFIED RISK MANAGED V FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' ACCUMULATION SHARES

	15.04.23 <sup>1</sup> pence per share
<b>CHANGE IN NET ASSETS PER SHARE</b>	
Opening net asset value per share	100.00
Return before operating charges*	4.06
Operating charges	(0.26)
Return after operating charges	3.80
Distributions	(0.70)
Retained distributions on accumulation shares	0.70
Closing net asset value per share	103.80
* after direct transaction costs of:	–

##### PERFORMANCE

Return after charges	3.80%
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##### OTHER INFORMATION

Closing net asset value (£'000)	52
Closing number of shares	50,250
Operating charges	0.75% <sup>2</sup>
Direct transaction costs	–

##### PRICES

Highest share price	106.39
Lowest share price	98.81

<sup>1</sup> From 12 December 2022.

<sup>2</sup> Annualised figure due to Fund launched less than 1 year.

## LF CANLIFE DIVERSIFIED RISK MANAGED V FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'G' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 <sup>1</sup> pence per share
Opening net asset value per share	100.00
Return before operating charges*	4.06
Operating charges	(0.24)
Return after operating charges	3.82
Distributions	(0.72)
Retained distributions on accumulation shares	0.72
Closing net asset value per share	103.82
* after direct transaction costs of:	–

##### PERFORMANCE

Return after charges	3.82%
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##### OTHER INFORMATION

Closing net asset value (£'000)	31,217
Closing number of shares	30,068,812
Operating charges	0.68% <sup>2</sup>
Direct transaction costs	–

##### PRICES

Highest share price	106.41
Lowest share price	98.81

<sup>1</sup> From 12 December 2022.

<sup>2</sup> Annualised figure due to Fund launched less than 1 year.

## LF CANLIFE DIVERSIFIED RISK MANAGED V FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Fund Performance

As the Fund was launched less than one year ago, in accordance with FCA rules, no performance data is permitted to be reported.

#### RISK WARNING

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

## LF CANLIFE DIVERSIFIED RISK MANAGED V FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	FIXED INTEREST – 27.56%		
21,169	Amundi Index J.P. Morgan GBI Global Govies	921	2.94
60,015	iShares \$ Treasury Bond UCITS ETF	263	0.84
83,799	iShares Core UK Gilts UCITS ETF	885	2.83
826,277	LF Canlife Corporate Bond <sup>1</sup>	2,130	6.81
899,352	LF Canlife Global Macro Bond <sup>1</sup>	1,157	3.70
936,640	LF Canlife Short Duration Corporate Bond <sup>1</sup>	965	3.09
1,194,340	LF Canlife Sterling Short Term Bond <sup>1</sup>	1,215	3.89
10,835	Vanguard Global Corporate Bond Index	1,081	3.46
	TOTAL FIXED INTEREST	8,617	27.56
	EMERGING MARKETS – 3.79%		
653,695	iShares Emerging Markets Equity Index	1,186	3.79
	EQUITIES – 58.58%		
98,859	HICL Infrastructure <sup>2</sup>	155	0.49
646,184	iShares Continental European Equity Index (UK)	2,221	7.10
359,971	iShares Japan Equity Index (UK)	938	3.00
201,086	iShares Mid Cap UK Equity Index (UK)	457	1.46
74,427	LF Canlife Asia Pacific <sup>1</sup>	1,105	3.53
254,313	LF Canlife North American <sup>1</sup>	6,035	19.30
1,519,783	LF Canlife UK Equity <sup>1</sup>	2,353	7.53
525,822	LF Canlife UK Equity Income <sup>1</sup>	3,834	12.26
231,839	Renewables Infrastructure <sup>2</sup>	297	0.95
17,939	SPDR Morningstar Multi-Asset Global Infrastructure UCITS ETF	469	1.50
2,214	Xtrackers Russell 2000 UCITS ETF	456	1.46
	TOTAL EQUITIES	18,320	58.58
	PROPERTY – 2.02%		
293,806	iShares Environment & Low Carbon Tilt Real Estate Index (UK)	631	2.02
	MONEY MARKETS – 7.78%		
2,326,681	LF Canlife Sterling Liquidity <sup>1</sup>	2,432	7.78

**LF CANLIFE DIVERSIFIED RISK MANAGED V FUND**

**ACD'S REPORT** *continued*

**PORTFOLIO STATEMENT** *continued*

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	Portfolio of investments	31,186	99.73
	Net other assets	83	0.27
	Net assets	31,269	100.00

The investments are collective investment schemes.

<sup>1</sup> Related party holding.

<sup>2</sup> Closed end fund.

No comparative figures are presented for the Portfolio Statement as this is the Fund's first reporting period; the Fund launched on 12 December 2022.

## LF CANLIFE DIVERSIFIED RISK MANAGED V FUND

### ACD'S REPORT *continued*

#### SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the period from 12 December 2022 to 15 April 2023

Total purchases for the period £'000	32,243	Total sales for the period £'000	4,638
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
LF Canlife North American	6,543	LF Canlife North American	996
LF Canlife UK Equity Income	4,054	iShares S&P U.S. Banks UCITS ETF	662
LF Canlife UK Equity	2,202	iShares Core Global Aggregate Bond	500
LF Canlife Corporate Bond	2,198	iShares FTSE 250 UCITS ETF	468
iShares Continental European Equity		LF Canlife UK Equity Income	464
Index (UK)	2,094	Xtrackers Russell 2000 UCITS ETF	402
LF Canlife Sterling Short Term Bond	1,200	Greencoat UK Wind	321
LF Canlife Global Macro Bond	1,197	iShares USD Treasury Bond 20+Year	
iShares Emerging Markets Equity Index	1,191	UCITS ETF	285
LF Canlife Asia Pacific	1,097	HICL Infrastructure	149
Vanguard Global Corporate Bond Index	1,085	LF Canlife Corporate Bond	75

In addition to the above, purchases totalling £2,801,000 and sales totalling £400,000 were made in short term investments during the period.

The summary of material portfolio represents the 10 largest purchases and sales during the period.



## LF CANLIFE DIVERSIFIED RISK MANAGED V FUND

### INTERIM FINANCIAL STATEMENTS (UNAUDITED)

### STATEMENT OF TOTAL RETURN

For the period from 12 December 2022 to 15 April 2023

	£'000	15.04.23 <sup>1</sup> £'000
Income:		
Net capital gains		932
Revenue	291	
Expenses	(53)	
Interest payable and similar charges	(1)	
Net revenue before taxation	237	
Taxation	(22)	
Net revenue after taxation		215
Total return before distributions		1,147
Distributions		(216)
Change in net assets attributable to shareholders from investment activities		931

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period from 12 December 2022 to 15 April 2023

	15.04.23 <sup>1</sup> £'000
Opening net assets attributable to shareholders	–
Amounts receivable on issue of shares	30,121
Change in net assets attributable to shareholders from investment activities	931
Retained distributions on Accumulation shares	217
Closing net assets attributable to shareholders	31,269

<sup>1</sup> No comparative figures are presented for the Statement of Total Return and the Statement of Change in Net Asset Attributable to Shareholders as this is the Fund's first reporting period; the Fund launched on 12 December 2022.

**LF CANLIFE DIVERSIFIED RISK MANAGED V FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**BALANCE SHEET**  
as at 15 April 2023

	15.04.23 <sup>1</sup> £'000
<b>ASSETS</b>	
Fixed assets	
Investments	31,186
Current assets	
Debtors	7
Cash and cash equivalents	121
<b>Total assets</b>	<b>31,314</b>
<b>LIABILITIES</b>	
Creditors	
Other creditors	(45)
<b>Total liabilities</b>	<b>(45)</b>
<b>Net assets attributable to shareholders</b>	<b>31,269</b>

<sup>1</sup> No comparative figures are presented for the Balance Sheet as this is the Fund's first reporting period; the Fund launched on 12 December 2022.

## LF CANLIFE DIVERSIFIED RISK MANAGED V FUND

### INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

### NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the period from 12 December 2022 to 15 April 2023

#### 1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 15 October 2022 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has 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, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

#### 2. Subsequent Events

On 20 April 2023 Link Group announced the sale of the Fund Solutions Business ('FS Business') and that certain subsidiaries of Link Group, including Link Fund Solutions Limited ('LFSL'), entered into sale agreements with entities within the Waystone Group pursuant to which Link Group companies have agreed to sell to the Waystone Group: (i) the business and certain assets of LFSL; (ii) the business and certain assets of Link Fund Manager Solutions (Ireland) Limited (LFMS(I)L); and (iii) the entire issued share capital of certain other subsidiaries of Link Group, which together with the business of LFSL and LFMS(I)L comprise the FS Business (other than its Luxembourg and Swiss entities), but excluding Woodford related liabilities and, subject to normalised working capital adjustments, on a debt and cash free basis. The sale is conditional on various matters, including receipt of certain regulatory approvals, notices and consents from the FCA and the Central Bank of Ireland, anti-trust approval from the Competition and Consumer Protection Commission of Ireland and no in-depth investigation of the sale by the UK Competition and Markets Authority. It is possible that Irish foreign investment approval may also be needed depending on whether a foreign investment regime is introduced in Ireland before completion of the sale and the parties agree a filing is required. The sale is also conditional on contracts representing a significant majority of revenue in respect of LFSL's ACD business and LFMS(I)L's business being transferred to the Waystone Group and consent having been

**LF CANLIFE DIVERSIFIED RISK MANAGED V FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS** *continued*

received from certain third parties in respect of the transfer of their business to the Waystone Group. The Waystone Group, LFSL and LFMS(I)L have agreed to work to achieve those and other conditions. The sale is not contingent on the Scheme or the Settlement becoming unconditional. The sale is targeted to complete by October 2023.

The above proposed changes will not impact either the ongoing management of the Fund nor its continuing viability. Investors will be notified, assuming the proposed changes conclude satisfactorily, in due course on the timing of the transfer of the Fund to Waystone Group.

## LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND ACD'S REPORT

For the period from 24 February 2023 to 15 April 2023

### Important Information

Refer to the 'Important Information' section on page 12.

### Investment Objective and Policy

The investment objective of the LF Canlife Diversified Risk Managed VI Fund ('the Fund') is to achieve capital growth over the long term (at least five years), after all costs and charges have been taken, whilst seeking to remain within a defined risk profile with defined volatility parameters. The Fund will seek to remain in risk profile 6 on a scale of 1 to 10, where 1 is the lowest risk profile and 10 is the highest risk profile.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

For further information on the approach to risk for this Fund please refer to the Approach to Risk document on the Link website [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

The Fund aims to invest in the following assets: equities (including shares of companies, equity related securities such as depositary receipts, equity infrastructure, equity warrants), debt (including government and public securities, corporate bonds), cash (including deposits, money market instruments) and alternative investments (including immovable property, property related securities).

The asset mix of the Fund is tailored to its risk profile (which is provided by an external risk provider). The Fund will have a strong bias to higher risk assets, such as equities over lower risk assets such as fixed income assets and cash. The Fund's exposure to equities can be between 40% to 85% of the assets by value and the exposure to alternative investments will be no more than 10% of the assets by value. The capital growth of the Fund is dictated by the limits of the risk profile. The Fund may not always have exposure to all asset classes at all times and the Portfolio Manager may operate outside of the limits to ensure the risk profile of the Fund is adhered to.

The Fund will invest at least 90% of the assets by value indirectly and will gain exposure to the above asset classes by investing in collective investment schemes managed by the Portfolio Manager. It may also invest in other collective investment schemes (including Exchange Traded Funds) as well as closed end funds (including Investment Trusts and REITS). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates.

The Fund may also invest up to 10% of the assets by value directly in permitted transferable securities to gain exposure to the above asset classes.

The Fund can invest, directly or indirectly, in securities issued by non-UK domiciled entities denominated in Sterling or non-Sterling. The Fund will typically invest in sterling denominated assets which in turn may have exposure to non-Sterling denominated currency.

There is no limit to the Fund's exposure to any sector or geographic area.

The Portfolio Manager may invest in derivatives for efficient portfolio management purposes.

## LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND

### ACD'S REPORT *continued*

#### Investment Objective and Policy *continued*

The exposures limits referenced above will not apply under extraordinary market conditions or a sustained period of changes to the historic norms that are used to model the exposure limits, in which circumstances the Fund may invest in asset classes in order to mitigate its exposure to market risk. Examples of extraordinary market conditions include economic, political unrest or instability, world events leading to market instability, or any events which give rise to high downside risk. During such periods, the Fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government and public securities and/or shortterm money market instruments or have substantial holding in cash and cash equivalents. In these circumstances the capital growth of the Fund may be constrained.

#### Additional Information

The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The asset mix is diversified and adjusted regularly with the aim of keeping the Fund within risk profile 6 on a scale of 1 to 10. The Fund's risk profile is managed by varying the weighting of the asset types that are indirectly held in the Fund.

Strategic Asset Allocation ('SAA') provides a reference SAA for the Fund. Based on the SAA, the Portfolio Manager constructs a diversified, actively managed portfolio.

The Portfolio Manager may position the portfolio away from the SAA on a medium to long term basis, or to capture opportunities presented by shorter term market movements ("tactical asset allocation"). In such instances the allocation of the portfolio will be kept consistent with achieving the Fund's objective.

The Portfolio Manager's views of the economic environment along with the absolute and relative risk-adjusted attractions of different asset classes is used to determine the mix of assets to invest in to achieve the Fund's objective.

The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the strategic asset allocation and to take advantage of tactical investment opportunities.

Other information: The Fund's objective to stay within its specified risk profile may restrict the type and proportions of the assets it holds and limit the potential gains and losses.

## LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND

### ACD'S REPORT *continued*

#### Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 40-85% Shares sector.

The Fund's performance may be compared against the Investment Association IA Mixed Investment 40 - 85% Shares sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. The comparator benchmark has been selected as we consider it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets. The Fund is not constrained by the requirements of the sector.

#### LINK FUND SOLUTIONS LIMITED

ACD of LF Canlife Diversified Risk Managed VI Fund

9 June 2023

## LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT

For the period from 24 February 2023 to 15 April 2023

#### Market Overview

Following a prolonged period of suppression throughout much of 2022, risk assets began to rally toward the end of the year as inflation appeared to be nearing its peak and central bank rhetoric began to soften.

This trajectory continued into the new year as, in addition to the market's growing expectations of interest rate cuts, the re-opening of China's borders buoyed investor sentiment. Stock markets across the developed market economies all gained throughout the period, most notably in Europe and China, albeit the latter lost momentum in February following a spy balloon incident in the US, which knocked investor confidence.

Following a period where the rising rate environment was supportive of value stocks, the market began to rotate back toward growth-oriented stocks, which brought technology stocks in particular back into vogue.

There was a brief bout of volatility in March, following the collapse of US-based Silicon Valley Bank ('SVB'). The situation surrounding SVB sparked a domino effect, ending with the emergency takeover of European banking giant Credit Suisse by long-time rival UBS in a merger forced by the Swiss authorities. These events caused a rapid and indiscriminate selloff in financial assets. Markets rebounded towards the end of March however, recovering many of the gains lost during this period.

Over the period, developed economy central banks began laying the groundwork for an easing of monetary policy as, with the exception of the UK, inflation data began dipping. In line with the softening inflation data, the banks reduced the pace of interest rate hikes.

#### Fund Review

In what was a volatile period for financial markets following the collapse of SVB, equities detracted from returns overall, driven by our exposure to North America. However, our holdings in the UK, particularly the LF Canlife UK Equity Income Fund, produced a positive return.

Financial assets were impacted negatively by the collapse of SVB (both in equities and in bonds). Our exposures detracted from performance also, in part as a knock-on from SVB but also due to a more challenging, high-rate environment impacting on the property sector.

Bonds produced a small positive contribution to performance, driven by exposure to global high-yield bonds.

#### Outlook

As in previous months, the key consideration as we move further into 2023 is inflation. In the US, market indicators suggest that the Federal Reserve is nearing its terminal rate, which will then shift the focus towards inflation itself and the level at which it may eventually settle. It's widely accepted that headline inflation has all but peaked throughout developed market economies, but how much it falls from here, with the central banks having used the tools at their disposal, remains to be seen.



## LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT *continued*

Certainly, some anticipate inflation dropping in the short-to-mid-term but ultimately settling at a higher level than pre-2022. This would present difficulties for certain businesses and companies, so we remain cognisant of the trajectory of inflation and the potential ramifications from here.

The collapse of SVB and the merger between Credit Suisse and UBS dominated the headlines toward the end of the period and dampened investor sentiment in the short term. We believe these instances to have been more idiosyncratic than indicative of a widespread banking crisis. However, we are mindful of the challenges facing the sector within this high-rate environment and will continue to monitor the situation closely.

From a portfolio perspective, we are very comfortable with our positioning and continue seeking opportunities to add quality names into the portfolio at sensible valuations.

### CANADA LIFE ASSET MANAGEMENT LIMITED

Portfolio Manager

10 May 2023

## LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND

### ACD'S REPORT *continued*

#### FUND INFORMATION

##### Risk and Reward Profile



This indicator shows how much a fund has risen and fallen in the past, and therefore how much a fund's returns have varied. It is a measure of a fund's volatility. As the Fund has less than 5 years' price history, this calculation incorporates the volatility of an appropriate benchmark index. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 5 because its volatility has been measured as above average.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time. The lowest number on the scale does not mean that a fund is risk free.

The SRRI measure differs from the risk rating referenced in the Fund's objective and name. Further details about the Fund's risk rating can be found in the Prospectus.

**Property Fund Investment Risk:** Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

**Counterparty Risk:** The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

**Changes in Interest Rate Risk:** A rise in interest rates generally causes bond prices to fall.

**Credit Risk:** The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

**Liquidity Risk:** In unfavourable market conditions, corporate bonds may be harder to sell in a timely manner and at reasonable prices, than in normal market conditions. This could have a negative impact on the value of the Fund. In extreme market conditions this could affect the Fund's ability to meet investors' redemptions.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

## LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables

Information for 15 April 2023 relates to the period ending 15 April 2023. The operating charges relate to the expenses incurred on an ex post basis over the period ending 15 April 2023, expressed as an annualised percentage of the average net asset value.

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the period end weighted against the net asset value of the share class at that date.

#### 'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 <sup>1</sup> pence per share
Opening net asset value per share	209.71
Return before operating charges*	(0.88)
Operating charges	(0.50)
Return after operating charges	(1.38)
Distributions	–
Retained distributions on accumulation shares	–
Closing net asset value per share	208.33
* after direct transaction costs of:	–

#### PERFORMANCE

Return after charges	(0.66)%
----------------------	---------

#### OTHER INFORMATION

Closing net asset value (£'000)	109,843
Closing number of shares	52,725,862
Operating charges	1.74% <sup>2</sup>
Direct transaction costs	–

#### PRICES

Highest share price	211.15
Lowest share price	200.56

<sup>1</sup> From 24 February 2023.

<sup>2</sup> Annualised figure due to Fund launched less than 1 year.

## LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 <sup>1</sup> pence per share
Opening net asset value per share	221.95
Return before operating charges*	(0.93)
Operating charges	(0.21)
Return after operating charges	(1.14)
Distributions	(0.29)
Retained distributions on accumulation shares	0.29
Closing net asset value per share	220.81
* after direct transaction costs of:	–

##### PERFORMANCE

Return after charges	(0.51)%
----------------------	---------

##### OTHER INFORMATION

Closing net asset value (£'000)	12,562
Closing number of shares	5,688,794
Operating charges	0.69% <sup>2</sup>
Direct transaction costs	–

##### PRICES

Highest share price	223.55
Lowest share price	212.42

<sup>1</sup> From 24 February 2023.

<sup>2</sup> Annualised figure due to Fund launched less than 1 year.

## LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'G' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 <sup>1</sup> pence per share
Opening net asset value per share	228.00
Return before operating charges*	(0.96)
Operating charges	(0.19)
Return after operating charges	(1.15)
Distributions	(0.32)
Retained distributions on accumulation shares	0.32
Closing net asset value per share	226.85
* after direct transaction costs of:	–

##### PERFORMANCE

Return after charges	(0.50)%
----------------------	---------

##### OTHER INFORMATION

Closing net asset value (£'000)	69,042
Closing number of shares	30,435,063
Operating charges	0.62% <sup>2</sup>
Direct transaction costs	–

##### PRICES

Highest share price	229.64
Lowest share price	218.22

<sup>1</sup> From 24 February 2023.

<sup>2</sup> Annualised figure due to Fund launched less than 1 year.

## LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Fund Performance

As the Fund was launched less than one year ago, in accordance with FCA rules, no performance data is permitted to be reported.

#### RISK WARNING

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

# LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND

## ACD'S REPORT *continued*

### PORTFOLIO STATEMENT

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	FIXED INTEREST – 19.68%		
36,921	Amundi Index J.P. Morgan GBI Global Govies	1,606	0.84
345,487	iShares Core UK Gilts UCITS ETF	3,650	1.91
2,993,325	LF Canlife Corporate Bond <sup>1</sup>	7,715	4.03
4,179,273	LF Canlife Global Macro Bond <sup>1</sup>	5,377	2.81
5,997,781	LF Canlife Short Duration Corporate Bond <sup>1</sup>	6,180	3.23
6,609,386	LF Canlife Sterling Short Term Bond <sup>1</sup>	6,722	3.51
223,108	Lord Abbett Global High Yield	2,258	1.18
115,941	Payden Global High Yield Bond	2,268	1.18
19,015	Vanguard Global Corporate Bond Index	1,898	0.99
	TOTAL FIXED INTEREST	37,674	19.68
	EQUITIES – 67.13%		
14,630	Amundi Price Japan UCITS ETF	298	0.16
668,352	HICL Infrastructure <sup>2</sup>	1,045	0.54
5,457,346	iShares Continental European Equity Index (UK)	18,760	9.80
2,051,334	iShares Japan Equity Index (UK)	5,344	2.79
1,283,532	iShares Mid Cap UK Equity Index (UK)	2,917	1.52
580,377	LF Canlife Asia Pacific <sup>1</sup>	8,616	4.50
1,466,646	LF Canlife North American <sup>1</sup>	34,805	18.18
13,261,760	LF Canlife UK Equity <sup>1</sup>	20,536	10.73
3,608,370	LF Canlife UK Equity Income <sup>1</sup>	26,307	13.74
154,177	SPDR Morningstar Multi-Asset Global Infrastructure UCITS ETF	4,035	2.11
9,059	SPDR S&P 500 UCITS ETF	3,006	1.57
13,898	Xtrackers Russell 2000 UCITS ETF	2,861	1.49
	TOTAL EQUITIES	128,530	67.13
	PROPERTY – 1.89%		
1,680,421	iShares Environment & Low Carbon Tilt Real Estate Index (UK)	3,612	1.89
	EMERGING MARKETS – 4.71%		
4,974,588	iShares Emerging Markets Equity Index (UK)	9,022	4.71
	MONEY MARKETS – 5.79%		
10,595,132	LF Canlife Sterling Liquidity <sup>1</sup>	11,076	5.79

**LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND**

**ACD'S REPORT** *continued*

**PORTFOLIO STATEMENT** *continued*

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	Portfolio of investments	189,914	99.20
	Net other assets	1,533	0.80
	Net assets	191,447	100.00

The investments are collective investment schemes.

No comparatives as the Fund launched on 24 February 2023.

<sup>1</sup> Related party holding.

<sup>2</sup> Closed end fund.



## LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND

### ACD'S REPORT *continued*

#### SUMMARY OF MATERIAL PORTFOLIO CHANGES

For the period from 24 February 2023 to 15 April 2023

Total purchases for the period £'000	6,509	Total sales for the period £'000	7,019
	Cost		Proceeds
Purchases	£'000	Sales	£'000
LF Canlife North American	2,540	Xtrackers Russell 2000 UCITS ETF	1,842
LF Canlife Sterling Short Term Bond	1,000	LF Canlife Global Macro Bond	1,095
iShares Continental European Equity		MSCI Japan UCITS ETF 1C	968
Index (UK)	967	LF Canlife Corporate Bond	747
Payden Global High Yield Bond	751	LF Canlife UK Equity	654
Lord Abbett Global High Yield	750	iShares Japan Equity Index (UK)	596
SPDR Morningstar Multi-Asset Global		LF Canlife UK Equity Income	356
Infrastructure UCITS ETF	251	iShares Core UK Gilts UCITS ETF	350
iShares Environment & Low Carbon Tilt		LF Canlife Short Duration Corporate	
Real Estate Index (UK)	250	Bond	310
		Vanguard Global Corporate Bond Index	101

In addition to the above, in-specie transfers totalling £190,733,000 were made into the Fund.

In addition to the above, purchases totalling £700,000 were made in short term investments during the period.

The summary of material portfolio changes represents all of the purchases and sales during the period.

## LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND

### INTERIM FINANCIAL STATEMENTS (UNAUDITED)

### STATEMENT OF TOTAL RETURN

For the period from 24 February 2023 to 15 April 2023

	£'000	15.04.23 <sup>1</sup> £'000
Income:		
Net capital losses		(1,274)
Revenue	388	
Expenses	(286)	
Net revenue before taxation	102	
Taxation	–	
Net revenue after taxation		102
Total return before distributions		(1,172)
Distributions		(116)
Change in net assets		
attributable to shareholders		
from investment activities		(1,288)

### STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the period from 24 February 2023 to 15 April 2023

	£'000	15.04.23 <sup>1</sup> £'000
Opening net assets attributable to shareholders		–
Amounts receivable on issue of shares	3,527	
Amounts payable on redemption of shares	(5,073)	
In-specie in	194,167	
		192,621
Change in net assets		
attributable to shareholders		
from investment activities		(1,288)
Retained distributions on Accumulation shares		114
Closing net assets attributable to shareholders		191,447

<sup>1</sup> No comparative figures are presented for the Statement of Total Return and the Statement of Change in Net Asset Attributable to Shareholders as this is the Fund's first reporting period; the Fund launched on 24 February 2023.

**LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**BALANCE SHEET**  
as at 15 April 2023

	15.04.23 <sup>1</sup> £'000
<b>ASSETS</b>	
Fixed assets	
Investments	189,914
Current assets	
Debtors	399
Cash and cash equivalents	1,508
<b>Total assets</b>	<b>191,821</b>
<b>LIABILITIES</b>	
Creditors	
Other creditors	(374)
<b>Total liabilities</b>	<b>(374)</b>
<b>Net assets attributable to shareholders</b>	<b>191,447</b>

<sup>1</sup> No comparative figures are presented for the Balance Sheet as this is the Fund's first reporting period; the Fund launched on 24 February 2023.

## LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND

### INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

### NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the period from 24 February 2023 to 15 April 2023

#### 1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 15 October 2022 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has 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, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

#### 2. Subsequent Events

On 20 April 2023 Link Group announced the sale of the Fund Solutions Business ('FS Business') and that certain subsidiaries of Link Group, including Link Fund Solutions Limited ('LFSL'), entered into sale agreements with entities within the Waystone Group pursuant to which Link Group companies have agreed to sell to the Waystone Group: (i) the business and certain assets of LFSL; (ii) the business and certain assets of Link Fund Manager Solutions (Ireland) Limited (LFMS(I)L); and (iii) the entire issued share capital of certain other subsidiaries of Link Group, which together with the business of LFSL and LFMS(I)L comprise the FS Business (other than its Luxembourg and Swiss entities), but excluding Woodford related liabilities and, subject to normalised working capital adjustments, on a debt and cash free basis. The sale is conditional on various matters, including receipt of certain regulatory approvals, notices and consents from the FCA and the Central Bank of Ireland, anti-trust approval from the Competition and Consumer Protection Commission of Ireland and no in-depth investigation of the sale by the UK Competition and Markets Authority. It is possible that Irish foreign investment approval may also be needed depending on whether a foreign investment regime is introduced in Ireland before completion of the sale and the parties agree a filing is required. The sale is also conditional on contracts representing a significant majority of revenue in respect of LFSL's ACD business and LFMS(I)L's business being transferred to the Waystone Group and consent having been

**LF CANLIFE DIVERSIFIED RISK MANAGED VI FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS** *continued*

received from certain third parties in respect of the transfer of their business to the Waystone Group. The Waystone Group, LFSL and LFMS(I)L have agreed to work to achieve those and other conditions. The sale is not contingent on the Scheme or the Settlement becoming unconditional. The sale is targeted to complete by October 2023.

The above proposed changes will not impact either the ongoing management of the Fund nor its continuing viability. Investors will be notified, assuming the proposed changes conclude satisfactorily, in due course on the timing of the transfer of the Fund to Waystone Group.

## LF CANLIFE PORTFOLIO III FUND ACD'S REPORT

for the half year ended 15 April 2023

### Important Information

Refer to the 'Important Information' section on page 12.

### Investment Objective and Policy

The investment objective of the LF Canlife Portfolio III Fund ('the Fund') is to achieve capital growth and income over the long term (at least five years), after all costs and charges have been taken, whilst seeking to remain in risk band 3 (on a scale of 1-10, where 1 is the lowest risk and 10 is the highest) on a rolling three year basis.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

The investment policy of the Fund is to invest at least 90% indirectly, via collective investment schemes, in the following assets: equities, debt securities (including government and public securities, corporate bonds, convertibles and preference shares), cash (including deposits and money market instruments) and immovable property.

The Fund's exposure to equities can be up to 45% of the value of its portfolio.

The Fund will gain exposure to these asset classes by investing in other collective investment schemes managed by the Portfolio Manager. It may also invest in other collective investment schemes (open and closed ended, including Exchange Traded Funds), other transferable securities (including Real Estate Investment Trusts) and hedge funds. Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates.

The Fund may also invest up to 10% directly in the asset classes stated above (except immovable property) by investing in securities issued by companies and governments.

The Fund can invest across different geographic areas or industry sectors without limitation.

The Fund may not have exposure to all asset classes at all times.

The Portfolio Manager may use derivatives for the purpose of efficient portfolio management.

### Additional Information

The Fund's risk band is managed by varying the assets it invests in. The asset allocation is determined by reference to investment research carried out by an external agency and based on the long term historic return and volatility of each asset type.

Whilst the Portfolio Manager aims to keep the volatility of the Fund within the parameters to stay within risk band 3 over a rolling three-year period, it is not guaranteed and the actual volatility may be outside risk band 3 if the Portfolio Manager believes it is expedient to do so in order to mitigate potential losses. At times observing the asset allocation restrictions to remain within risk band 3 may limit capital growth and/or income.

## LF CANLIFE PORTFOLIO III FUND

### ACD'S REPORT *continued*

#### Additional Information *continued*

The asset allocation is provided by an independent third party risk rating provider. Further details of the asset allocation process, volatility parameters and measurement process can be obtained at [www.dynamicplanner.com](http://www.dynamicplanner.com).

#### Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 0-35% Shares sector.

The Fund's performance may be compared against the Investment Association IA Mixed Investment 0-35% Shares sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. The comparator benchmark has been selected as we consider it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets. The Fund is not constrained by the requirements of the sector.

#### LINK FUND SOLUTIONS LIMITED

ACD of LF Canlife Portfolio III Fund

9 June 2023

## LF CANLIFE PORTFOLIO III FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT

for the half year ended 15 April 2023

#### Market Overview

Following a prolonged period of suppression throughout much of 2022, risk assets began to rally toward the end of the year as inflation appeared to be nearing its peak and central bank rhetoric began to soften.

This trajectory continued into the new year as, in addition to the market's growing expectations of interest rate cuts, the re-opening of China's borders buoyed investor sentiment. Stock markets across the developed market economies all gained throughout the period, most notably in Europe and China, albeit the latter lost momentum in February following a spy balloon incident in the US, which knocked investor confidence.

Following a period where the rising rate environment was supportive of value stocks, the market began to rotate back toward growth-oriented stocks, which brought technology stocks in particular back into vogue.

There was a brief bout of volatility in March, following the collapse of US-based Silicon Valley Bank ('SVB'). The situation surrounding SVB sparked a domino effect, ending with the emergency takeover of European banking giant Credit Suisse by long-time rival UBS in a merger forced by the Swiss authorities. These events caused a rapid and indiscriminate selloff in financial assets. Markets rebounded towards the end of March however, recovering many of the gains lost during this period.

Over the period, developed economy central banks began laying the groundwork for an easing of monetary policy as, with the exception of the UK, inflation data began dipping. In line with the softening inflation data, the banks reduced the pace of interest rate hikes.

#### Fund Review

In a period of robust returns for both equities and bonds, it was the portfolio's higher allocation to bonds that contributed the most. Corporate bonds were large return drivers as both yields dropped and spreads compressed, the allocation to the LF Canlife Corporate Bond Fund was a key outperformer. An opportunistic allocation to longer-dated US Treasuries hedged into GBP also helped returns in the fourth quarter of 2022.

The allocation to equities also generated positive performance throughout, with our UK exposures adding considerable value during the closing months of 2022, before our North American equity fund took the baton in 2023, powered by the market's tilt toward growth and the subsequent rally within technology stocks.

The collapse of SVB had a negative impact on the portfolio, particularly in our fixed income allocations but also some of our equity funds which have exposure to financials (such as the LF Canlife UK Equity Income Fund). Our property exposures were also weak, in part due to the SVB fallout, but also due to the more challenging, high-rate environment impacting the property sector.

Amid the volatility, we took the opportunity to add the Vanguard Global Corporate Bond fund to the portfolio, having trimmed our exposures to UK Gilts to facilitate.



## LF CANLIFE PORTFOLIO III FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT *continued*

#### Outlook

As in previous months, the key consideration as we move further into 2023 is inflation. In the US, market indicators suggest that the US Federal Reserve is nearing its terminal rate, which will then shift the focus towards inflation itself and at which level it may eventually settle. It's widely accepted that headline inflation has all but peaked throughout developed market economies but how much it falls from here, with the central banks having used the tools at their disposal, remains to be seen.

Certainly, some anticipate inflation dropping in the short-to-medium-term but ultimately settling at a higher level than pre-2022. This would present difficulties for certain businesses and companies, so we remain mindful of the trajectory of inflation and the potential ramifications from here.

The collapse of SVB and the merger between Credit Suisse and UBS dominated the headlines toward the end of the period and dampened investor sentiment in the short term. We believe these instances to have been more idiosyncratic than indicative of a widespread banking crisis, however, we are mindful of the challenges facing the sector within this high-rate environment and will continue to monitor the situation closely.

From a portfolio perspective, we are very comfortable with our positioning and continue seeking opportunities to add quality names into the portfolio at sensible valuations.

#### CANADA LIFE ASSET MANAGEMENT LIMITED

Portfolio Manager

10 May 2023

## LF CANLIFE PORTFOLIO III FUND

### ACD'S REPORT *continued*

#### FUND INFORMATION

##### Risk and Reward Profile



The above indicator is known as the Synthetic Risk and Reward Indicator ('SRRI'). It shows how much a fund may have risen and fallen in the past, and therefore how much a fund's returns may have varied. It is the standard measure of volatility required under financial regulations to allow comparisons with other funds. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

The SRRI measure differs from that used by Dynamic Planner. The Fund aims to remain within Dynamic Planner's band 3 hence the reference to III in the name of the Fund. Further details can be found in the Prospectus.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

**Currency Risk:** As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

**Property Fund Investment Risk:** Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

**Counterparty Risk:** The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

**Changes in Interest Rate Risk:** A rise in interest rates generally causes bond prices to fall.

**Credit Risk:** The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

**Liquidity Risk:** In unfavourable market conditions, corporate bonds may be harder to sell in a timely manner and at reasonable prices, than in normal market conditions. This could have a negative impact on the value of the Fund. In extreme market conditions this could affect the Fund's ability to meet investors' redemptions.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

**LF CANLIFE PORTFOLIO III FUND**

**ACD'S REPORT** *continued*

**FUND INFORMATION** *continued*

**Comparative Tables**

Information for 15 April 2023 relates to the 6 month period ending 15 April 2023. The operating charges relate to the expenses incurred on an ex post basis over the 6 month period ending 15 April 2023, expressed as an annualised percentage of the average net asset value.

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the half year end weighted against the net asset value of the share class at that date.

## LF CANLIFE PORTFOLIO III FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	114.50	132.37	126.96	125.36
Return before operating charges*	8.23	(15.65)	7.66	3.80
Operating charges <sup>1</sup>	(1.03)	(2.17)	(2.20)	(2.15)
Property expenses	(0.03)	(0.05)	(0.05)	(0.05)
Return after operating charges	7.17	(17.87)	5.41	1.60
Distributions	(1.36)	(2.27)	(2.11)	(2.46)
Retained distributions on accumulation shares	1.36	2.27	2.11	2.46
Closing net asset value per share	121.67	114.50	132.37	126.96
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	6.26%	(13.50)%	4.26%	1.28%
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##### OTHER INFORMATION

Closing net asset value (£'000)	2,960	2,880	2,882	3,042
Closing number of shares	2,432,805	2,515,074	2,177,467	2,395,705
Operating charges <sup>1</sup>	1.70%	1.70%	1.69%	1.72%
Property expenses	0.05%	0.04%	0.04%	0.04%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	124.63	136.38	134.26	127.76
Lowest share price	114.51	113.28	125.04	112.96

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

## LF CANLIFE PORTFOLIO III FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	105.03	122.56	118.28	117.99
Return before operating charges*	7.55	(14.53)	7.17	3.53
Operating charges <sup>1</sup>	(0.40)	(0.85)	(0.88)	(0.87)
Property expenses	(0.03)	(0.05)	(0.05)	(0.05)
Return after operating charges	7.12	(15.43)	6.24	2.61
Distributions	(1.25)	(2.10)	(1.96)	(2.32)
Closing net asset value per share	110.90	105.03	122.56	118.28
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	6.78%	(12.59)%	5.28%	2.21%
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##### OTHER INFORMATION

Closing net asset value (£'000)	1,873	1,778	1,811	1,675
Closing number of shares	1,688,991	1,693,441	1,477,885	1,416,350
Operating charges <sup>1</sup>	0.72%	0.72%	0.72%	0.74%
Property expenses	0.05%	0.04%	0.04%	0.04%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	114.66	126.45	125.36	120.65
Lowest share price	105.05	105.14	116.54	106.76

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

## LF CANLIFE PORTFOLIO III FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	124.09	142.06	134.93	131.93
Return before operating charges*	8.91	(16.92)	8.19	4.03
Operating charges <sup>1</sup>	(0.47)	(0.99)	(1.00)	(0.98)
Property expenses	(0.03)	(0.06)	(0.06)	(0.05)
Return after operating charges	8.41	(17.97)	7.13	3.00
Distributions	(1.48)	(2.45)	(2.25)	(2.60)
Retained distributions on accumulation shares	1.48	2.45	2.25	2.60
Closing net asset value per share	132.50	124.09	142.06	134.93
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	6.78%	(12.65)%	5.28%	2.27%
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##### OTHER INFORMATION

Closing net asset value (£'000)	37,500	35,942	37,787	38,977
Closing number of shares	28,302,553	28,965,390	26,599,699	28,886,453
Operating charges <sup>1</sup>	0.72%	0.72%	0.72%	0.74%
Property expenses	0.05%	0.04%	0.04%	0.04%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	135.47	146.57	143.94	135.27
Lowest share price	124.11	122.76	132.94	119.38

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

## LF CANLIFE PORTFOLIO III FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'G' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	125.71	143.81	136.49	133.36
Return before operating charges*	9.03	(17.13)	8.28	4.07
Operating charges <sup>1</sup>	(0.43)	(0.91)	(0.90)	(0.89)
Property expenses	(0.03)	(0.06)	(0.06)	(0.05)
Return after operating charges	8.57	(18.10)	7.32	3.13
Distributions	(1.50)	(2.48)	(2.28)	(2.63)
Retained distributions on accumulation shares	1.50	2.48	2.28	2.63
Closing net asset value per share	134.28	125.71	143.81	136.49
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	6.82%	(12.59)%	5.36%	2.35%
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##### OTHER INFORMATION

Closing net asset value (£'000)	59,071	56,421	68,518	64,261
Closing number of shares	43,991,522	44,883,278	47,646,083	47,081,386
Operating charges <sup>1</sup>	0.65%	0.65%	0.64%	0.67%
Property expenses	0.05%	0.04%	0.04%	0.04%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	137.26	148.39	145.70	136.83
Lowest share price	125.73	124.36	134.48	120.71

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

**LF CANLIFE PORTFOLIO III FUND**

**ACD'S REPORT** *continued*

**FUND INFORMATION** *continued*

**Fund Performance to 15 April 2023 (%)**

	6 months	1 year	3 years	5 years
LF Canlife Portfolio III Fund	6.61	(3.81)	4.01	7.64
IA Mixed Investment 0-35% Shares sector <sup>1</sup>	6.07	(3.94)	3.93	5.02

<sup>1</sup> Source: Morningstar Direct.

The performance of the Fund is based on the published price per 'C' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the period end, rather than the period end return after operating charges.

**RISK WARNING**

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



## LF CANLIFE PORTFOLIO III FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	FIXED INTEREST – 60.30% (15.10.22 – 60.45%)		
322,460	iShares \$ TIPS 0-5 UCITS ETF	1,614	1.59
1,786,387	iShares Core Global Aggregate Bond UCITS ETF	8,034	7.92
567,064	iShares Core UK Gilts UCITS ETF	5,991	5.91
5,172,418	iShares Index Linked Gilt Index (UK)	6,422	6.33
3,961,021	LF Canlife Corporate Bond <sup>1</sup>	10,209	10.07
6,762,461	LF Canlife Global Macro Bond <sup>1</sup>	8,701	8.58
4,987,607	LF Canlife Short Duration Corporate Bond <sup>1</sup>	5,139	5.07
10,529,741	LF Canlife Sterling Short Term Bond <sup>1</sup>	10,709	10.56
3,687,409	LF Canlife UK Government Bond <sup>1</sup>	3,620	3.57
7,085	Vanguard Global Corporate Bond Index	707	0.70
	TOTAL FIXED INTEREST	61,146	60.30
	EQUITIES – 26.49% (15.10.22 – 25.88%)		
30,121	iShares FTSE 250	545	0.54
1,795,378	iShares Japan Equity Index (UK)	4,677	4.61
385,337	LF Canlife North American <sup>1</sup>	9,144	9.02
2,601,789	LF Canlife UK Equity <sup>1</sup>	4,029	3.97
1,160,891	LF Canlife UK Equity Income <sup>1</sup>	8,464	8.35
	TOTAL EQUITIES	26,859	26.49
	PROPERTY – 4.68% (15.10.22 – 5.20%)		
55,594	iShares Developed Markets Property Yield UCITS ETF	984	0.97
202,856	iShares UK Property	934	0.92
3,044,019	LF Canlife UK Property ACS <sup>1</sup>	2,823	2.79
	TOTAL PROPERTY	4,741	4.68
	MONEY MARKETS – 8.53% (15.10.22 – 8.50%)		
8,277,997	LF Canlife Sterling Liquidity <sup>1</sup>	8,654	8.53
	Portfolio of investments	101,400	100.00
	Net other assets	4	–
	Net assets	101,404	100.00

The investments are collective investment schemes.

<sup>1</sup> Related party holding.

## LF CANLIFE PORTFOLIO III FUND

### ACD'S REPORT *continued*

### SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 15 April 2023

Total purchases for the half year £'000	12,978	Total sales for the half year £'000	15,478
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
iShares Core Global Aggregate Bond UCITS ETF	2,721	LF Canlife Global Macro Bond	2,846
iShares Core UK Gilts UCITS ETF	2,453	LF Canlife UK Government Bond	1,944
iShares \$ Treasury Bond 20+yr UCITS ETF	1,857	iShares \$ Treasury Bond 20+yr UCITS ETF	1,890
LF Canlife North American	1,222	iShares Index Linked Gilt Index (UK)	1,639
iShares \$ TIPS 0-5 UCITS ETF	1,101	LF Canlife UK Equity Income	1,051
iShares UK Property	923	iShares Developed Markets Property Yield UCITS ETF	895
Vanguard Global Corporate Bond Index	698	iShares Core UK Gilts UCITS ETF	862
iShares FTSE 250	508	LF Canlife Short Duration Corporate Bond	826
Xtrackers Russell 2000	498	LF Canlife North American	795
LF Canlife Corporate Bond	429	iShares \$ TIPS 0-5 UCITS ETF	530

In addition to the above, purchases totalling £1,000,000 and sales totalling £760,000 were made in short term investments during the half year.

The summary of material portfolio changes represents the 10 largest purchases and sales during the half year.

**LF CANLIFE PORTFOLIO III FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**STATEMENT OF TOTAL RETURN**  
for the half year ended 15 April 2023

	£'000	15.04.23 £'000	£'000	15.04.22 £'000
Income:				
Net capital gains/(losses)		5,701		(3,688)
Revenue	1,182		799	
Expenses	(308)		(325)	
Net revenue before taxation	874		474	
Taxation	(9)		(9)	
Net revenue after taxation		865		465
Total return before distributions		6,566		(3,223)
Distributions		(1,142)		(759)
Change in net assets				
attributable to shareholders				
from investment activities		5,424		(3,982)

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the half year ended 15 April 2023

	£'000	15.04.23 £'000	£'000	15.04.22 £'000
Opening net assets attributable to shareholders		97,021		110,998
Amounts receivable on issue of shares	3,803		6,916	
Amounts payable on redemption of shares	(5,956)		(6,897)	
		(2,153)		19
Change in net assets				
attributable to shareholders				
from investment activities		5,424		(3,982)
Retained distributions on Accumulation shares		1,112		759
Closing net assets attributable to shareholders		101,404		107,794

The above statement shows the comparative closing net assets at 15 April 2022 whereas the current accounting period commenced 16 October 2022.

**LF CANLIFE PORTFOLIO III FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**BALANCE SHEET**  
as at 15 April 2023

	15.04.23 £'000	15.10.22 £'000
<b>ASSETS</b>		
Fixed assets		
Investments	101,400	97,053
Current assets		
Debtors	115	1,149
Cash and cash equivalents	294	67
<b>Total assets</b>	<b>101,809</b>	<b>98,269</b>
<b>LIABILITIES</b>		
Creditors		
Distribution payable	(21)	(21)
Other creditors	(384)	(1,227)
<b>Total liabilities</b>	<b>(405)</b>	<b>(1,248)</b>
<b>Net assets attributable to shareholders</b>	<b>101,404</b>	<b>97,021</b>

**LF CANLIFE PORTFOLIO III FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
for the half year ended 15 April 2023

**1. Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 15 October 2022 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has 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, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

**2. Subsequent Events**

On 20 April 2023 Link Group announced the sale of the Fund Solutions Business ('FS Business') and that certain subsidiaries of Link Group, including Link Fund Solutions Limited ('LFSL'), entered into sale agreements with entities within the Waystone Group pursuant to which Link Group companies have agreed to sell to the Waystone Group: (i) the business and certain assets of LFSL; (ii) the business and certain assets of Link Fund Manager Solutions (Ireland) Limited (LFMS(I)L); and (iii) the entire issued share capital of certain other subsidiaries of Link Group, which together with the business of LFSL and LFMS(I)L comprise the FS Business (other than its Luxembourg and Swiss entities), but excluding Woodford related liabilities and, subject to normalised working capital adjustments, on a debt and cash free basis. The sale is conditional on various matters, including receipt of certain regulatory approvals, notices and consents from the FCA and the Central Bank of Ireland, anti-trust approval from the Competition and Consumer Protection Commission of Ireland and no in-depth investigation of the sale by the UK Competition and Markets Authority. It is possible that Irish foreign investment approval may also be needed depending on whether a foreign investment regime is introduced in Ireland before completion of the sale and the parties agree a filing is required. The sale is also conditional on contracts representing a significant majority of revenue in respect of LFSL's ACD business and LFMS(I)L's business being transferred to the Waystone Group and consent having been

## LF CANLIFE PORTFOLIO III FUND

### INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

### NOTES TO THE INTERIM FINANCIAL STATEMENTS *continued*

received from certain third parties in respect of the transfer of their business to the Waystone Group. The Waystone Group, LFSL and LFMS(I)L have agreed to work to achieve those and other conditions. The sale is not contingent on the Scheme or the Settlement becoming unconditional. The sale is targeted to complete by October 2023.

The above proposed changes will not impact either the ongoing management of the Fund nor its continuing viability. Investors will be notified, assuming the proposed changes conclude satisfactorily, in due course on the timing of the transfer of the Fund to Waystone Group.

## LF CANLIFE PORTFOLIO IV FUND ACD'S REPORT

for the half year ended 15 April 2023

### Important Information

Refer to the 'Important Information' section on page 12.

### Investment Objective and Policy

The investment objective of the LF Canlife Portfolio IV Fund ('the Fund') is to achieve capital growth and income over the long term (at least five years), after all costs and charges have been taken, whilst seeking to remain in risk band 4 (on a scale of 1-10, where 1 is the lowest risk and 10 is the highest) on a rolling three year basis.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

The investment policy of the Fund is to invest at least 90% indirectly, via collective investment schemes, in the following assets: equities, debt securities (including government and public securities, corporate bonds, convertibles and preference shares), cash (including deposits and money market instruments) and immovable property.

The Fund's exposure to equities can be up to 60% of the value of its portfolio.

The Fund will gain exposure to these asset classes by investing in other collective investment schemes managed by the Portfolio Manager. It may also invest in other collective investment schemes (open and closed ended, including Exchange Traded Funds), other transferable securities (including Real Estate Investment Trusts) and hedge funds. Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates.

The Fund may invest up to 10% directly in the asset classes stated above (except immovable property) by investing in securities issued by companies and governments.

The Fund can invest across different geographic areas or industry sectors without limitation.

The Fund may not have exposure to all asset classes at all times.

The Portfolio Manager may use derivatives for the purpose of efficient portfolio management.

### Additional Information

The Fund's risk band is managed by varying the assets it invests in. The asset allocation is determined by reference to investment research carried out by an external agency and based on the long term historic return and volatility of each asset type.

Whilst the Portfolio Manager aims to keep the volatility of the Fund within the parameters to stay within risk band 4 over a rolling three-year period, it is not guaranteed and the actual volatility may be outside risk band 4 if the Portfolio Manager believes it is expedient to do so in order to mitigate potential losses. At times observing the asset allocation restrictions to remain within risk band 4 may limit capital growth and/or income.

## LF CANLIFE PORTFOLIO IV FUND

### ACD'S REPORT *continued*

#### Additional Information *continued*

The asset allocation is provided by an independent third party risk rating provider. Further details of the asset allocation process, volatility parameters and measurement process can be obtained at [www.dynamicplanner.com](http://www.dynamicplanner.com).

#### Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 20-60% Shares sector.

The Fund's performance may be compared against the Investment Association IA Mixed Investment 20-60% Shares sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. The comparator benchmark has been selected as we consider it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets. The Fund is not constrained by the requirements of the sector.

#### LINK FUND SOLUTIONS LIMITED

ACD of LF Canlife Portfolio IV Fund

9 June 2023



## LF CANLIFE PORTFOLIO IV FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT

for the half year ended 15 April 2023

#### Market Overview

Following a prolonged period of suppression throughout much of 2022, risk assets began to rally toward the end of the year as inflation appeared to be nearing its peak and central bank rhetoric began to soften.

This trajectory continued into the new year as, in addition to the market's growing expectations of interest rate cuts, the re-opening of China's borders buoyed investor sentiment. Stock markets across the developed market economies all gained throughout the period, most notably in Europe and China, albeit the latter lost momentum in February following a spy balloon incident in the US, which knocked investor confidence.

Following a period where the rising rate environment was supportive of value stocks, the market began to rotate back toward growth-oriented stocks, which brought technology stocks in particular back into vogue.

There was a brief bout of volatility in March, following the collapse of US-based Silicon Valley Bank ('SVB'). The situation surrounding SVB sparked a domino effect, ending with the emergency takeover of European banking giant Credit Suisse by long-time rival UBS in a merger forced by the Swiss authorities. These events caused a rapid and indiscriminate selloff in financial assets. Markets rebounded towards the end of March however, recovering many of the gains lost during this period.

Over the period, developed economy central banks began laying the groundwork for an easing of monetary policy as, with the exception of the UK, inflation data began dipping. In line with the softening inflation data, the banks reduced the pace of interest rate hikes.

#### Fund Review

The period was one of robust returns for both equities and bonds. The total return generated by the Fund's equity allocation contributed the most despite being its weight being marginally lower than bonds.

Within fixed income, corporate bonds were large return drivers as both yields dropped and spreads compressed; the allocation to LF Canlife Corporate Bond Fund was a key outperformer. An opportunistic allocation to longer-dated US Treasuries hedged into GBP also helped returns in the fourth quarter of 2022.

Within equities, our UK exposures added considerable value during the closing months of 2022. The largest total return from an international perspective came from Europe. Our North American equity fund took the baton in 2023, powered by the market's tilt toward growth and the subsequent rally within technology stocks.

The collapse of SVB had a negative impact on the portfolio, particularly in our fixed income allocations but also some of our equity funds which have exposure to financials (such as the LF Canlife UK Equity Income fund). Our property exposures were also weak, in part due to the SVB fallout, but also due to the more challenging, high-rate environment impacting the property sector.

Amid the volatility, we took the opportunity to add the Vanguard Global Corporate Bond fund to the portfolio, having trimmed our exposures to UK Gilts to facilitate.

## LF CANLIFE PORTFOLIO IV FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT *continued*

#### Outlook

As in previous months, the key consideration as we move further into 2023 is inflation. In the US, market indicators suggest that the US Federal Reserve is nearing its terminal rate, which will then shift the focus towards inflation itself and at which level it may eventually settle. It's widely accepted that headline inflation has all but peaked throughout developed market economies but how much it falls from here, with the central banks having used the tools at their disposal, remains to be seen.

Certainly, some anticipate inflation dropping in the short-to-medium-term but ultimately settling at a higher level than pre-2022. This would present difficulties for certain businesses and companies, so we remain mindful of the trajectory of inflation and the potential ramifications from here.

The collapse of SVB and the merger between Credit Suisse and UBS dominated the headlines toward the end of the period and dampened investor sentiment in the short term. We believe these instances to have been more idiosyncratic than indicative of a widespread banking crisis, however, we are mindful of the challenges facing the sector within this high-rate environment and will continue to monitor the situation closely.

From a portfolio perspective, we are very comfortable with our positioning and continue seeking opportunities to add quality names into the portfolio at sensible valuations.

#### CANADA LIFE ASSET MANAGEMENT LIMITED

Portfolio Manager

10 May 2023

## LF CANLIFE PORTFOLIO IV FUND

### ACD'S REPORT *continued*

#### FUND INFORMATION

##### Risk and Reward Profile



The above indicator is known as the Synthetic Risk and Reward Indicator ('SRRI'). It shows how much a fund may have risen and fallen in the past, and therefore how much a fund's returns may have varied. It is the standard measure of volatility required under financial regulations to allow comparisons with other funds. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

The SRRI measure differs from that used by Dynamic Planner. The Fund aims to remain within Dynamic Planner's band 4 hence the reference to IV in the name of the Fund. Further details can be found in the Prospectus.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

**Currency Risk:** As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

**Property Fund Investment Risk:** Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

**Counterparty Risk:** The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

**Changes in Interest Rate Risk:** A rise in interest rates generally causes bond prices to fall.

**Credit Risk:** The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

**Liquidity Risk:** In unfavourable market conditions, corporate bonds may be harder to sell in a timely manner and at reasonable prices, than in normal market conditions. This could have a negative impact on the value of the Fund. In extreme market conditions this could affect the Fund's ability to meet investors' redemptions.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

**LF CANLIFE PORTFOLIO IV FUND**

**ACD'S REPORT** *continued*

**FUND INFORMATION** *continued*

**Comparative Tables**

Information for 15 April 2023 relates to the 6 month period ending 15 April 2023. The operating charges relate to the expenses incurred on an ex post basis over the 6 month period ending 15 April 2023, expressed as an annualised percentage of the average net asset value.

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the half year end weighted against the net asset value of the share class at that date.

## LF CANLIFE PORTFOLIO IV FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	127.28	145.14	133.13	130.86
Return before operating charges*	11.03	(15.46)	14.42	4.51
Operating charges <sup>1</sup>	(1.13)	(2.34)	(2.35)	(2.19)
Property expenses	(0.03)	(0.06)	(0.06)	(0.05)
Return after operating charges	9.87	(17.86)	12.01	2.27
Distributions	(1.20)	(2.51)	(2.31)	(2.46)
Retained distributions on accumulation shares	1.20	2.51	2.31	2.46
Closing net asset value per share	137.15	127.28	145.14	133.13
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	7.75%	(12.31)%	9.02%	1.73%
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##### OTHER INFORMATION

Closing net asset value (£'000)	5,567	5,317	5,524	5,759
Closing number of shares	4,059,562	4,177,554	3,805,804	4,326,190
Operating charges <sup>1</sup>	1.66%	1.66%	1.67%	1.68%
Property expenses	0.05%	0.04%	0.04%	0.04%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	140.64	149.98	147.11	135.21
Lowest share price	127.06	126.04	130.19	114.02

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

## LF CANLIFE PORTFOLIO IV FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	114.01	131.44	121.51	120.72
Return before operating charges*	9.77	(14.27)	12.93	3.88
Operating charges <sup>1</sup>	(0.42)	(0.88)	(0.89)	(0.85)
Property expenses	(0.03)	(0.05)	(0.05)	(0.05)
Return after operating charges	9.32	(15.20)	11.99	2.98
Distributions	(1.08)	(2.23)	(2.06)	(2.19)
Closing net asset value per share	122.25	114.01	131.44	121.51
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	8.17%	(11.56)%	9.87%	2.47%
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##### OTHER INFORMATION

Closing net asset value (£'000)	2,904	2,564	2,368	2,211
Closing number of shares	2,375,313	2,248,346	1,801,677	1,819,893
Operating charges <sup>1</sup>	0.69%	0.69%	0.69%	0.71%
Property expenses	0.05%	0.04%	0.04%	0.04%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	126.28	136.02	134.47	125.08
Lowest share price	113.82	114.32	118.88	105.54

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

## LF CANLIFE PORTFOLIO IV FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	135.72	153.56	139.75	136.30
Return before operating charges*	11.63	(16.75)	14.89	4.47
Operating charges <sup>1</sup>	(0.50)	(1.03)	(1.02)	(0.97)
Property expenses	(0.04)	(0.06)	(0.06)	(0.05)
Return after operating charges	11.09	(17.84)	13.81	3.45
Distributions	(1.29)	(2.61)	(2.38)	(2.49)
Retained distributions on accumulation shares	1.29	2.61	2.38	2.49
Closing net asset value per share	146.81	135.72	153.56	139.75
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	8.17%	(11.62)%	9.88%	2.53%
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##### OTHER INFORMATION

Closing net asset value (£'000)	108,923	96,779	102,204	95,095
Closing number of shares	74,192,794	71,306,999	66,557,060	68,045,298
Operating charges <sup>1</sup>	0.69%	0.69%	0.69%	0.71%
Property expenses	0.05%	0.04%	0.04%	0.04%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	150.32	158.91	155.52	141.23
Lowest share price	135.50	134.39	136.72	119.16

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

## LF CANLIFE PORTFOLIO IV FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'G' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	137.18	155.12	141.09	137.52
Return before operating charges*	11.75	(16.96)	15.02	4.50
Operating charges <sup>1</sup>	(0.45)	(0.92)	(0.93)	(0.87)
Property expenses	(0.04)	(0.06)	(0.06)	(0.06)
Return after operating charges	11.26	(17.94)	14.03	3.57
Distributions	(1.30)	(2.64)	(2.41)	(2.51)
Retained distributions on accumulation shares	1.30	2.64	2.41	2.51
Closing net asset value per share	148.44	137.18	155.12	141.09
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	8.21%	(11.57)%	9.94%	2.60%
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##### OTHER INFORMATION

Closing net asset value (£'000)	153,948	145,370	163,948	143,527
Closing number of shares	103,711,904	105,966,938	105,691,194	101,728,214
Operating charges <sup>1</sup>	0.61%	0.61%	0.62%	0.63%
Property expenses	0.05%	0.04%	0.04%	0.04%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	151.97	160.54	157.09	142.53
Lowest share price	136.96	135.84	138.03	120.26

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.



**LF CANLIFE PORTFOLIO IV FUND**

**ACD'S REPORT** *continued*

**FUND INFORMATION** *continued*

**Fund Performance to 15 April 2023 (%)**

	6 months	1 year	3 years	5 years
LF Canlife Portfolio IV Fund	8.06	(2.33)	14.18	15.38
IA Mixed Investment 20–60% Shares sector <sup>1</sup>	7.15	(2.80)	13.44	11.18

<sup>1</sup> Source: Morningstar Direct.

The performance of the Fund is based on the published price per 'C' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the period end, rather than the period end return after operating charges.

**RISK WARNING**

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

## LF CANLIFE PORTFOLIO IV FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	FIXED INTEREST – 43.13% (15.10.22 – 43.91%)		
941,428	iShares \$ TIPS 0-5 UCITS ETF	4,711	1.74
2,863,090	iShare Core Global Aggregate Bond UCITS ETF	12,877	4.75
861,226	iShares Core UK Gilts UCITS ETF	9,099	3.35
13,299,138	iShares Index Linked Gilt Index (UK)	16,512	6.09
10,490,069	LF Canlife Corporate Bond <sup>1</sup>	27,037	9.96
10,465,543	LF Canlife Global Macro Bond <sup>1</sup>	13,466	4.96
10,472,544	LF Canlife Short Duration Corporate Bond <sup>1</sup>	10,791	3.98
17,977,722	LF Canlife Sterling Short Term Bond <sup>1</sup>	18,283	6.74
2,936,825	LF Canlife UK Government Bond <sup>1</sup>	2,883	1.06
13,627	Vanguard Global Corporate Bond Index	1,360	0.50
	TOTAL FIXED INTEREST	117,019	43.13
	EQUITIES – 44.50% (15.10.22 – 43.90%)		
4,054,257	iShares Continental European Equity Index (UK)	13,937	5.14
82,352	iShares FTSE 250 UCITS ETF	1,489	0.55
4,603,294	iShares Japan Equity Index (UK)	11,993	4.42
729,629	LF Canlife Asia Pacific <sup>1</sup>	10,832	3.99
1,571,841	LF Canlife North American <sup>1</sup>	37,301	13.75
11,391,790	LF Canlife UK Equity <sup>1</sup>	17,640	6.50
3,654,136	LF Canlife UK Equity Income <sup>1</sup>	26,640	9.82
4,405	Xtrackers Russell 2000 UCITS ETF	907	0.33
	TOTAL EQUITIES	120,739	44.50
	PROPERTY – 4.80% (15.10.22 – 5.23%)		
142,819	iShares Developed Markets Property Yield UCITS ETF	2,527	0.93
235,360	iShares Environment & Low Carbon Tilt Real Estate Index (UK)	506	0.19
560,833	iShares UK Property UCITS ETF	2,583	0.95
8,005,782	LF Canlife UK Property ACS <sup>1</sup>	7,425	2.73
	TOTAL PROPERTY	13,041	4.80
	MONEY MARKETS – 7.11% (15.10.22 – 7.03%)		
18,464,993	LF Canlife Sterling Liquidity <sup>1</sup>	19,303	7.11

**LF CANLIFE PORTFOLIO IV FUND**

**ACD'S REPORT** *continued*

**PORTFOLIO STATEMENT** *continued*

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	Portfolio of investments	270,102	99.54
	Net other assets	1,240	0.46
	Net assets	271,342	100.00

The investments are collective investment schemes.

<sup>1</sup> Related party holding.

## LF CANLIFE PORTFOLIO IV FUND

### ACD'S REPORT *continued*

### SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 15 April 2023

Total purchases for the half year £'000	33,045	Total sales for the half year £'000	35,266
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
iShares Core UK Gilts UCITS ETF	4,792	iShares Index Linked Gilt Index (UK)	4,184
LF Canlife North American	4,002	LF Canlife Short Duration Corporate	
LF Canlife Corporate Bond	3,999	Bond	3,892
iShares \$ Treasury Bond 20+yr UCITS ETF	3,598	iShares \$ Treasury Bond 20+yr UCITS ETF	3,677
iShares \$ TIPS 0-5 UCITS ETF	3,104	LF Canlife UK Government Bond	3,313
iShare Core Global Aggregate Bond		LF Canlife Global Macro Bond	2,681
UCITS ETF	2,675	LF Canlife UK Equity Income	2,605
iShares UK Property UCITS ETF	2,616	iShares Core UK Gilts UCITS ETF	2,305
Xtrackers Russell 2000 UCITS ETF	1,698	iShares Developed Markets Property	
iShares FTSE 250 UCITS ETF	1,392	Yield UCITS ETF	2,224
Vanguard Global Corporate Bond Index	1,347	LF Canlife North American	1,960
		iShares STOXX Europe 600 Industrial	
		Goods & Services UCITS ETF	1,761

In addition to the above, purchases totalling £2,801,000 and sales totalling £1,420,000 were made in short term investments during the half year.

The summary of material portfolio changes represents the 10 largest purchases and sales during the half year.

**LF CANLIFE PORTFOLIO IV FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**STATEMENT OF TOTAL RETURN**  
for the half year ended 15 April 2023

	£'000	15.04.23 £'000	£'000	15.04.22 £'000
Income:				
Net capital gains/(losses)		18,542		(6,950)
Revenue	2,819		1,962	
Expenses	(747)		(762)	
Interest payable and similar charges	(1)		–	
Net revenue before taxation	2,071		1,200	
Taxation	(268)		(111)	
Net revenue after taxation		1,803		1,089
Total return before distributions		20,345		(5,861)
Distributions		(2,354)		(1,665)
Change in net assets attributable to shareholders from investment activities		17,991		(7,526)

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the half year ended 15 April 2023

	£'000	15.04.23 £'000	£'000	15.04.22 £'000
Opening net assets attributable to shareholders		250,030		274,044
Amounts receivable on issue of shares	12,001		19,054	
Amounts payable on redemption of shares	(11,030)		(8,419)	
		971		10,635
Change in net assets attributable to shareholders from investment activities		17,991		(7,526)
Retained distributions on Accumulation shares		2,350		1,699
Closing net assets attributable to shareholders		271,342		278,852

The above statement shows the comparative closing net assets at 15 April 2022 whereas the current accounting period commenced 16 October 2022.

**LF CANLIFE PORTFOLIO IV FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**BALANCE SHEET**  
as at 15 April 2023

	15.04.23 £'000	15.10.22 £'000
<b>ASSETS</b>		
Fixed assets		
Investments	270,102	250,199
Current assets		
Debtors	502	3,144
Cash and cash equivalents	1,636	246
<b>Total assets</b>	<b>272,240</b>	<b>253,589</b>
<b>LIABILITIES</b>		
Creditors		
Distribution payable	(26)	(32)
Other creditors	(872)	(3,527)
<b>Total liabilities</b>	<b>(898)</b>	<b>(3,559)</b>
<b>Net assets attributable to shareholders</b>	<b>271,342</b>	<b>250,030</b>

**LF CANLIFE PORTFOLIO IV FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
for the half year ended 15 April 2023

**1. Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 15 October 2022 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has 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, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

**2. Subsequent Events**

On 20 April 2023 Link Group announced the sale of the Fund Solutions Business ('FS Business') and that certain subsidiaries of Link Group, including Link Fund Solutions Limited ('LFSL'), entered into sale agreements with entities within the Waystone Group pursuant to which Link Group companies have agreed to sell to the Waystone Group: (i) the business and certain assets of LFSL; (ii) the business and certain assets of Link Fund Manager Solutions (Ireland) Limited (LFMS(I)L); and (iii) the entire issued share capital of certain other subsidiaries of Link Group, which together with the business of LFSL and LFMS(I)L comprise the FS Business (other than its Luxembourg and Swiss entities), but excluding Woodford related liabilities and, subject to normalised working capital adjustments, on a debt and cash free basis. The Sale is conditional on various matters, including receipt of certain regulatory approvals, notices and consents from the FCA and the Central Bank of Ireland, anti-trust approval from the Competition and Consumer Protection Commission of Ireland and no in-depth investigation of the Sale by the UK Competition and Markets Authority. It is possible that Irish foreign investment approval may also be needed depending on whether a foreign investment regime is introduced in Ireland before completion of the Sale and the parties agree a filing is required. The Sale is also conditional on contracts representing a significant majority of revenue in respect of LFSL's ACD business and LFMS(I)L's business being transferred to the Waystone Group and consent having been

## LF CANLIFE PORTFOLIO IV FUND

### INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

### NOTES TO THE INTERIM FINANCIAL STATEMENTS *continued*

received from certain third parties in respect of the transfer of their business to the Waystone Group. The Waystone Group, LFSL and LFMS(I)L have agreed to work to achieve those and other conditions. The Sale is not contingent on the Scheme or the Settlement becoming unconditional. The sale is targeted to complete by October 2023.

The above proposed changes will not impact either the ongoing management of the Fund nor its continuing viability. Investors will be notified, assuming the proposed changes conclude satisfactorily, in due course on the timing of the transfer of the Fund to Waystone Group.



## LF CANLIFE PORTFOLIO V FUND ACD'S REPORT

for the half year ended 15 April 2023

### Important Information

Refer to the 'Important Information' section on page 12.

### Investment Objective and Policy

The investment objective of the LF Canlife Portfolio V Fund ('the Fund') is to achieve capital growth over the long term (at least five years), after all costs and charges have been taken, whilst seeking to remain in risk band 5 (on a scale of 1-10, where 1 is the lowest risk and 10 is the highest) on a rolling three year basis.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

The investment policy of the Fund is to invest at least 90% indirectly, via collective investment schemes, in the following assets: equities, debt securities (including government and public securities, corporate bonds, convertibles and preference shares), cash (including deposits and money market instruments) and immovable property.

The Fund's exposure to equities may be up to 75% of the value of its portfolio.

The Fund will gain exposure to these asset classes by investing in other collective investment schemes managed by the Portfolio Manager. It may also invest in other collective investment schemes (open and closed ended, including Exchange Traded Funds), other transferable securities (including Real Estate Investment Trusts) and hedge funds. Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates.

The Fund may invest up to 10% directly in the asset classes stated above (except immovable property) by investing in securities issued by companies and governments.

The Fund can invest across different geographic areas or industry sectors without limitation.

The Fund may not have exposure to all asset classes at all times.

The Portfolio Manager may use derivatives for the purpose of efficient portfolio management.

### Additional Information

The Fund's risk band is managed by varying the assets it invests in. The asset allocation is determined by reference to investment research carried out by an external agency and based on the long term historic return and volatility of each asset type.

Whilst the Portfolio Manager aims to keep the volatility of the Fund within the parameters to stay within risk band 5 over a rolling three-year period, it is not guaranteed and the actual volatility may be outside risk band 5 if the Portfolio Manager believes it is expedient to do so in order to mitigate potential losses. At times observing the asset allocation restrictions to remain within risk band 5 may limit capital growth and/or income.

## LF CANLIFE PORTFOLIO V FUND

### ACD'S REPORT *continued*

#### Additional Information *continued*

The asset allocation is provided by an independent third party risk rating provider. Further details of the asset allocation process, volatility parameters and measurement process can be obtained at [www.dynamicplanner.com](http://www.dynamicplanner.com).

#### Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 40-85% Shares sector.

The Fund's performance may be compared against the Investment Association IA Mixed Investment 40-85% Shares sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. The comparator benchmark has been selected as we consider it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets. The Fund is not constrained by the requirements of the sector.

#### LINK FUND SOLUTIONS LIMITED

ACD of LF Canlife Portfolio V Fund

9 June 2023

## LF CANLIFE PORTFOLIO V FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT

for the half year ended 15 April 2023

#### Market Overview

Following a prolonged period of suppression throughout much of 2022, risk assets began to rally toward the end of the year as inflation appeared to be nearing its peak and central bank rhetoric began to soften.

This trajectory continued into the new year as, in addition to the market's growing expectations of interest rate cuts, the re-opening of China's borders buoyed investor sentiment. Stock markets across the developed market economies all gained throughout the period, most notably in Europe and China, albeit the latter lost momentum in February following a spy balloon incident in the US, which knocked investor confidence.

Following a period where the rising rate environment was supportive of value stocks, the market began to rotate back toward growth-oriented stocks, which brought technology stocks in particular back into vogue.

There was a brief bout of volatility in March, following the collapse of US-based Silicon Valley Bank ('SVB'). The situation surrounding SVB sparked a domino effect, ending with the emergency takeover of European banking giant Credit Suisse by long-time rival UBS in a merger forced by the Swiss authorities. These events caused a rapid and indiscriminate selloff in financial assets. Markets rebounded towards the end of March however, recovering many of the gains lost during this period.

Over the period, developed economy central banks began laying the groundwork for an easing of monetary policy as, with the exception of the UK, inflation data began dipping. In line with the softening inflation data, the banks reduced the pace of interest rate hikes.

#### Fund Review

The period was one of robust returns for both equities and bonds. The total return generated in the equity allocation was the dominant driver, generating the majority of the overall portfolio's total return.

Within fixed income, corporate bonds were the biggest return drivers as both yields dropped and spreads compressed; the allocation to LF Canlife Corporate Bond was the key outperformer. An opportunistic allocation to longer-dated US Treasuries hedged into GBP also helped returns in the fourth quarter of 2022.

Within equities, our UK exposures added considerable value during the closing months of 2022. The largest total return from an international perspective came from Europe. Our North American equity fund took the baton in 2023, powered by the market's tilt toward growth and the subsequent rally within technology stocks.

The collapse of SVB had a negative impact on the portfolio, particularly in our fixed income allocations but also some of our equity funds which have exposure to financials (the LF Canlife UK Equity Income fund, for example). Our property exposures were also weak, in part due to the SVB fallout, but also due to the more challenging, high-rate environment impacting the property sector.

Amid the volatility, we took the opportunity to add the Vanguard Global Corporate Bond fund to the portfolio, having trimmed our exposures to UK Gilts to facilitate.

## LF CANLIFE PORTFOLIO V FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT *continued*

#### Outlook

As in previous months, the key consideration as we move further into 2023 is inflation. In the US, market indicators suggest that the US Federal Reserve is nearing its terminal rate, which will then shift the focus towards inflation itself and at which level it may eventually settle. It's widely accepted that headline inflation has all but peaked throughout developed market economies but how much it falls from here, with the central banks having used the tools at their disposal, remains to be seen.

Certainly, some anticipate inflation dropping in the short-to-medium-term but ultimately settling at a higher level than pre-2022. This would present difficulties for certain businesses and companies, so we remain mindful of the trajectory of inflation and the potential ramifications from here.

The collapse of SVB and the merger between Credit Suisse and UBS dominated the headlines toward the end of the period and dampened investor sentiment in the short term. We believe these instances to have been more idiosyncratic than indicative of a widespread banking crisis, however, we are mindful of the challenges facing the sector within this high-rate environment and will continue to monitor the situation closely.

From a portfolio perspective, we are very comfortable with our positioning and continue seeking opportunities to add quality names into the portfolio at sensible valuations.

#### CANADA LIFE ASSET MANAGEMENT LIMITED

Portfolio Manager

10 May 2023

## LF CANLIFE PORTFOLIO V FUND

### ACD'S REPORT *continued*

#### FUND INFORMATION

##### Risk and Reward Profile



The above indicator is known as the Synthetic Risk and Reward Indicator ('SRRI'). It shows how much a fund may have risen and fallen in the past, and therefore how much a fund's returns may have varied. It is the standard measure of volatility required under financial regulations to allow comparisons with other funds. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 4 because its volatility has been measured as average.

The SRRI measure differs from that used by Dynamic Planner. The Fund aims to remain within Dynamic Planner's band 5 hence the reference to V in the name of the Fund. Further details can be found in the Prospectus.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

**Currency Risk:** As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

**Property Fund Investment Risk:** Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

**Counterparty Risk:** The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

**Emerging Markets Risk:** The Fund may invest in emerging markets, which are markets in countries that are developing. Emerging markets may have more political and economic risks than developed markets, resulting in price movements that may cause a loss to the Fund.

**Changes in Interest Rate Risk:** A rise in interest rates generally causes bond prices to fall.

**Credit Risk:** The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

**Liquidity Risk:** In unfavourable market conditions, corporate bonds may be harder to sell in a timely manner and at reasonable prices, than in normal market conditions. This could have a negative impact on the value of the Fund. In extreme market conditions this could affect the Fund's ability to meet investors' redemptions.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

**LF CANLIFE PORTFOLIO V FUND**

**ACD'S REPORT** *continued*

**FUND INFORMATION** *continued*

**Comparative Tables**

Information for 15 April 2023 relates to the 6 month period ending 15 April 2023. The operating charges relate to the expenses incurred on an ex post basis over the 6 month period ending 15 April 2023, expressed as an annualised percentage of the average net asset value.

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the half year end weighted against the net asset value of the share class at that date.

## LF CANLIFE PORTFOLIO V FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	142.54	156.45	138.01	134.60
Return before operating charges*	12.28	(11.25)	21.00	5.74
Operating charges <sup>1</sup>	(1.26)	(2.60)	(2.52)	(2.28)
Property expenses	(0.04)	(0.06)	(0.04)	(0.05)
Return after operating charges	10.98	(13.91)	18.44	3.41
Distributions	(0.35)	(1.15)	(0.93)	(1.05)
Retained distributions on accumulation shares	0.35	1.15	0.93	1.05
Closing net asset value per share	153.52	142.54	156.45	138.01
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	7.70%	(8.89)%	13.36%	2.53%
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##### OTHER INFORMATION

Closing net asset value (£'000)	8,744	7,695	7,101	4,632
Closing number of shares	5,695,427	5,398,422	4,539,177	3,356,305
Operating charges <sup>1</sup>	1.67%	1.69%	1.68%	1.70%
Property expenses	0.05%	0.04%	0.03%	0.04%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	157.69	162.04	158.44	141.14
Lowest share price	141.78	141.02	134.05	114.12

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

## LF CANLIFE PORTFOLIO V FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	151.94	165.46	144.82	140.15
Return before operating charges*	12.95	(12.27)	21.79	5.74
Operating charges <sup>1</sup>	(0.57)	(1.18)	(1.10)	(1.02)
Property expenses	(0.04)	(0.07)	(0.05)	(0.05)
Return after operating charges	12.34	(13.52)	20.64	4.67
Distributions	(0.99)	(2.46)	(2.19)	(2.22)
Retained distributions on accumulation shares	0.99	2.46	2.19	2.22
Closing net asset value per share	164.28	151.94	165.46	144.82
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	8.12%	(8.17)%	14.25%	3.33%
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##### OTHER INFORMATION

Closing net asset value (£'000)	105,507	84,455	73,693	62,510
Closing number of shares	64,224,114	55,584,081	44,539,376	43,164,334
Operating charges <sup>1</sup>	0.70%	0.72%	0.70%	0.73%
Property expenses	0.05%	0.04%	0.03%	0.04%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	168.48	171.62	167.42	147.33
Lowest share price	151.13	150.31	140.72	119.21

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.



## LF CANLIFE PORTFOLIO V FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'G' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	153.61	167.17	146.23	141.43
Return before operating charges*	13.07	(12.43)	21.99	5.78
Operating charges <sup>1</sup>	(0.51)	(1.06)	(1.00)	(0.92)
Property expenses	(0.04)	(0.07)	(0.05)	(0.06)
Return after operating charges	12.52	(13.56)	20.94	4.80
Distributions	(1.05)	(2.58)	(2.32)	(2.34)
Retained distributions on accumulation shares	1.05	2.58	2.32	2.34
Closing net asset value per share	166.13	153.61	167.17	146.23
* after direct transaction costs of:	0.01	–	–	–

##### PERFORMANCE

Return after charges	8.15%	(8.11)%	14.32%	3.39%
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##### OTHER INFORMATION

Closing net asset value (£'000)	137,076	128,111	137,259	109,876
Closing number of shares	82,509,731	83,400,847	82,107,325	75,137,775
Operating charges <sup>1</sup>	0.62%	0.64%	0.63%	0.65%
Property expenses	0.05%	0.04%	0.03%	0.04%
Direct transaction costs	0.01%	–	–	–

##### PRICES

Highest share price	170.36	173.41	169.14	148.71
Lowest share price	152.79	151.96	142.10	120.33

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

**LF CANLIFE PORTFOLIO V FUND**

**ACD'S REPORT** *continued*

**FUND INFORMATION** *continued*

**Fund Performance to 15 April 2023 (%)**

	6 months	1 year	3 years	5 years
LF Canlife Portfolio V Fund	8.05	(0.16)	26.62	25.46
IA Mixed Investment 40-85% Shares sector <sup>1</sup>	8.06	(1.83)	23.72	22.71

<sup>1</sup> Source: Morningstar Direct.

The performance of the Fund is based on the published price per 'C' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the period end, rather than the period end return after operating charges.

**RISK WARNING**

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

## LF CANLIFE PORTFOLIO V FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	FIXED INTEREST – 26.08% (15.10.22 – 26.97%)		
405,273	iShares \$ TIPS 0-5 UCITS ETF	2,028	0.81
1,229,757	iShares Core Global Aggregate Bond UCITS ETF	5,531	2.20
583,927	iShares Core UK Gilts UCITS ETF	6,169	2.45
6,178,309	iShares Index Linked Gilt Index (UK)	7,671	3.05
5,724,635	LF Canlife Corporate Bond <sup>1</sup>	14,755	5.87
4,928,846	LF Canlife Global Macro Bond <sup>1</sup>	6,342	2.52
7,261,906	LF Canlife Short Duration Corporate Bond <sup>1</sup>	7,483	2.98
13,837,127	LF Canlife Sterling Short Term Bond <sup>1</sup>	14,072	5.60
497,922	LF Canlife UK Government Bond <sup>1</sup>	489	0.20
10,053	Vanguard Global Corporate Bond Index	1,003	0.40
	TOTAL FIXED INTEREST	65,543	26.08
	EQUITIES – 59.36% (15.10.22 – 57.71%)		
3,742,631	iShares Continental European Equity Index (UK)	12,866	5.12
124,575	iShares FTSE 250 UCITS ETF	2,252	0.90
4,783,978	iShares Japan Equity Index (UK)	12,463	4.96
238,245	iShares S&P U.S. Banks UCITS ETF	786	0.31
671,895	LF Canlife Asia Pacific <sup>1</sup>	9,975	3.97
2,126,569	LF Canlife North American <sup>1</sup>	50,465	20.08
18,768,989	LF Canlife UK Equity <sup>1</sup>	29,064	11.56
4,106,298	LF Canlife UK Equity Income <sup>1</sup>	29,937	11.91
6,683	Xtrackers Russell 2000 UCITS ETF	1,376	0.55
	TOTAL EQUITIES	149,184	59.36
	PROPERTY – 4.74% (15.10.22 – 5.20%)		
126,498	iShares Developed Markets Property Yield UCITS ETF	2,238	0.89
235,360	iShares Environment & Low Carbon Tilt Real Estate Index (UK)	506	0.20
610,924	iShares UK Property UCITS ETF	2,814	1.12
6,835,789	LF Canlife UK Property ACS <sup>1</sup>	6,340	2.53
	TOTAL PROPERTY	11,898	4.74
	EMERGING MARKETS – 3.14% (15.10.22 – 3.94%)		
4,355,386	iShares Emerging Markets Equity Index (UK)	7,899	3.14

**LF CANLIFE PORTFOLIO V FUND**

**ACD'S REPORT** *continued*

**PORTFOLIO STATEMENT** *continued*

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
15,058,124	MONEY MARKETS – 6.26% (15.10.22 – 6.61%)		
	LF Canlife Sterling Liquidity <sup>1</sup>	15,742	6.26
	Portfolio of investments	250,266	99.58
	Net other assets	1,061	0.42
	Net assets	251,327	100.00

The investments are collective investment schemes.

<sup>1</sup> Related party holding.

## LF CANLIFE PORTFOLIO V FUND

### ACD'S REPORT *continued*

#### SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 15 April 2023

Total purchases for the half year £'000	32,499	Total sales for the half year £'000	22,833
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
LF Canlife North American	6,065	LF Canlife Global Macro Bond	3,471
iShares Core Global Aggregate Bond UCITS ETF	4,876	LF Canlife North American	2,269
iShares UK Property UCITS ETF	2,866	iShares \$ Treasury Bond 20+yr UCITS ETF	2,183
iShares Core UK Gilts UCITS ETF	2,774	iShares Developed Markets Property Yield UCITS ETF	2,127
iShares \$ Treasury Bond 20+yr UCITS ETF	2,126	iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF	1,543
iShares FTSE 250 UCITS ETF	2,101	LF Canlife UK Government Bond	1,481
Xtrackers Russell 2000 UCITS ETF	2,046	iShares Index Linked Gilt Index (UK)	1,460
iShares \$ TIPS 0-5 UCITS ETF	2,005	iShares Core UK Gilts UCITS ETF	1,415
iShares Continental European Equity Index (UK)	1,298	iShares S&P U.S. Banks UCITS ETF	1,233
LF Canlife UK Equity	1,223	iShares \$ TIPS 0-5 UCITS ETF	1,151

In addition to the above, purchases totalling £2,750,000 and sales totalling £1,840,000 were made in short term investments during the half year.

The summary of material portfolio changes represents the 10 largest purchases and sales during the half year.

**LF CANLIFE PORTFOLIO V FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**STATEMENT OF TOTAL RETURN**  
for the half year ended 15 April 2023

	£'000	15.04.23 £'000	£'000	15.04.22 £'000
Income:				
Net capital gains/(losses)		16,689		(1,926)
Revenue	2,301		1,479	
Expenses	(691)		(630)	
Interest payable and similar charges	(1)		–	
Net revenue before taxation	1,609		849	
Taxation	(140)		(29)	
Net revenue after taxation		1,469		820
Total return before distributions		18,158		(1,106)
Distributions		(1,483)		(835)
Change in net assets attributable to shareholders from investment activities		16,675		(1,941)

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the half year ended 15 April 2023

	£'000	15.04.23 £'000	£'000	15.04.22 £'000
Opening net assets attributable to shareholders		220,261		218,053
Amounts receivable on issue of shares	19,548		19,971	
Amounts payable on redemption of shares	(6,676)		(8,695)	
		12,872		11,276
Change in net assets attributable to shareholders from investment activities		16,675		(1,941)
Retained distributions on Accumulation shares		1,519		874
Closing net assets attributable to shareholders		251,327		228,262

The above statement shows the comparative closing net assets at 15 April 2022 whereas the current accounting period commenced 16 October 2022.

**LF CANLIFE PORTFOLIO V FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**BALANCE SHEET**  
as at 15 April 2023

	15.04.23 £'000	15.10.22 £'000
<b>ASSETS</b>		
Fixed assets		
Investments	250,266	221,207
Current assets		
Debtors	176	1,206
Cash and cash equivalents	1,550	375
<b>Total assets</b>	<u>251,992</u>	<u>222,788</u>
<b>LIABILITIES</b>		
Creditors		
Other creditors	(665)	(2,527)
<b>Total liabilities</b>	<u>(665)</u>	<u>(2,527)</u>
<b>Net assets attributable to shareholders</b>	<u>251,327</u>	<u>220,261</u>

**LF CANLIFE PORTFOLIO V FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
for the half year ended 15 April 2023

**1. Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 15 October 2022 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has 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, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

**2. Subsequent Events**

On 20 April 2023 Link Group announced the sale of the Fund Solutions Business ('FS Business') and that certain subsidiaries of Link Group, including Link Fund Solutions Limited ('LFSL'), entered into sale agreements with entities within the Waystone Group pursuant to which Link Group companies have agreed to sell to the Waystone Group: (i) the business and certain assets of LFSL; (ii) the business and certain assets of Link Fund Manager Solutions (Ireland) Limited (LFMS(I)L); and (iii) the entire issued share capital of certain other subsidiaries of Link Group, which together with the business of LFSL and LFMS(I)L comprise the FS Business (other than its Luxembourg and Swiss entities), but excluding Woodford related liabilities and, subject to normalised working capital adjustments, on a debt and cash free basis. The sale is conditional on various matters, including receipt of certain regulatory approvals, notices and consents from the FCA and the Central Bank of Ireland, anti-trust approval from the Competition and Consumer Protection Commission of Ireland and no in-depth investigation of the sale by the UK Competition and Markets Authority. It is possible that Irish foreign investment approval may also be needed depending on whether a foreign investment regime is introduced in Ireland before completion of the sale and the parties agree a filing is required. The sale is also conditional on contracts representing a significant majority of revenue in respect of LFSL's ACD business and LFMS(I)L's business being transferred to the Waystone Group and consent having been



## LF CANLIFE PORTFOLIO V FUND

### INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

### NOTES TO THE INTERIM FINANCIAL STATEMENTS *continued*

received from certain third parties in respect of the transfer of their business to the Waystone Group. The Waystone Group, LFSL and LFMS(I)L have agreed to work to achieve those and other conditions. The sale is not contingent on the Scheme or the Settlement becoming unconditional. The sale is targeted to complete by October 2023.

The above proposed changes will not impact either the ongoing management of the Fund nor its continuing viability. Investors will be notified, assuming the proposed changes conclude satisfactorily, in due course on the timing of the transfer of the Fund to Waystone Group.

## LF CANLIFE PORTFOLIO VI FUND ACD'S REPORT

for the half year ended 15 April 2023

### Important Information

Refer to the 'Important Information' section on page 12.

### Investment Objective and Policy

The investment objective of the LF Canlife Portfolio VI Fund ('the Fund') is to achieve capital growth over the long term (at least five years), after all costs and charges have been taken, whilst seeking to remain in risk band 6 (on a scale of 1-10, where 1 is the lowest risk and 10 is the highest) on a rolling three year basis.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

The investment policy of the Fund is to invest at least 90% indirectly, via collective investment schemes, in the following assets: equities, debt securities (including government and public securities, corporate bonds, convertibles and preference shares), cash (including deposits and money market instruments) and immovable property.

The Fund's exposure to equities can be up to 90% of the value of its portfolio.

The Fund will gain exposure to these asset classes by investing in other collective investment schemes managed by the Portfolio Manager. It may also invest in other collective investment schemes (open and closed ended, including Exchange Traded Funds), other transferable securities (including Real Estate Investment Trusts) and hedge funds. Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates.

The Fund may also invest up to 10% directly in the asset classes stated above (except immovable property) by investing in securities issued by companies and governments.

The Fund can invest across different geographic areas or industry sectors without limitation.

The Fund may not have exposure to all asset classes at all times.

The Portfolio Manager may use derivatives for the purpose of efficient portfolio management.

### Additional Information

The Fund's risk band is managed by varying the assets it invests in. The asset allocation is determined by reference to investment research carried out by an external agency and based on the long term historic return and volatility of each asset type.

Whilst the Portfolio Manager aims to keep the volatility of the Fund within the parameters to stay within risk band 6 over a rolling three-year period, it is not guaranteed and the actual volatility may be outside risk band 6 if the Portfolio Manager believes it is expedient to do so in order to mitigate potential losses. At times observing the asset allocation restrictions to remain within risk band 6 may limit capital growth and/or income.

## LF CANLIFE PORTFOLIO VI FUND

### ACD'S REPORT *continued*

#### Additional Information *continued*

The asset allocation is provided by an independent third party risk rating provider. Further details of the asset allocation process, volatility parameters and measurement process can be obtained at [www.dynamicplanner.com](http://www.dynamicplanner.com).

#### Benchmark

The Fund's comparator benchmark is the IA Mixed Investment 40-85% Shares sector.

The Fund's performance may be compared against the Investment Association IA Mixed Investment 40-85% Shares sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. The comparator benchmark has been selected as we consider it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets. The Fund is not constrained by the requirements of the sector.

#### LINK FUND SOLUTIONS LIMITED

ACD of LF Canlife Portfolio VI Fund

9 June 2023

## LF CANLIFE PORTFOLIO VI FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT

for the half year ended 15 April 2023

#### Market Overview

Following a prolonged period of suppression throughout much of 2022, risk assets began to rally toward the end of the year as inflation appeared to be nearing its peak and central bank rhetoric began to soften.

This trajectory continued into the new year as, in addition to the market's growing expectations of interest rate cuts, the re-opening of China's borders buoyed investor sentiment. Stock markets across the developed market economies all gained throughout the period, most notably in Europe and China, albeit the latter lost momentum in February following a spy balloon incident in the US, which knocked investor confidence.

Following a period where the rising rate environment was supportive of value stocks, the market began to rotate back toward growth-oriented stocks, which brought technology stocks in particular back into vogue.

There was a brief bout of volatility in March, following the collapse of US-based Silicon Valley Bank ('SVB'). The situation surrounding SVB sparked a domino effect, ending with the emergency takeover of European banking giant Credit Suisse by long-time rival UBS in a merger forced by the Swiss authorities. These events caused a rapid and indiscriminate selloff in financial assets. Markets rebounded towards the end of March however, recovering many of the gains lost during this period.

Over the period, developed economy central banks began laying the groundwork for an easing of monetary policy as, with the exception of the UK, inflation data began dipping. In line with the softening inflation data, the banks reduced the pace of interest rate hikes.

#### Fund Review

The period was one of robust returns for both equities and bonds. The total return generated in the equity allocation was the dominant driver.

Within fixed income, corporate bonds were the biggest return drivers as both yields dropped and spreads compressed; the allocation to LF Canlife Corporate Bond Fund was the key outperformer.

Within equities, our UK exposures added considerable value during the closing months of 2022. The largest total return from an international perspective came from Europe.

Our North American equity fund took the baton in 2023, powered by the market's tilt toward growth and the subsequent rally within technology stocks. The collapse of SVB had a negative impact on the portfolio, particularly in our fixed income allocations but also some of our equity funds which have exposure to financials (the LF Canlife UK Equity Income fund, for example). Our property exposures were also weak, in part due to the SVB fallout, but also due to the more challenging, high-rate environment impacting the property sector.

## LF CANLIFE PORTFOLIO VI FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT *continued*

#### Outlook

As in previous months, the key consideration as we move further into 2023 is inflation. In the US, market indicators suggest that the US Federal Reserve is nearing its terminal rate, which will then shift the focus towards inflation itself and at which level it may eventually settle. It's widely accepted that headline inflation has all but peaked throughout developed market economies but how much it falls from here, with the central banks having used the tools at their disposal, remains to be seen.

Certainly, some anticipate inflation dropping in the short-to-medium-term but ultimately settling at a higher level than pre-2022. This would present difficulties for certain businesses and companies, so we remain mindful of the trajectory of inflation and the potential ramifications from here.

The collapse of SVB and the merger between Credit Suisse and UBS dominated the headlines toward the end of the period and dampened investor sentiment in the short term. We believe these instances to have been more idiosyncratic than indicative of a widespread banking crisis, however, we are mindful of the challenges facing the sector within this high-rate environment and will continue to monitor the situation closely.

From a portfolio perspective, we are very comfortable with our positioning and continue seeking opportunities to add quality names into the portfolio at sensible valuations.

#### CANADA LIFE ASSET MANAGEMENT LIMITED

Portfolio Manager

10 May 2023

## LF CANLIFE PORTFOLIO VI FUND

### ACD'S REPORT *continued*

#### FUND INFORMATION

##### Risk and Reward Profile



The above indicator is known as the Synthetic Risk and Reward Indicator ('SRRI'). It shows how much a fund may have risen and fallen in the past, and therefore how much a fund's returns may have varied. It is the standard measure of volatility required under financial regulations to allow comparisons with other funds. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 5 because its volatility has been measured as above average.

The SRRI measure differs from that used by Dynamic Planner. The Fund aims to remain within Dynamic Planner's band 6 hence the reference to VI in the name of the Fund. Further details can be found in the Prospectus.

This indicator is based on historical data and may not be a reliable indication of the future risk profile of this fund.

The risk and reward profile shown is not guaranteed to remain the same and may shift over time.

**Currency Risk:** As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

**Property Fund Investment Risk:** Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

**Counterparty Risk:** The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

**Emerging Markets Risk:** The Fund may invest in emerging markets, which are markets in countries that are developing. Emerging markets may have more political and economic risks than developed markets, resulting in price movements that may cause a loss to the Fund.

**Changes in Interest Rate Risk:** A rise in interest rates generally causes bond prices to fall.

**Credit Risk:** The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

**Liquidity Risk:** In unfavourable market conditions, corporate bonds may be harder to sell in a timely manner and at reasonable prices, than in normal market conditions. This could have a negative impact on the value of the Fund. In extreme market conditions this could affect the Fund's ability to meet investors' redemptions.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

**LF CANLIFE PORTFOLIO VI FUND**

**ACD'S REPORT** *continued*

**FUND INFORMATION** *continued*

**Comparative Tables**

Information for 15 April 2023 relates to the 6 month period ending 15 April 2023. The operating charges relate to the expenses incurred on an ex post basis over the 6 month period ending 15 April 2023, expressed as an annualised percentage of the average net asset value.

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the half year end weighted against the net asset value of the share class at that date.

## LF CANLIFE PORTFOLIO VI FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	148.39	160.32	139.57	136.17
Return before operating charges*	11.94	(9.16)	23.43	5.79
Operating charges <sup>1</sup>	(1.34)	(2.71)	(2.63)	(2.34)
Property expenses	(0.04)	(0.06)	(0.05)	(0.05)
Return after operating charges	10.56	(11.93)	20.75	3.40
Distributions	(0.37)	(1.30)	(0.84)	(1.27)
Retained distributions on accumulation shares	0.37	1.30	0.84	1.27
Closing net asset value per share	158.95	148.39	160.32	139.57
* after direct transaction costs of:	–	0.01	–	–

##### PERFORMANCE

Return after charges	7.12%	(7.44)%	14.87%	2.50%
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##### OTHER INFORMATION

Closing net asset value (£'000)	37,228	35,893	38,435	34,257
Closing number of shares	23,421,649	24,187,740	23,974,673	24,544,466
Operating charges <sup>1</sup>	1.71%	1.71%	1.71%	1.73%
Property expenses	0.05%	0.04%	0.03%	0.04%
Direct transaction costs	–	–	–	–

##### PRICES

Highest share price	164.12	165.73	162.73	144.41
Lowest share price	147.08	146.82	135.20	112.77

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.



## LF CANLIFE PORTFOLIO VI FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	159.23	170.44	146.99	142.26
Return before operating charges*	12.62	(9.91)	24.69	5.87
Operating charges <sup>1</sup>	(0.62)	(1.23)	(1.19)	(1.08)
Property expenses	(0.04)	(0.07)	(0.05)	(0.06)
Return after operating charges	11.96	(11.21)	23.45	4.73
Distributions	(1.02)	(2.97)	(2.43)	(2.48)
Retained distributions on accumulation shares	1.02	2.97	2.43	2.48
Closing net asset value per share	171.19	159.23	170.44	146.99
* after direct transaction costs of:	–	0.01	–	–

##### PERFORMANCE

Return after charges	7.51%	(6.58)%	15.95%	3.32%
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##### OTHER INFORMATION

Closing net asset value (£'000)	46,011	34,032	28,302	23,226
Closing number of shares	26,877,213	21,372,320	16,605,282	15,801,541
Operating charges <sup>1</sup>	0.73%	0.73%	0.73%	0.76%
Property expenses	0.05%	0.04%	0.03%	0.04%
Direct transaction costs	–	–	–	–

##### PRICES

Highest share price	176.66	176.45	172.81	151.26
Lowest share price	157.83	157.53	142.44	118.21

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

## LF CANLIFE PORTFOLIO VI FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'G' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	161.70	172.98	149.08	144.21
Return before operating charges*	12.81	(10.08)	25.04	5.91
Operating charges <sup>1</sup>	(0.57)	(1.13)	(1.09)	(0.98)
Property expenses	(0.04)	(0.07)	(0.05)	(0.06)
Return after operating charges	12.20	(11.28)	23.90	4.87
Distributions	(1.08)	(3.11)	(2.55)	(2.59)
Retained distributions on accumulation shares	1.08	3.11	2.55	2.59
Closing net asset value per share	173.90	161.70	172.98	149.08
* after direct transaction costs of:	–	0.01	–	–

##### PERFORMANCE

Return after charges	7.54%	(6.52)%	16.03%	3.38%
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##### OTHER INFORMATION

Closing net asset value (£'000)	46,745	42,003	41,030	30,644
Closing number of shares	26,881,205	25,975,600	23,720,584	20,555,026
Operating charges <sup>1</sup>	0.66%	0.66%	0.66%	0.68%
Property expenses	0.05%	0.04%	0.03%	0.04%
Direct transaction costs	–	–	–	–

##### PRICES

Highest share price	179.44	179.10	175.37	153.35
Lowest share price	160.28	159.98	144.48	119.85

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

**LF CANLIFE PORTFOLIO VI FUND**

**ACD'S REPORT** *continued*

**FUND INFORMATION** *continued*

**Fund Performance to 15 April 2023 (%)**

	6 months	1 year	3 years	5 years
LF Canlife Portfolio VI Fund	7.50	0.83	32.66	27.83
IA Mixed Investment 40–85% Shares sector <sup>1</sup>	8.06	(1.83)	23.72	22.71

<sup>1</sup> Source: Morningstar Direct.

The performance of the Fund is based on the published price per 'C' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the period end, rather than the period end return after operating charges.

**RISK WARNING**

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

## LF CANLIFE PORTFOLIO VI FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	FIXED INTEREST – 15.29% (15.10.22 – 15.96%)		
285,781	iShares Core Global Aggregate Bond UCITS ETF	1,285	0.99
2,689,226	LF Canlife Corporate Bond <sup>1</sup>	6,931	5.33
2,830,812	LF Canlife Global Macro Bond <sup>1</sup>	3,642	2.80
3,125,966	LF Canlife Short Duration Corporate Bond <sup>1</sup>	3,221	2.48
4,719,498	LF Canlife Sterling Short Term Bond <sup>1</sup>	4,800	3.69
	TOTAL FIXED INTEREST	19,879	15.29
	EQUITIES – 66.37% (15.10.22 – 64.76%)		
1,910,658	iShares Continental European Equity Index (UK)	6,568	5.05
100,000	iShares FTSE 250 UCITS ETF	1,808	1.39
2,430,727	iShares Japan Equity Index (UK)	6,332	4.87
99,971	iShares S&P U.S. Banks UCITS ETF	330	0.25
866,360	LF Canlife Asia Pacific <sup>1</sup>	12,862	9.90
1,116,086	LF Canlife North American <sup>1</sup>	26,486	20.38
9,884,880	LF Canlife UK Equity <sup>1</sup>	15,307	11.78
2,119,358	LF Canlife UK Equity Income <sup>1</sup>	15,451	11.89
5,407	Xtrackers Russell 2000 UCITS ETF	1,113	0.86
	TOTAL EQUITIES	86,257	66.37
	PROPERTY – 4.77% (15.10.22 – 5.15%)		
61,993	iShares Developed Markets Property Yield UCITS ETF	1,097	0.84
188,288	iShares Environment & Low Carbon Tilt Real Estate Index (UK)	405	0.31
330,524	iShares UK Property UCITS ETF	1,522	1.17
3,435,892	LF Canlife UK Property ACS <sup>1</sup>	3,187	2.45
	TOTAL PROPERTY	6,211	4.77
	EMERGING MARKETS – 8.41% (15.10.22 – 9.98%)		
6,024,237	iShares Emerging Markets Equity Index (UK)	10,926	8.41
	MONEY MARKETS – 4.13% (15.10.22 – 4.24%)		
5,136,715	LF Canlife Sterling Liquidity <sup>1</sup>	5,370	4.13

**LF CANLIFE PORTFOLIO VI FUND**

**ACD'S REPORT** *continued*

**PORTFOLIO STATEMENT** *continued*

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	Portfolio of investments	128,643	98.97
	Net other assets	1,341	1.03
	Net assets	129,984	100.00

The investments are collective investment schemes.

<sup>1</sup> Related party holding.

## LF CANLIFE PORTFOLIO VI FUND

### ACD'S REPORT *continued*

### SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 15 April 2023

Total purchases for the half year £'000	13,835	Total sales for the half year £'000	6,402
	Cost		Proceeds
Major purchases	£'000	Sales	£'000
LF Canlife North American	2,403	iShares Emerging Markets Equity Index (UK)	1,434
iShares FTSE 250 UCITS ETF	1,690	iShares Developed Markets Property Yield UCITS ETF	1,101
iShares UK Property UCITS ETF	1,558	LF Canlife North American	998
Xtrackers Russell 2000 UCITS ETF	1,396	iShares STOXX Europe 600 Industrial Goods & Services UCITS ETF	689
LF Canlife Asia Pacific	1,147	iShares S&P U.S. Banks UCITS ETF	560
LF Canlife UK Equity	1,064	LF Canlife Global Macro Bond	464
iShares Core Global Aggregate Bond UCITS ETF	1,060	iShares Japan Equity Index (UK)	355
iShares Emerging Markets Equity Index (UK)	980	LF Canlife Corporate Bond	350
LF Canlife Corporate Bond	617	LF Canlife Short Duration Corporate Bond	250
iShares Continental European Equity Index (UK)	501	Xtrackers Russell 2000 UCITS ETF	201

In addition to the above, purchases totalling £800,000 and sales totalling £270,000 were made in short term investments during the half year.

The summary of the material portfolio changes represents the 10 largest purchases and all of the sales during the half year.

**LF CANLIFE PORTFOLIO VI FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**STATEMENT OF TOTAL RETURN**  
for the half year ended 15 April 2023

	£'000	15.04.23 £'000	£'000	15.04.22 £'000
Income:				
Net capital gains/(losses)		7,736		(956)
Revenue	1,141		810	
Expenses	(528)		(502)	
Interest payable and similar charges	(1)		–	
Net revenue before taxation	612		308	
Taxation	–		–	
Net revenue after taxation		612		308
Total return before distributions		8,348		(648)
Distributions		(620)		(331)
Change in net assets attributable to shareholders from investment activities		7,728		(979)

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the half year ended 15 April 2023

	£'000	15.04.23 £'000	£'000	15.04.22 £'000
Opening net assets attributable to shareholders		111,928		107,767
Amounts receivable on issue of shares	13,750		8,226	
Amounts payable on redemption of shares	(4,075)		(2,975)	
		9,675		5,251
Change in net assets attributable to shareholders from investment activities		7,728		(979)
Retained distributions on Accumulation shares		653		337
Closing net assets attributable to shareholders		129,984		112,376

The above statement shows the comparative closing net assets at 15 April 2022 whereas the current accounting period commenced 16 October 2022.

**LF CANLIFE PORTFOLIO VI FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**BALANCE SHEET**  
as at 15 April 2023

	15.04.23 £'000	15.10.22 £'000
<b>ASSETS</b>		
Fixed assets		
Investments	128,643	112,031
Current assets		
Debtors	932	510
Cash and cash equivalents	821	334
<b>Total assets</b>	<b>130,396</b>	<b>112,875</b>
<b>LIABILITIES</b>		
Creditors		
Other creditors	(412)	(947)
<b>Total liabilities</b>	<b>(412)</b>	<b>(947)</b>
<b>Net assets attributable to shareholders</b>	<b>129,984</b>	<b>111,928</b>



**LF CANLIFE PORTFOLIO VI FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
for the half year ended 15 April 2023

**1. Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 15 October 2022 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has 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, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

**2. Subsequent Events**

On 20 April 2023 Link Group announced the sale of the Fund Solutions Business ('FS Business') and that certain subsidiaries of Link Group, including Link Fund Solutions Limited ('LFSL'), entered into sale agreements with entities within the Waystone Group pursuant to which Link Group companies have agreed to sell to the Waystone Group: (i) the business and certain assets of LFSL; (ii) the business and certain assets of Link Fund Manager Solutions (Ireland) Limited (LFMS(I)L); and (iii) the entire issued share capital of certain other subsidiaries of Link Group, which together with the business of LFSL and LFMS(I)L comprise the FS Business (other than its Luxembourg and Swiss entities), but excluding Woodford related liabilities and, subject to normalised working capital adjustments, on a debt and cash free basis. The sale is conditional on various matters, including receipt of certain regulatory approvals, notices and consents from the FCA and the Central Bank of Ireland, anti-trust approval from the Competition and Consumer Protection Commission of Ireland and no in-depth investigation of the sale by the UK Competition and Markets Authority. It is possible that Irish foreign investment approval may also be needed depending on whether a foreign investment regime is introduced in Ireland before completion of the sale and the parties agree a filing is required. The sale is also conditional on contracts representing a significant majority of revenue in respect of LFSL's ACD business and LFMS(I)L's business being transferred to the Waystone Group and consent having been

## LF CANLIFE PORTFOLIO VI FUND

### INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

### NOTES TO THE INTERIM FINANCIAL STATEMENTS *continued*

received from certain third parties in respect of the transfer of their business to the Waystone Group. The Waystone Group, LFSL and LFMS(I)L have agreed to work to achieve those and other conditions. The sale is not contingent on the Scheme or the Settlement becoming unconditional. The sale is targeted to complete by October 2023.

The above proposed changes will not impact either the ongoing management of the Fund nor its continuing viability. Investors will be notified, assuming the proposed changes conclude satisfactorily, in due course on the timing of the transfer of the Fund to Waystone Group.

## LF CANLIFE PORTFOLIO VII FUND ACD'S REPORT

for the half year ended 15 April 2023

### Important Information

Refer to the 'Important Information' section on page 12.

### Investment Objective and Policy

The investment objective of the LF Canlife Portfolio VII Fund ('the Fund') is to achieve capital growth over the long term (at least five years), after all costs and charges have been taken, whilst seeking to remain in risk band 7 (on a scale of 1-10, where 1 is the lowest risk and 10 is the highest) on a rolling three year basis.

Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.

The investment policy of the Fund is to invest at least 90% indirectly, via collective investment schemes, in the following assets: equities, debt securities (including government and public securities, corporate bonds, convertibles and preference shares), cash (including deposits and money market instruments) and immovable property.

The Fund's exposure to equities can be up to 100% of the value of its portfolio.

The Fund will gain exposure to these asset classes by investing in other collective investment schemes managed by the Portfolio Manager. It may also invest in other collective investment schemes (open and closed ended, including Exchange Traded Funds), other transferable securities (including Real Estate Investment Trusts) and hedge funds. Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates.

The Fund may also invest up to 10% directly in the asset classes stated above (except immovable property) by investing in securities issued by companies and governments.

The Fund can invest across different geographic areas or industry sectors without limitation.

The Fund may not have exposure to all asset classes at all times.

The Portfolio Manager may use derivatives for the purpose of efficient portfolio management.

### Additional Information

The Fund's risk band is managed by varying the assets it invests in. The asset allocation is determined by reference to investment research carried out by an external agency and based on the long term historic return and volatility of each asset type.

Whilst the Portfolio Manager aims to keep the volatility of the Fund within the parameters to stay within risk band 7 over a rolling three-year period, it is not guaranteed and the actual volatility may be outside risk band 7 if the Portfolio Manager believes it is expedient to do so in order to mitigate potential losses. At times observing the asset allocation restrictions to remain within risk band 7 may limit capital growth and/or income.

## LF CANLIFE PORTFOLIO VII FUND

### ACD'S REPORT *continued*

#### Additional Information *continued*

The asset allocation is provided by an independent third party risk rating provider. Further details of the asset allocation process, volatility parameters and measurement process can be obtained at [www.dynamicplanner.com](http://www.dynamicplanner.com).

#### Benchmark

The Fund's comparator benchmark is the IA Flexible Investment sector.

The Fund's performance may be compared against the Investment Association IA Flexible Investment sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. The comparator benchmark has been selected as we consider it assists investors in evaluating the Fund's performance against the performance of other funds invested in similar assets. The Fund is not constrained by the requirements of the sector.

#### LINK FUND SOLUTIONS LIMITED

ACD of LF Canlife Portfolio VII Fund

9 June 2023

## LF CANLIFE PORTFOLIO VII FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT

for the half year ended 15 April 2023

#### Market Overview

Following a prolonged period of suppression throughout much of 2022, risk assets began to rally toward the end of the year as inflation appeared to be nearing its peak and central bank rhetoric began to soften.

This trajectory continued into the new year as, in addition to the market's growing expectations of interest rate cuts, the re-opening of China's borders buoyed investor sentiment. Stock markets across the developed market economies all gained throughout the period, most notably in Europe and China, albeit the latter lost momentum in February following a spy balloon incident in the US, which knocked investor confidence.

Following a period where the rising rate environment was supportive of value stocks, the market began to rotate back toward growth-oriented stocks, which brought technology stocks in particular back into vogue.

There was a brief bout of volatility in March, following the collapse of US-based Silicon Valley Bank ('SVB'). The situation surrounding SVB sparked a domino effect, ending with the emergency takeover of European banking giant Credit Suisse by long-time rival UBS in a merger forced by the Swiss authorities. These events caused a rapid and indiscriminate selloff in financial assets. Markets rebounded towards the end of March however, recovering many of the gains lost during this period.

Over the period, developed economy central banks began laying the groundwork for an easing of monetary policy as, with the exception of the UK, inflation data began dipping. In line with the softening inflation data, the banks reduced the pace of interest rate hikes.

#### Fund Review

The period was one of robust returns for both equities and bonds. The total return generated in the equity allocation was naturally the dominant driver.

Within equities, our UK exposures added considerable value during the closing months of 2022. The largest total return from an international perspective came from Europe. Our North American equity fund took the baton in 2023, powered by the market's tilt toward growth and the subsequent rally within technology stocks.

The collapse of SVB had a negative impact on the portfolio, particularly in our fixed income allocations but also some of our equity funds which have exposure to financials (such as the LF Canlife UK Equity Income Fund). Our property exposures were also weak, in part due to the SVB fallout, but also due to the more challenging, high-rate environment impacting the property sector.

#### Outlook

As in previous months, the key consideration as we move further into 2023 is inflation. In the US, market indicators suggest that the US Federal Reserve is nearing its terminal rate, which will then shift the focus towards inflation itself and at which level it may eventually settle. It's widely accepted that headline inflation has all but peaked throughout developed market economies but how much it falls from here, with the central banks having used the tools at their disposal, remains to be seen.

## LF CANLIFE PORTFOLIO VII FUND

### ACD'S REPORT *continued*

### PORTFOLIO MANAGER'S REPORT *continued*

Certainly, some anticipate inflation dropping in the short-to-medium-term but ultimately settling at a higher level than pre-2022. This would present difficulties for certain businesses and companies, so we remain mindful of the trajectory of inflation and the potential ramifications from here.

The collapse of SVB and the merger between Credit Suisse and UBS dominated the headlines toward the end of the period and dampened investor sentiment in the short term. We believe these instances to have been more idiosyncratic than indicative of a widespread banking crisis, however, we are mindful of the challenges facing the sector within this high-rate environment and will continue to monitor the situation closely.

From a portfolio perspective, we are very comfortable with our positioning and continue seeking opportunities to add quality names into the portfolio at sensible valuations.

### CANADA LIFE ASSET MANAGEMENT LIMITED

Portfolio Manager

10 May 2023

## LF CANLIFE PORTFOLIO VII FUND

### ACD'S REPORT *continued*

#### FUND INFORMATION

##### Risk and Reward Profile



The above indicator is known as the Synthetic Risk and Reward Indicator ('SRRI'). It shows how much a fund may have risen and fallen in the past, and therefore how much a fund's returns may have varied. It is the standard measure of volatility required under financial regulations to allow comparisons with other funds. The higher a fund's past volatility the higher the number on the scale and the greater the risk that investors in that fund may have made losses as well as gains. The lowest number on the scale does not mean that a fund is risk free.

The Fund has been classed as 5 because its volatility has been measured as above average.

The SRRI measure differs from that used by Dynamic Planner. The Fund aims to remain within Dynamic Planner's band 7 hence the reference to VII in the name of the Fund. Further details can be found in the Prospectus.

The risk profile is not guaranteed to remain the same and may shift over time. It is based on historical data and may not be a reliable indication of the Fund's future risk profile.

**Currency Risk:** As the Fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment.

**Property Fund Investment Risk:** Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price.

**Counterparty Risk:** The failure of a firm involved in a transaction with the Fund or providing services to the Fund may expose the Fund to financial loss.

**Emerging Markets Risk:** The Fund may invest in emerging markets, which are markets in countries that are developing. Emerging markets may have more political and economic risks than developed markets, resulting in price movements that may cause a loss to the Fund.

**Changes in Interest Rate Risk:** A rise in interest rates generally causes bond prices to fall.

**Credit Risk:** The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan.

**Liquidity Risk:** In unfavourable market conditions, corporate bonds may be harder to sell in a timely manner and at reasonable prices, than in normal market conditions. This could have a negative impact on the value of the Fund. In extreme market conditions this could affect the Fund's ability to meet investors' redemptions.

For full details of the Fund's risks, please see the Prospectus which may be obtained upon application and can be found on the ACD's website, [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

**LF CANLIFE PORTFOLIO VII FUND**

**ACD'S REPORT** *continued*

**FUND INFORMATION** *continued*

**Comparative Tables**

Information for 15 April 2023 relates to the 6 month period ending 15 April 2023. The operating charges relate to the expenses incurred on an ex post basis over the 6 month period ending 15 April 2023, expressed as an annualised percentage of the average net asset value.

Where the Fund has significant investment in collective investment schemes, exchange-traded funds and similar products, the operating charges figure takes account of the ongoing charges incurred in the underlying schemes, calculated as the expense value of such holdings at the half year end weighted against the net asset value of the share class at that date.



## LF CANLIFE PORTFOLIO VII FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	148.50	159.78	134.72	134.40
Return before operating charges*	13.62	(8.39)	27.80	2.74
Operating charges <sup>1</sup>	(1.40)	(2.83)	(2.69)	(2.37)
Property expenses	(0.03)	(0.06)	(0.05)	(0.05)
Return after operating charges	12.19	(11.28)	25.06	0.32
Distributions	(0.02)	(1.81)	(1.36)	(1.52)
Retained distributions on accumulation shares	0.02	1.81	1.36	1.52
Closing net asset value per share	160.69	148.50	159.78	134.72
* after direct transaction costs of:	–	–	–	–

##### PERFORMANCE

Return after charges	8.21%	(7.06)%	18.60%	0.24%
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##### OTHER INFORMATION

Closing net asset value (£'000)	1,021	774	770	232
Closing number of shares	635,285	521,399	482,029	172,411
Operating charges <sup>1</sup>	1.77%	1.79%	1.77%	1.80%
Property expenses	0.04%	0.04%	0.03%	0.04%
Direct transaction costs	–	–	–	–

##### PRICES

Highest share price	166.25	165.22	162.10	143.96
Lowest share price	147.16	146.73	130.08	106.51

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

## LF CANLIFE PORTFOLIO VII FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'C' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	159.18	169.61	141.62	140.19
Return before operating charges*	14.60	(8.99)	29.33	2.62
Operating charges <sup>1</sup>	(0.67)	(1.37)	(1.29)	(1.13)
Property expenses	(0.03)	(0.07)	(0.05)	(0.06)
Return after operating charges	13.90	(10.43)	27.99	1.43
Distributions	(0.84)	(3.60)	(2.77)	(2.65)
Retained distributions on accumulation shares	0.84	3.60	2.77	2.65
Closing net asset value per share	173.08	159.18	169.61	141.62
* after direct transaction costs of:	–	–	–	–

##### PERFORMANCE

Return after charges	8.73%	(6.15)%	19.76%	1.02%
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##### OTHER INFORMATION

Closing net asset value (£'000)	19,006	13,883	8,902	6,027
Closing number of shares	10,981,306	8,721,311	5,248,281	4,255,759
Operating charges <sup>1</sup>	0.79%	0.81%	0.80%	0.82%
Property expenses	0.04%	0.04%	0.03%	0.04%
Direct transaction costs	–	–	–	–

##### PRICES

Highest share price	178.76	175.53	171.90	150.47
Lowest share price	157.75	157.27	136.80	111.48

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

## LF CANLIFE PORTFOLIO VII FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

#### Comparative Tables *continued*

##### 'G' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	15.04.23 pence per share	15.10.22 pence per share	15.10.21 pence per share	15.10.20 pence per share
Opening net asset value per share	161.02	171.44	143.04	141.51
Return before operating charges*	14.78	(9.09)	29.62	2.64
Operating charges <sup>1</sup>	(0.62)	(1.26)	(1.17)	(1.05)
Property expenses	(0.03)	(0.07)	(0.05)	(0.06)
Return after operating charges	14.13	(10.42)	28.40	1.53
Distributions	(0.92)	(3.76)	(2.92)	(2.78)
Retained distributions on accumulation shares	0.92	3.76	2.92	2.78
Closing net asset value per share	175.15	161.02	171.44	143.04
* after direct transaction costs of:	–	–	–	–

##### PERFORMANCE

Return after charges	8.78%	(6.08)%	19.85%	1.08%
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##### OTHER INFORMATION

Closing net asset value (£'000)	24,603	22,133	22,826	25,370
Closing number of shares	14,046,991	13,745,496	13,314,296	17,735,787
Operating charges <sup>1</sup>	0.72%	0.74%	0.72%	0.75%
Property expenses	0.04%	0.04%	0.03%	0.04%
Direct transaction costs	–	–	–	–

##### PRICES

Highest share price	180.87	177.44	173.75	151.92
Lowest share price	159.57	159.09	138.18	112.56

<sup>1</sup> The operating charges figure does not take into account the property operating expenses in relation to the Fund's holding in the LF Canada UK Property ACS. The combined total of the Operating Charges and Property expenses represents the total charges incurred by an investor. The Operating Charges for the year ending 15 October 2020 have been restated to exclude the property operating expenses.

**LF CANLIFE PORTFOLIO VII FUND**

**ACD'S REPORT** *continued*

**FUND INFORMATION** *continued*

**Fund Performance to 15 April 2023 (%)**

	6 months	1 year	3 years	5 years
LF Canlife Portfolio VII Fund	8.74	1.93	40.86	29.76
IA Flexible Investment sector <sup>1</sup>	6.99	(1.47)	26.75	24.23

<sup>1</sup> Source: Morningstar Direct.

The performance of the Fund is based on the published price per 'C' Accumulation share which includes reinvested income.

The performance of the Fund disclosed in the above table may differ from the 'Return after charges' disclosed in the Comparative Table due to the above performance being calculated on the latest published price prior to the period end, rather than the period end return after operating charges.

**RISK WARNING**

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

## LF CANLIFE PORTFOLIO VII FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	FIXED INTEREST – 4.70% (15.10.22 – 4.96%)		
425,888	LF Canlife Sterling Short Term Bond <sup>1</sup>	433	0.97
82,075	Lord Abbett Global High Yield	831	1.86
42,614	Payden Global High Yield Bond	833	1.87
	TOTAL FIXED INTEREST	2,097	4.70
	EQUITIES – 77.36% (15.10.22 – 75.99%)		
12,483	Amundi Prime Japan UCITS ETF	254	0.57
792,323	iShares Continental European Equity Index (UK)	2,724	6.10
30,065	iShares FTSE 250 UCITS ETF	544	1.22
918,906	iShares Japan Equity Index (UK)	2,394	5.36
62,255	iShares S&P U.S. Banks UCITS ETF	205	0.46
284,668	LF Canlife Asia Pacific <sup>1</sup>	4,226	9.47
351,591	LF Canlife North American <sup>1</sup>	8,343	18.69
4,579,054	LF Canlife UK Equity <sup>1</sup>	7,091	15.89
1,140,305	LF Canlife UK Equity Income <sup>1</sup>	8,313	18.63
2,113	Xtrackers Russell 2000 UCITS ETF	435	0.97
	TOTAL EQUITIES	34,529	77.36
	PROPERTY – 4.48% (15.10.22 – 5.00%)		
26,215	iShares Developed Markets Property Yield UCITS ETF	464	1.04
94,144	iShares Environment & Low Carbon Tilt Real Estate Index (UK)	202	0.45
83,321	iShares UK Property UCITS ETF	384	0.86
1,023,976	LF Canlife UK Property ACS <sup>1</sup>	950	2.13
	TOTAL PROPERTY	2,000	4.48
	EMERGING MARKETS – 11.88% (15.10.22 – 12.77%)		
2,922,782	iShares Emerging Markets Equity Index (UK)	5,301	11.88
	MONEY MARKETS – 1.03% (15.10.22 – 1.01%)		
437,797	LF Canlife Sterling Liquidity <sup>1</sup>	458	1.03

**LF CANLIFE PORTFOLIO VII FUND**

**ACD'S REPORT** *continued*

**PORTFOLIO STATEMENT** *continued*

as at 15 April 2023

Holding	Portfolio of Investments	Value £'000	15.04.23 %
	Portfolio of investments	44,385	99.45
	Net other assets	245	0.55
	Net assets	44,630	100.00

The investments are collective investment schemes.

<sup>1</sup> Related party holding.

## LF CANLIFE PORTFOLIO VII FUND

### ACD'S REPORT *continued*

### SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 15 April 2023

Total purchases for the half year £'000	9,346	Total sales for the half year £'000	5,111
	Cost		Proceeds
Major purchases	£'000	Major sales	£'000
LF Canlife North American	1,428	Putnam Global High Yield Bond	852
Payden Global High Yield Bond	829	iShares Global High Yield Corporate	
Lord Abbett Global High Yield	829	Bond UCITS ETF	733
LF Canlife UK Equity	730	SPDR S&P 500 UCITS ETF	503
iShares Emerging Markets Equity Index		LF Canlife North American	459
(UK)	708	LF Canlife UK Equity	455
iShares FTSE 250 UCITS ETF	658	iShares Developed Markets Property	
Xtrackers Russell 2000 UCITS ETF	598	Yield UCITS ETF	451
LF Canlife UK Equity Income	556	LF Canlife UK Equity Income	312
iShares S&P U.S. Banks UCITS ETF	533	iShares S&P U.S. Banks UCITS ETF	302
SPDR S&P 500 UCITS ETF	500	iShares STOXX Europe 600 Industrial	
		Goods and Services UCITS ETF	232
		iShares Emerging Markets Equity Index	
		(UK)	228

In addition to the above, purchases totalling £110,000 and sales totalling £30,000 were made in short term investments during the half year.

The summary of material portfolio changes represents the 10 largest purchases and sales during the half year.

**LF CANLIFE PORTFOLIO VII FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**STATEMENT OF TOTAL RETURN**  
for the half year ended 15 April 2023

	£'000	15.04.23 £'000	£'000	15.04.22 £'000
Income:				
Net capital gains/(losses)		3,141		(175)
Revenue	323		294	
Expenses	(125)		(105)	
Net revenue before taxation	198		189	
Taxation	–		–	
Net revenue after taxation		198		189
Total return before distributions		3,339		14
Distributions		(201)		(191)
Change in net assets				
attributable to shareholders				
from investment activities		3,138		(177)

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the half year ended 15 April 2023

	£'000	15.04.23 £'000	£'000	15.04.22 £'000
Opening net assets attributable to shareholders		36,790		32,498
Amounts receivable on issue of shares	7,400		3,705	
Amounts payable on redemption of shares	(2,919)		(1,162)	
		4,481		2,543
Change in net assets attributable to shareholders				
from investment activities		3,138		(177)
Retained distributions on Accumulation shares		221		199
Closing net assets attributable to shareholders		44,630		35,063

The above statement shows the comparative closing net assets at 15 April 2022 whereas the current accounting period commenced 16 October 2022.



**LF CANLIFE PORTFOLIO VII FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**BALANCE SHEET**  
as at 15 April 2023

	15.04.23 £'000	15.10.22 £'000
<b>ASSETS</b>		
Fixed assets		
Investments	44,385	36,690
Current assets		
Debtors	28	16
Cash and cash equivalents	254	113
<b>Total assets</b>	<b>44,667</b>	<b>36,819</b>
<b>LIABILITIES</b>		
Creditors		
Other creditors	(37)	(29)
<b>Total liabilities</b>	<b>(37)</b>	<b>(29)</b>
<b>Net assets attributable to shareholders</b>	<b>44,630</b>	<b>36,790</b>

**LF CANLIFE PORTFOLIO VII FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
for the half year ended 15 April 2023

**1. Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 15 October 2022 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has 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, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections and key service provider's operational resilience. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

**2. Subsequent Events**

On 20 April 2023 Link Group announced the sale of the Fund Solutions Business ('FS Business') and that certain subsidiaries of Link Group, including Link Fund Solutions Limited ('LFSL'), entered into sale agreements with entities within the Waystone Group pursuant to which Link Group companies have agreed to sell to the Waystone Group: (i) the business and certain assets of LFSL; (ii) the business and certain assets of Link Fund Manager Solutions (Ireland) Limited (LFMS(I)L); and (iii) the entire issued share capital of certain other subsidiaries of Link Group, which together with the business of LFSL and LFMS(I)L comprise the FS Business (other than its Luxembourg and Swiss entities), but excluding Woodford related liabilities and, subject to normalised working capital adjustments, on a debt and cash free basis. The sale is conditional on various matters, including receipt of certain regulatory approvals, notices and consents from the FCA and the Central Bank of Ireland, anti-trust approval from the Competition and Consumer Protection Commission of Ireland and no in-depth investigation of the sale by the UK Competition and Markets Authority. It is possible that Irish foreign investment approval may also be needed depending on whether a foreign investment regime is introduced in Ireland before completion of the sale and the parties agree a filing is required. The sale is also conditional on contracts representing a significant majority of revenue in respect of LFSL's ACD business and LFMS(I)L's business being transferred to the Waystone Group and consent having been

## LF CANLIFE PORTFOLIO VII FUND

### INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

### NOTES TO THE INTERIM FINANCIAL STATEMENTS *continued*

received from certain third parties in respect of the transfer of their business to the Waystone Group. The Waystone Group, LFSL and LFMS(I)L have agreed to work to achieve those and other conditions. The sale is not contingent on the Scheme or the Settlement becoming unconditional. The sale is targeted to complete by October 2023.

The above proposed changes will not impact either the ongoing management of the Fund nor its continuing viability. Investors will be notified, assuming the proposed changes conclude satisfactorily, in due course on the timing of the transfer of the Fund to Waystone Group.

## GENERAL INFORMATION

### Share Capital

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000.

### Structure of the Company

The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new sub-fund or class of share, a revised Prospectus will be prepared setting out the relevant details of each sub-fund or class.

The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund. The sub-funds which are currently available are:

- LF Canlife Diversified Monthly Income Fund
- LF Canlife Diversified Risk Managed III Fund
- LF Canlife Diversified Risk Managed IV Fund
- LF Canlife Diversified Risk Managed V Fund
- LF Canlife Diversified Risk Managed VI Fund
- LF Canlife Portfolio III Fund
- LF Canlife Portfolio IV Fund
- LF Canlife Portfolio V Fund
- LF Canlife Portfolio VI Fund
- LF Canlife Portfolio VII Fund

In future there may be other sub-funds of the Company.

### Valuation Point

The current valuation point of each sub-fund is 12.00 noon (London time) on each business day. Valuations may be made at other times with the Depositary's approval.

### Buying and Selling Shares

The ACD will accept orders to buy or sell shares on each business day between 8.30am and 5.30pm (London time) and transactions will be effected at prices determined by the following valuation. Instructions to buy or sell shares may be either in writing to: PO Box 389, Darlington DL1 9UF or by telephone on 0345 606 6180.

### Prices

The prices of all shares are published on every dealing day on the website of the ACD: [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk) and by calling 0345 606 6180 during the ACD's normal business hours.

## GENERAL INFORMATION *continued*

### Other Information

The Instrument of Incorporation, Prospectus, Key Investor Information Documents and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on the ACD's website, [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

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

### Data Protection Act

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





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