

LF Prudential Investment Funds (1)

(Formerly CF Prudential Investment Funds (1))

Interim Unaudited Report and Financial Statements

30 April 2018

LF Prudential Dynamic 0-30 Portfolio (Formerly CF Prudential Dynamic 0-30 Portfolio)

LF Prudential Dynamic 10-40 Portfolio (Formerly CF Prudential Dynamic 10-40 Portfolio)

LF Prudential Dynamic 20-55 Portfolio (Formerly CF Prudential Dynamic 20-55 Portfolio)

LF Prudential Dynamic 40-80 Portfolio (Formerly CF Prudential Dynamic 40-80 Portfolio)

LF Prudential Dynamic 60-100 Portfolio (Formerly CF Prudential Dynamic 60-100 Portfolio)

LF Prudential Dynamic Focused 0-30 Portfolio (Formerly CF Prudential Dynamic Focused 0-30 Portfolio)

LF Prudential Dynamic Focused 10-40 Portfolio (Formerly CF Prudential Dynamic Focused 10-40 Portfolio)

LF Prudential Dynamic Focused 20-55 Portfolio (Formerly CF Prudential Dynamic Focused 20-55 Portfolio)

LF Prudential Dynamic Focused 40-80 Portfolio (Formerly CF Prudential Dynamic Focused 40-80 Portfolio)

LF Prudential Dynamic Focused 60-100 Portfolio (Formerly CF Prudential Dynamic Focused 60-100 Portfolio)



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LF PRUDENTIAL INVESTMENT FUNDS (1)

ACD'S REPORT

FOR THE HALF YEAR ENDED 30 APRIL 2018

AUTHORISED STATUS

LF Prudential Investment Funds (1) ('the Company') is an investment company with variable capital incorporated in England and Wales under registered number IC508 and authorised by the Financial Conduct Authority with effect from 8 February 2007. The Company has an unlimited duration.

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

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 Alternative Investment Fund Manager ('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.

IMPORTANT INFORMATION

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

With effect from 18 December 2017, the new name of the ACD is reflected in the name of the Company and its sub-funds as follows:

- CF Prudential Investment Funds (1) changed to LF Prudential Investment Funds (1);
- CF Prudential Dynamic 0-30 Portfolio changed to LF Prudential Dynamic 0-30 Portfolio;
- CF Prudential Dynamic 10-40 Portfolio changed to LF Prudential Dynamic 10-40 Portfolio;
- CF Prudential Dynamic 20-55 Portfolio changed to LF Prudential Dynamic 20-55 Portfolio;
- CF Prudential Dynamic 40-80 Portfolio changed to LF Prudential Dynamic 40-80 Portfolio;
- CF Prudential Dynamic 60-100 Portfolio changed to LF Prudential Dynamic 60-100 Portfolio;
- CF Prudential Dynamic Focused 0-30 Portfolio changed to LF Prudential Dynamic Focused 0-30 Portfolio;
- CF Prudential Dynamic Focused 10-40 Portfolio changed to LF Prudential Dynamic Focused 10-40 Portfolio;
- CF Prudential Dynamic Focused 20-55 Portfolio changed to LF Prudential Dynamic Focused 20-55 Portfolio;
- CF Prudential Dynamic Focused 40-80 Portfolio changed to LF Prudential Dynamic Focused 40-80 Portfolio, and
- CF Prudential Dynamic Focused 60-100 Portfolio changed to LF Prudential Dynamic Focused 60-100 Portfolio.

LF PRUDENTIAL INVESTMENT FUNDS (1)

ACD'S Report (continued)

For the half year ended 30 April 2018

IMPORTANT INFORMATION (continued)

On 17 April 2018, a new share class 'C' Income was launched in the LF Prudential Dynamic Focused 10-40 Portfolio, LF Prudential Dynamic Focused 40-80 Portfolio and the LF Prudential Dynamic Focused 60-100 Portfolio.

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.

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 Prudential Investment Funds (1)

27 June 2018

LF PRUDENTIAL DYNAMIC 0-30 PORTFOLIO

ACD'S REPORT

FOR THE HALF YEAR ENDED 30 APRIL 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 11 and 12.

INVESTMENT OBJECTIVE AND POLICY

The LF Prudential Dynamic 0-30 Portfolio ('the Fund') aims to achieve long-term total return (the combination of income and growth of capital) by investing mainly in collective investment schemes. No more than 30% of the Fund will be invested in schemes whose predominant exposure is to equities.

The Fund is an actively managed portfolio investing mainly in collective investment schemes in order to provide a well diversified exposure to global fixed income and variable rate assets, cash, near cash, equities and/or immovable property. Typically the Fund will have a high exposure to lower risk assets such as fixed income assets, cash and near cash. Scheme selection is made on the basis of in depth initial and ongoing qualitative assessment of the fund managers and quantitative analysis of the collective investment schemes.

The Fund may also invest directly in other assets including transferable securities, other collective investment schemes, cash and near cash, deposits, warrants and money market instruments. Derivative instruments may be held directly for the purposes of efficient portfolio management only.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Dynamic 0-30 Portfolio

27 June 2018

LF PRUDENTIAL DYNAMIC 0-30 PORTFOLIO

ACD's Report (continued)

For the half year ended 30 April 2018

PORTFOLIO MANAGER'S REPORT

Between 1 November 2017 and 30 April 2018 (the period in review) share classes, R (Accumulation) 0.28%¹, P (Accumulation) 0.40%¹ and A (Accumulation) 0.03%¹ produced returns ahead of the -0.41%¹ sector average for IA Mixed Investment 0-35% Shares.

ECONOMIC OVERVIEW

Late in the first quarter of 2018, a potential global trade war dominated the headlines. President Trump imposed tariffs on various imports into the US, and China, the main target, vowed to retaliate. Economic data was generally positive, with measures of activity revised upwards in the US, Japan and the eurozone. The UK proved an exception as growth was revised downwards, albeit remaining positive. Corporate earnings showed healthy growth and, on the whole, inflation remains muted. However, a jump in wage growth in the US triggered concerns that more interest rate increases will follow. The US Federal Reserve ('Fed') raised interest rates in late March by a quarter point to 1.75%, but signalled that further increases would be gradual.

MARKET OVERVIEW

2018 began strongly for most stockmarkets; many reached record highs before falling sharply, seemingly on concern about US inflation. Investors were then buffeted by unsettling factors, including potential interest rate increases, political uncertainty in the US, growing trade tensions and possible regulatory changes for leading technology companies.

UK

UK shares were among the weakest during the first quarter of 2018. Investors had to contend with continued uncertainty over the UK's withdrawal from the European Union, a potential reduction in the levels of economic activity and a possible trade war. The stronger pound was also seen as negative for the multinational companies that make up a large proportion of the FTSE 100 Index. The more domestically focused FTSE 250 Index declined as well, with several high street retailers reporting lower profits.

The Artemis Income Fund produced returns ahead of the FTSE All-Share Index from 1 November 2017 to 30 April 2018. The AXA Framlington UK Select Opportunities Fund and Investec UK Alpha Fund lagged the index.

NORTH AMERICA

US stockmarkets reached record highs in late January as technology companies continued their remarkable rally. But things changed rapidly when investors decided that an increase in wage growth could signal higher inflation, prompting faster Fed interest rate hikes. Investors were further unsettled by President Trump's imposition of tariffs on imports, which threaten to unleash a global trade war. Later, the prospect of greater regulation on the largest technology groups weighed on their share prices. However, the US economy continues to grow and company profits remain robust.

Returns from the Threadneedle American Fund were marginally behind the S&P 500 Index over the period in review.

¹ Source: FE Analytics. The Portfolio Manager uses the IA Mixed Investment 0-35% Shares for comparison. No benchmark is to be disclosed per the Prospectus.

EUROPE

Share prices started 2018 strongly before succumbing to fears about higher US interest rates, a potential trade war and sharp falls in the share prices of technology groups. There was also some softening perceived in the economic data released later in the period. The persistent rise of the euro against other currencies led some investors to question whether exports may come under pressure.

The Henderson European Selected Opportunities Fund produced a negative return and was behind the index over the period in review.

JAPAN

Having reached its highest level for 26 years in January 2018, the Japanese stockmarket fell back very sharply during the rest of the first quarter of 2018 and ended with a significant decline, in yen terms. To UK investors, the losses were reduced by the strength of the Japanese currency, which benefited from being seen as a safe haven. However, a stronger yen usually weighs on the country's stockmarket, as it reduced the attraction of exports, on which many companies are reliant. Exporting companies were also adversely affected by the possibility of a trade war.

The Schroder Tokyo Fund marginally underperformed the index comparator between 1 November 2017 and 30 April 2018.

ASIA EX JAPAN

The first few months of 2018 were negative for the Asia Pacific region as a whole, with investors preferring to focus on the ramifications of a trade war between the US and China rather than an easing of tension between North Korea and the US. The South Korean market did, however, outperform in March as the prospect of talks between Presidents Trump and Kim arose. China was adversely affected by trade tensions and potential regulations of financial groups.

The Fidelity Asia Fund produced a return ahead of the index comparator over the period in review.

UK AND GLOBAL BONDS

The prospect of higher interest rates weighed in particular on the prices of government bonds due to be redeemed in 5-10 years, which underperformed those with a longer time before repayment, making the returns from UK government bonds (gilts) almost flat over the first few months of 2018.

The Fed raised US interest rates again after the new Fed chairman signalled his optimism about the US economy. This was taken to indicate further hikes in US borrowing costs. Earlier, higher US wage growth had raised concerns about increased inflationary pressures, which caused a sharp sell-off in US Treasuries. As risk aversion built up later in Q1, government bonds benefited from their safe haven status, meaning that the yields on bonds issued by Japan and Germany returned to remarkably low, or even negative, levels. Corporate bonds underperformed government bonds.

The Royal London Corporate Bond and Invesco Perpetual Corporate Bond Fund finished slightly ahead of the sector average with small positive returns. The Kames Investment Grade Bond Fund, Fidelity MoneyBuilder Income Fund and M&G Strategic Corporate Bond Fund were negative and slightly behind.

In high yield, the Kames High Yield Bond Fund and M&G Global High Yield Bond Fund produced small negative returns. The BlackRock Euro Corporate Bond Fund was flat over the period in review.

LF PRUDENTIAL DYNAMIC 0-30 PORTFOLIO

ACD's Report (continued)

Portfolio Manager's Report (continued)

For the half year ended 30 April 2018

UK PROPERTY

UK commercial property made a steady start to 2018, although the pace of expansion was somewhat slower than in the final quarter of 2017. Capital value growth was strongest in Industrials, which was also the only sector to see a meaningful increase in rental values. Meanwhile, Retail capital value growth lagged the broader market.

The M&G Property Portfolio and Legal & General UK Property Fund were two of the stronger performers across portfolios during the period in review.

EMERGING MARKETS

There was a wide disparity of returns in the first months of 2018. Africa, Asia and the Middle East declined, while Latin America rallied. Brazil led the way, helped by the economy recovering from recession. Elsewhere, the Russian stockmarket was supported by higher prices for oil and other natural resources. Indian shares were hit by a new capital gains tax, while China is at the centre of a possible trade war with the US. The Mexican stockmarket is seen at risk from President Trump's attempts to renegotiate the North American Free Trade Agreement.

The M&G Global Emerging Markets Fund produced a small positive return which was ahead of the index comparator.

ALTERNATIVES

Overall performance of the alternatives holdings was mixed over the period in review with two notable outliers being HgCapital Trust which was up over 11% and Blue Capital Alternative Income Fund which was down over 11%.

POSITIONING

Aside from day to day portfolio management activities there were no significant changes to the underlying portfolios, although following the market falls in early February the funds took a small overweight position in US and European equities (via futures) on the basis that fundamentals were still strong and the move down had been episodic. This proved profitable and the positions were closed towards the end of February.

OUTLOOK

Global growth in 2018 is expected to be broadly similar to the post-crisis highs of 2017 and is likely to be accompanied by rising inflation (albeit from low levels), as output gaps close, as well as by a gradual tightening of monetary policy on average in advanced economies.

Solid global economic performance should be supported by an expected acceleration in US growth, related to fiscal stimulus, and a continued strengthening of growth in some emerging markets, such as India and Indonesia. We judge the eurozone to be at the mid-cycle peak of its expansion, which suggests that the scope for a further acceleration of its economic growth is limited beyond the near term. In our view, overall growth will be restrained by a moderate slowdown in China, where extremely high leverage is expected to weigh on economic performance, as will some structural reform implementation. Furthermore, rising US rates should eventually prompt many emerging market central banks into tightening policy (most major emerging market central banks have held policy rates steady, with some exceptions such as South Korea and Mexico, or are loosening policy).

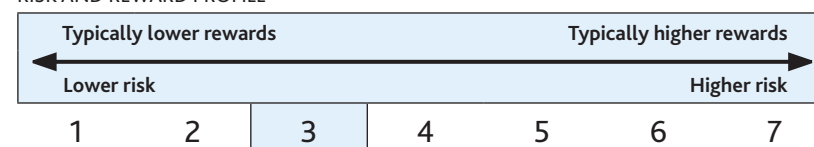
M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

15 May 2018

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 3 because its volatility has been measured as medium to 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.

Currency Risk: As the Fund invests indirectly in overseas securities, exchange rates movements may, when not hedged, cause the value of your investment to increase or decrease.

Fixed interest securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security is also affected by its credit rating. Fixed interest securities with a higher average yield tend to be less liquid and have a lower credit rating. Investment in fixed interest securities with a higher yield also generally brings an increased risk of default on repayment by the issuer which could affect the income and capital of the Fund.

The Fund may also invest indirectly in property. Property investments may be harder to buy and sell than other asset types.

Non-UCITS Retail Scheme (NURS): The Fund can be less diversified than UCITS schemes as it has higher investment limits for certain types of assets. It can also invest in assets which are not available to UCITS schemes. This can increase the potential rewards but can also increase risk.

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, by following the link 'Fund Information'.

LF PRUDENTIAL DYNAMIC 0-30 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES

Information for 30 April 2018 relates to the 6 month period ending 30 April 2018, with the exception of the operating charges in the 'Other Information' section. The operating charges relate to the expenses incurred on an *ex post* basis over the 12 month period ending 30 April 2018, expressed as a percentage of the average net asset value over the same period.

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

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'A' Income shares				
Change in net assets per share				
Opening net asset value per share	135.63	130.33	122.73	120.93
Return before operating charges*	1.45	10.13	12.36	6.70
Operating charges	(1.48)	(2.85)	(2.79)	(2.74)
Return after operating charges	(0.03)	7.28	9.57	3.96
Distributions ¹	–	(1.98)	(1.97)	(2.16)
Closing net asset value per share	135.60	135.63	130.33	122.73
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(0.02)%	5.59%	7.80%	3.27%
Other Information				
Closing net asset value (£'000)	603	660	603	2,020
Closing number of shares	444,911	486,875	462,457	1,645,494
Operating charges	2.20%	2.12%	2.26%	2.17%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	137.65	138.15	133.87	129.67
Lowest share price	133.81	128.19	118.28	121.44

¹ All interest distributions payable after 6 April 2017 will be paid gross.

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'A' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	149.98	142.05	132.15	128.42
Return before operating charges*	1.61	11.02	13.34	7.10
Operating charges	(1.64)	(3.09)	(3.02)	(2.92)
Return after operating charges	(0.03)	7.93	10.32	4.18
Distributions ¹	–	(2.16)	(2.11)	(2.27)
Retained distributions on accumulation shares	–	2.16	1.69	1.82
Closing net asset value per share	149.95	149.98	142.05	132.15
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(0.02)%	5.58%	7.81%	3.25%
Other Information				
Closing net asset value (£'000)	5,990	6,088	7,534	19,592
Closing number of shares	3,994,335	4,059,087	5,303,624	14,825,877
Operating charges	2.20%	2.12%	2.26%	2.17%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	152.16	150.53	144.14	137.62
Lowest share price	147.96	139.70	127.37	128.98

¹ All interest distributions payable after 6 April 2017 will be paid gross.

LF PRUDENTIAL DYNAMIC 0-30 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'C' Income shares				
Change in net assets per share				
Opening net asset value per share	136.07	130.72	123.04	121.20
Return before operating charges*	1.45	10.20	12.55	6.76
Operating charges	(0.66)	(1.22)	(1.31)	(1.22)
Return after operating charges	0.79	8.98	11.24	5.54
Distributions ¹	–	(3.63)	(3.56)	(3.70)
Closing net asset value per share	136.86	136.07	130.72	123.04
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.58%	6.87%	9.14%	4.57%
Other Information				
Closing net asset value (£'000)	24,216	25,236	23,159	19,920
Closing number of shares	17,694,558	18,546,597	17,716,895	16,189,837
Operating charges	0.98%	0.90%	1.04%	0.95%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	138.39	139.93	135.45	130.38
Lowest share price	134.89	128.70	118.93	121.75

¹ All interest distributions payable after 6 April 2017 will be paid gross.

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'P' Income shares				
Change in net assets per share				
Opening net asset value per share	114.88	110.37	103.89	102.35
Return before operating charges*	1.23	8.60	10.59	5.67
Operating charges	(0.83)	(1.56)	(1.61)	(1.52)
Return after operating charges	0.40	7.04	8.98	4.15
Distributions ¹	–	(2.53)	(2.50)	(2.61)
Closing net asset value per share	115.28	114.88	110.37	103.89
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.35%	6.38%	8.64%	4.05%
Other Information				
Closing net asset value (£'000)	4,263	4,295	4,065	2,740
Closing number of shares	3,697,937	3,738,665	3,683,074	2,637,442
Operating charges	1.45%	1.37%	1.51%	1.42%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	116.82	117.78	114.11	109.77
Lowest share price	113.67	108.62	100.31	102.75

¹ All interest distributions payable after 6 April 2017 will be paid gross.

LF PRUDENTIAL DYNAMIC 0-30 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'P' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	124.35	116.91	108.09	104.46
Return before operating charges*	1.34	9.10	11.01	5.74
Operating charges	(0.90)	(1.66)	(1.67)	(1.57)
Return after operating charges	0.44	7.44	9.34	4.17
Distributions ¹	–	(2.68)	(2.59)	(2.67)
Retained distributions on accumulation shares	–	2.68	2.07	2.13
Closing net asset value per share	124.79	124.35	116.91	108.09
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.35%	6.36%	8.64%	3.99%
Other Information				
Closing net asset value (£'000)	48,708	47,247	43,808	33,997
Closing number of shares	39,032,869	37,993,906	37,473,464	31,451,447
Operating charges	1.45%	1.37%	1.51%	1.42%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	126.44	124.73	118.70	112.05
Lowest share price	123.06	115.08	104.37	104.86

¹ All interest distributions payable after 6 April 2017 will be paid gross.

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'R' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	136.19	128.36	118.93	115.13
Return before operating charges*	1.46	9.98	12.07	6.34
Operating charges	(1.15)	(2.15)	(2.14)	(2.02)
Return after operating charges	0.31	7.83	9.93	4.32
Distributions ¹	–	(2.60)	(2.53)	(2.61)
Retained distributions on accumulation shares	–	2.60	2.03	2.09
Closing net asset value per share	136.50	136.19	128.36	118.93
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.23%	6.10%	8.35%	3.75%
Other Information				
Closing net asset value (£'000)	7,242	6,995	5,639	4,493
Closing number of shares	5,305,262	5,136,127	4,393,306	3,778,163
Operating charges	1.70%	1.62%	1.76%	1.67%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	138.34	136.60	130.24	123.48
Lowest share price	134.64	126.29	114.77	115.63

¹ All interest distributions payable after 6 April 2017 will be paid gross.

LF PRUDENTIAL DYNAMIC 0-30 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

FUND PERFORMANCE TO 30 APRIL 2018 (%)

	6 months	1 year	3 years	5 years
LF Prudential Dynamic 0-30 Portfolio	0.03	2.23	10.73	22.05

The performance of the Fund is based on the published price per 'A' 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.

PORTFOLIO STATEMENT AS AT 30 APRIL 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY PORTFOLIOS – 18.71% (31.10.17 – 19.77%)		
166,045	CONTINENTAL EUROPE – 3.00% (31.10.17 – 3.41%) Henderson European Selected Opportunities	2,733	3.00
	TOTAL CONTINENTAL EUROPE	2,733	3.00
409,905	UNITED KINGDOM – 7.41% (31.10.17 – 7.46%) Artemis Income	1,794	1.97
37,566	AXA Framlington UK Select Opportunities	1,337	1.47
2,720,566	Investec UK Alpha	3,615	3.97
	TOTAL UNITED KINGDOM	6,746	7.41
199,985	ASIA EX JAPAN – 3.03% (31.10.17 – 3.30%) Fidelity Asia	2,756	3.03
	TOTAL ASIA EX JAPAN	2,756	3.03
308,998	JAPAN – 1.25% (31.10.17 – 1.58%) Schroder Tokyo	1,134	1.25
	TOTAL JAPAN	1,134	1.25
987,123	UNITED STATES – 3.06% (31.10.17 – 3.07%) Threadneedle American	2,782	3.06
	TOTAL UNITED STATES	2,782	3.06
280,171	EMERGING MARKETS – 0.96% (31.10.17 – 0.95%) M&G Global Emerging Markets†	872	0.96
	TOTAL EMERGING MARKETS	872	0.96
	TOTAL EQUITY PORTFOLIOS	17,023	18.71
	EQUITY INVESTMENT INSTRUMENTS – 2.40% (31.10.17 – 2.46%)		
355,934	BBGI	471	0.52
177,656	BioPharma Credit	133	0.14
147,535	Blue Capital Alternative Income	67	0.07
150,437	DP Aircraft I	115	0.13
54,296	HarbourVest Global Private Equity	683	0.75
14,160	HgCapital	270	0.30

LF PRUDENTIAL DYNAMIC 0-30 PORTFOLIO

ACD's Report (continued)

Portfolio Statement (continued)

As at 30 April 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY INVESTMENT INSTRUMENTS – 2.40% (31.10.17 – 2.46%) (continued)		
123,888	NB Distressed Debt Investment	82	0.09
147,782	NextEnergy Solar	162	0.18
191,033	Renewables Infrastructure	202	0.22
	TOTAL EQUITY INVESTMENT INSTRUMENTS	2,185	2.40
	PROPERTY PORTFOLIOS – 8.82% (31.10.17 – 8.39%)		
3,203,450	Legal & General UK Property	2,809	3.09
444,479	M&G Property Portfolio†	5,221	5.73
	TOTAL PROPERTY PORTFOLIOS	8,030	8.82
	BOND PORTFOLIOS – 68.69% (31.10.17 – 69.81%)		
758,052	BlackRock Euro Corporate Bond	7,891	8.67
4,861,841	Fidelity MoneyBuilder Income	8,761	9.63
4,459,900	Invesco Perpetual Corporate Bond	9,006	9.89
2,069,075	Kames High Yield Bond	2,607	2.86
4,984,237	Kames Investment Grade Bond	8,908	9.79
1,702,130	M&G Global High Yield Bond†	2,237	2.46
20,259,863	M&G Short Dated Corporate Bond†	5,219	5.73
7,675,808	M&G Strategic Corporate Bond†	8,962	9.84
4,525	Merrill Lynch AQR Global Relative Value	560	0.61
8,058,002	Royal London Corporate Bond	8,381	9.21
	TOTAL BOND PORTFOLIOS	62,532	68.69
	Portfolio of investments	89,770	98.62
	Net other assets	1,252	1.38
	Net assets	91,022	100.00

The investments are collective investment schemes unless stated otherwise.

† Related party holding.

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 30 APRIL 2018

Total purchases for the half year £'000 **7,248**

Purchases	Cost £'000
M&G Short Dated Corporate Bond	1,370
Euro Stoxx 50 Index Futures March 2018	1,357
S&P 500 E Mini Futures March 2018	1,330
M&G Property Portfolio	1,322
Kames Investment Grade Bond	460
Fidelity MoneyBuilder Income	409
Investec UK Alpha	361
Schroder Tokyo	323
Merrill Lynch AQR Global Relative Value	194
HarbourVest Global Private Equity	37
Renewables Infrastructure	24
BioPharma Credit	19
BBGI	19
NB Distressed Debt Investment	16
DP Aircraft I	5
NextEnergy Solar	2

Purchases of Futures have been included at the value of their exposure.

Total sales for the half year £'000 **8,582**

Sales	Proceeds £'000
M&G Short Dated Corporate Bond	1,508
Euro Stoxx 50 Index Futures March 2018	1,422
S&P 500 E Mini Futures March 2018	1,403
Legal & General UK Property	1,159
Invesco Perpetual Corporate Bond	750
Schroder Tokyo	620
Fidelity Asia	300
Henderson European Selected Opportunities	275
Artemis Income	270
Kames Investment Grade Bond	270
Fidelity MoneyBuilder Income	270
Investec UK Alpha	230
CATco Reinsurance Opportunities	103
NB Distressed Debt Investment	2

Sales of Futures have been included at the value of their exposure.

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

LF PRUDENTIAL DYNAMIC 0-30 PORTFOLIO
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Income:				
Net capital (losses)/gains		(530)		1,796
Revenue	1,214		1,458	
Expenses	(343)		(321)	
Net revenue before taxation	871		1,137	
Taxation	(22)		(12)	
Net revenue after taxation		849		1,125
Total return before distributions		319		2,921
Distributions*		–		(2)
Change in net assets attributable to shareholders from investment activities		319		2,919

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Opening net assets attributable to shareholders		90,521		84,808
Amounts receivable on issue of shares	6,541		5,675	
Amounts payable on redemption of shares	(6,359)		(6,658)	
		182		(983)
Change in net assets attributable to shareholders from investment activities		319		2,919
Closing net assets attributable to shareholders		91,022		86,744

The above statement shows the comparative closing net assets at 30 April 2017 whereas the current accounting period commenced 1 November 2017.

* The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

BALANCE SHEET
AS AT 30 APRIL 2018

	30.04.18 £'000	31.10.17 £'000
ASSETS		
Fixed assets		
Investments	89,770	90,914
Current assets		
Debtors	841	411
Cash and bank balances	647	342
Total assets	91,258	91,667
LIABILITIES		
Provisions for liabilities	(8)	(3)
Creditors		
Distribution payable	–	(778)
Other creditors	(228)	(365)
Total liabilities	(236)	(1,146)
Net assets attributable to shareholders	91,022	90,521

LF PRUDENTIAL DYNAMIC 0-30 PORTFOLIO

Interim Financial Statements (unaudited) (continued)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

AS AT 30 APRIL 2018

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2017 and are described in those annual financial statements.

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

LF PRUDENTIAL DYNAMIC 10-40 PORTFOLIO

ACD'S REPORT

FOR THE HALF YEAR ENDED 30 APRIL 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 11 and 12.

INVESTMENT OBJECTIVE AND POLICY

The LF Prudential Dynamic 10-40 Portfolio ('the Fund') aims to achieve long-term total return (the combination of income and growth of capital) by investing mainly in collective investment schemes. Between 10% and 40% of the Fund will be invested in schemes whose predominant exposure is to equities.

The Fund is an actively managed portfolio investing mainly in collective investment schemes in order to provide a well diversified exposure to global fixed income and variable rate assets, cash, near cash, equities and/or immovable property. Typically the Fund will have a bias towards lower risk assets such as fixed income assets and cash, but will always have some exposure to equities. Scheme selection is made on the basis of in depth initial and ongoing qualitative assessment of the fund managers and quantitative analysis of the collective investment schemes.

The Fund may also invest directly in other assets including transferable securities, other collective investment schemes, cash and near cash, deposits, warrants and money market instruments. Derivative instruments may be held directly for the purposes of efficient portfolio management only.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Dynamic 10-40 Portfolio

27 June 2018

LF PRUDENTIAL DYNAMIC 10-40 PORTFOLIO

ACD's Report (continued)

For the half year ended 30 April 2018

PORTFOLIO MANAGER'S REPORT

Between 1 November 2017 and 30 April 2018 (the period in review) share classes, R (Accumulation) 0.18%¹, P (Accumulation) 0.28%¹ and A (Accumulation) -0.01%¹ produced returns ahead of the -0.18%¹ sector average for IA Mixed Investment 20-60% Shares.

ECONOMIC OVERVIEW

Late in the first quarter of 2018, a potential global trade war dominated the headlines. President Trump imposed tariffs on various imports into the US, and China, the main target, vowed to retaliate. Economic data was generally positive, with measures of activity revised upwards in the US, Japan and the eurozone. The UK proved an exception as growth was revised downwards, albeit remaining positive. Corporate earnings showed healthy growth and, on the whole, inflation remains muted. However, a jump in wage growth in the US triggered concerns that more interest rate increases will follow. The US Federal Reserve ('Fed') raised interest rates in late March by a quarter point to 1.75%, but signalled that further increases would be gradual.

MARKET OVERVIEW

2018 began strongly for most stockmarkets; many reached record highs before falling sharply, seemingly on concern about US inflation. Investors were then buffeted by unsettling factors, including potential interest rate increases, political uncertainty in the US, growing trade tensions and possible regulatory changes for leading technology companies.

UK

UK shares were among the weakest during the first quarter of 2018. Investors had to contend with continued uncertainty over the UK's withdrawal from the European Union, a potential reduction in the levels of economic activity and a possible trade war. The stronger pound was also seen as negative for the multinational companies that make up a large proportion of the FTSE 100 Index. The more domestically focused FTSE 250 Index declined as well, with several high street retailers reporting lower profits.

The Artemis Income Fund produced returns ahead of the FTSE All-Share Index from 1 November 2017 to 30 April 2018. The AXA Framlington UK Select Opportunities Fund and Investec UK Alpha Fund lagged the index.

NORTH AMERICA

US stockmarkets reached record highs in late January as technology companies continued their remarkable rally. But things changed rapidly when investors decided that an increase in wage growth could signal higher inflation, prompting faster Fed interest rate hikes. Investors were further unsettled by President Trump's imposition of tariffs on imports, which threaten to unleash a global trade war. Later, the prospect of greater regulation on the largest technology groups weighed on their share prices. However, the US economy continues to grow and company profits remain robust.

Returns from the Threadneedle American Fund were marginally behind the S&P 500 Index over the period in review. The Schroder US Mid Cap Fund was also negative and behind the index.

¹ Source: FE Analytics. The Portfolio Manager uses the IA Mixed Investment 20-60% Shares for comparison. No benchmark is to be disclosed per the Prospectus.

EUROPE

Share prices started 2018 strongly before succumbing to fears about higher US interest rates, a potential trade war and sharp falls in the share prices of technology groups. There was also some softening perceived in the economic data released later in the period. The persistent rise of the euro against other currencies led some investors to question whether exports may come under pressure.

The Henderson European Selected Opportunities Fund produced a negative return and was behind the index over the period in review. The Jupiter European Special Situations Fund was also negative but slightly ahead of the index.

JAPAN

Having reached its highest level for 26 years in January 2018, the Japanese stockmarket fell back very sharply during the rest of the first quarter of 2018 and ended with a significant decline, in yen terms. To UK investors, the losses were reduced by the strength of the Japanese currency, which benefited from being seen as a safe haven. However, a stronger yen usually weighs on the country's stockmarket, as it reduced the attraction of exports, on which many companies are reliant. Exporting companies were also adversely affected by the possibility of a trade war.

Schroder Tokyo Fund marginally underperformed the index comparator between 1 November 2017 and 30 April 2018 while the Man GLG Japan CoreAlpha Fund outperformed.

ASIA EX JAPAN

The first few months of 2018 were negative for the Asia Pacific region as a whole, with investors preferring to focus on the ramifications of a trade war between the US and China rather than an easing of tension between North Korea and the US. The South Korean market did, however, outperform in March as the prospect of talks between Presidents Trump and Kim arose. China was adversely affected by trade tensions and potential regulations of financial groups.

Both the Fidelity Asia Fund and Investec Asian Equity Fund produced returns ahead of the index comparator over the period in review.

UK AND GLOBAL BONDS

The prospect of higher interest rates weighed in particular on the prices of government bonds due to be redeemed in 5-10 years, which underperformed those with a longer time before repayment, making the returns from UK government bonds (gilts) almost flat over the first few months of 2018.

The Fed raised US interest rates again after the new Fed chairman signalled his optimism about the US economy. This was taken to indicate further hikes in US borrowing costs. Earlier, higher US wage growth had raised concerns about increased inflationary pressures, which caused a sharp sell-off in US Treasuries. As risk aversion built up later in Q1, government bonds benefited from their safe haven status, meaning that the yields on bonds issued by Japan and Germany returned to remarkably low, or even negative, levels. Corporate bonds underperformed government bonds.

The Royal London Corporate Bond Fund and Invesco Perpetual Corporate Bond Fund finished slightly ahead of the sector average with small positive returns. The Kames Investment Grade Bond Fund, Fidelity MoneyBuilder Income Fund and M&G Strategic Corporate Bond Fund were negative and slightly behind.

In high yield, the Kames High Yield Bond Fund and M&G Global High Yield Bond Fund produced small negative returns. The BlackRock Euro Corporate Bond Fund was flat over the period in review.

LF PRUDENTIAL DYNAMIC 10-40 PORTFOLIO

ACD's Report (continued)

Portfolio Manager's Report (continued)

For the half year ended 30 April 2018

UK PROPERTY

UK commercial property made a steady start to 2018, although the pace of expansion was somewhat slower than in the final quarter of 2017. Capital value growth was strongest in Industrials, which was also the only sector to see a meaningful increase in rental values. Meanwhile, Retail capital value growth lagged the broader market.

The M&G Property Portfolio and Legal & General UK Property Fund were two of the stronger performers across portfolios during the period in review.

EMERGING MARKETS

There was a wide disparity of returns in the first months of 2018. Africa, Asia and the Middle East declined, while Latin America rallied. Brazil led the way, helped by the economy recovering from recession. Elsewhere, the Russian stockmarket was supported by higher prices for oil and other natural resources. Indian shares were hit by a new capital gains tax, while China is at the centre of a possible trade war with the US. The Mexican stockmarket is seen at risk from President Trump's attempts to renegotiate the North American Free Trade Agreement.

The M&G Global Emerging Markets Fund produced a small positive return which was ahead of the index comparator.

ALTERNATIVES

Overall performance of the alternatives holdings was mixed over the period in review with two notable outliers being HgCapital Trust which was up over 11% and Blue Capital Alternative Income Fund which was down over 11%.

POSITIONING

Aside from day to day portfolio management activities there were no significant changes to the underlying portfolios, although following the market falls in early February the funds took a small overweight position in US and European equities (via futures) on the basis that fundamentals were still strong and the move down had been episodic. This proved profitable and the positions were closed towards the end of February.

OUTLOOK

Global growth in 2018 is expected to be broadly similar to the post-crisis highs of 2017 and is likely to be accompanied by rising inflation (albeit from low levels), as output gaps close, as well as by a gradual tightening of monetary policy on average in advanced economies.

Solid global economic performance should be supported by an expected acceleration in US growth, related to fiscal stimulus, and a continued strengthening of growth in some emerging markets, such as India and Indonesia. We judge the eurozone to be at the mid-cycle peak of its expansion, which suggests that the scope for a further acceleration of its economic growth is limited beyond the near term. In our view, overall growth will be restrained by a moderate slowdown in China, where extremely high leverage is expected to weigh on economic performance, as will some structural reform implementation. Furthermore, rising US rates should eventually prompt many emerging market central banks into tightening policy (most major emerging market central banks have held policy rates steady, with some exceptions such as South Korea and Mexico, or are loosening policy).

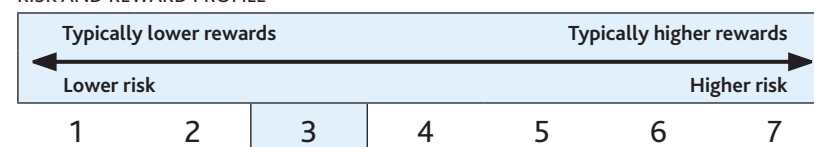
M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

15 May 2018

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 3 because its volatility has been measured as medium to 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.

Currency Risk: As the Fund invests indirectly in overseas securities, exchange rates movements may, when not hedged, cause the value of your investment to increase or decrease.

Fixed interest securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security is also affected by its credit rating. Fixed interest securities with a higher average yield tend to be less liquid and have a lower credit rating. Investment in fixed interest securities with a higher yield also generally brings an increased risk of default on repayment by the issuer which could affect the income and capital of the Fund.

The Fund may also invest indirectly in property. Property investments may be harder to buy and sell than other asset types.

Non-UCITS Retail Scheme (NURS): The Fund can be less diversified than UCITS schemes as it has higher investment limits for certain types of assets. It can also invest in assets which are not available to UCITS schemes. This can increase the potential rewards but can also increase risk.

The value of investments, and the income from them, will fluctuate. This will cause the Fund price to fall as well as rise and you may not get back what you originally invested.

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, by following the link 'Fund Information'.

LF PRUDENTIAL DYNAMIC 10-40 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES

Information for 30 April 2018 relates to the 6 month period ending 30 April 2018, with the exception of the operating charges in the 'Other Information' section. The operating charges relate to the expenses incurred on an *ex post* basis over the 12 month period ending 30 April 2018, expressed as a percentage of the average net asset value over the same period.

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

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'A' Income shares				
Change in net assets per share				
Opening net asset value per share	145.92	138.53	129.29	125.87
Return before operating charges*	1.84	12.15	13.84	7.88
Operating charges	(1.62)	(3.10)	(2.94)	(2.90)
Return after operating charges	0.22	9.05	10.90	4.98
Distributions	–	(1.66)	(1.66)	(1.56)
Closing net asset value per share	146.14	145.92	138.53	129.29
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.15%	6.53%	8.43%	3.96%
Other Information				
Closing net asset value (£'000)	1,668	1,800	1,722	4,569
Closing number of shares	1,141,627	1,233,396	1,243,120	3,534,078
Operating charges	2.24%	2.16%	2.26%	2.21%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	148.53	147.94	141.74	137.09
Lowest share price	143.29	135.81	122.56	126.64

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'A' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	159.53	149.76	138.10	132.87
Return before operating charges*	2.00	13.12	14.81	8.30
Operating charges	(1.77)	(3.35)	(3.15)	(3.07)
Return after operating charges	0.23	9.77	11.66	5.23
Distributions	–	(1.79)	(1.78)	(1.64)
Retained distributions on accumulation shares	–	1.79	1.78	1.64
Closing net asset value per share	159.76	159.53	149.76	138.10
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.14%	6.52%	8.44%	3.94%
Other Information				
Closing net asset value (£'000)	13,757	14,129	15,009	35,338
Closing number of shares	8,610,737	8,856,794	10,021,903	25,588,642
Operating charges	2.24%	2.16%	2.26%	2.21%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	162.36	159.90	151.40	144.78
Lowest share price	156.66	146.81	130.92	133.68

LF PRUDENTIAL DYNAMIC 10-40 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'C' Income shares				
Change in net assets per share				
Opening net asset value per share	146.57	139.11	129.77	126.32
Return before operating charges*	1.66	11.86	13.71	7.62
Operating charges	(0.74)	(1.36)	(1.37)	(1.31)
Return after operating charges	0.92	10.50	12.34	6.31
Distributions	–	(3.04)	(3.00)	(2.86)
Closing net asset value per share	147.49	146.57	139.11	129.77
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.63%	7.55%	9.51%	5.00%
Other Information				
Closing net asset value (£'000)	53,888	53,899	52,952	54,691
Closing number of shares	36,535,556	36,772,617	38,063,463	42,143,690
Operating charges	1.02%	0.94%	1.04%	0.99%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	149.47	149.95	143.65	138.17
Lowest share price	144.50	136.51	123.37	127.12

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'P' Income shares				
Change in net assets per share				
Opening net asset value per share	118.75	112.71	105.16	102.37
Return before operating charges*	1.40	9.72	11.19	6.25
Operating charges	(0.88)	(1.65)	(1.62)	(1.56)
Return after operating charges	0.52	8.07	9.57	4.69
Distributions	–	(2.03)	(2.02)	(1.90)
Closing net asset value per share	119.27	118.75	112.71	105.16
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.44%	7.16%	9.10%	4.58%
Other Information				
Closing net asset value (£'000)	5,715	5,555	5,760	3,515
Closing number of shares	4,791,491	4,678,096	5,110,040	3,342,599
Operating charges	1.49%	1.41%	1.51%	1.46%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	121.13	121.18	116.10	111.74
Lowest share price	116.89	110.56	99.86	103.01

LF PRUDENTIAL DYNAMIC 10-40 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'P' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	127.54	119.02	109.08	104.39
Return before operating charges*	1.51	10.26	11.62	6.29
Operating charges	(0.94)	(1.74)	(1.68)	(1.60)
Return after operating charges	0.57	8.52	9.94	4.69
Distributions	–	(2.15)	(2.09)	(1.94)
Retained distributions on accumulation shares	–	2.15	2.09	1.94
Closing net asset value per share	128.11	127.54	119.02	109.08
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.45%	7.16%	9.11%	4.49%
Other Information				
Closing net asset value (£'000)	94,813	96,346	92,165	76,443
Closing number of shares	74,011,760	75,541,300	77,434,344	70,078,654
Operating charges	1.49%	1.41%	1.51%	1.46%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	130.05	127.92	120.42	113.87
Lowest share price	125.55	116.75	103.60	105.02

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'R' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	142.76	133.49	122.60	117.52
Return before operating charges*	1.72	11.57	13.09	7.18
Operating charges	(1.23)	(2.30)	(2.20)	(2.10)
Return after operating charges	0.49	9.27	10.89	5.08
Distributions	–	(2.14)	(2.09)	(1.93)
Retained distributions on accumulation shares	–	2.14	2.09	1.93
Closing net asset value per share	143.25	142.76	133.49	122.60
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.34%	6.94%	8.88%	4.32%
Other Information				
Closing net asset value (£'000)	15,785	15,619	14,965	11,355
Closing number of shares	11,018,963	10,940,272	11,210,526	9,261,919
Operating charges	1.74%	1.66%	1.76%	1.71%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	145.44	143.12	134.99	128.15
Lowest share price	140.42	130.92	116.36	118.25

LF PRUDENTIAL DYNAMIC 10-40 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

FUND PERFORMANCE TO 30 APRIL 2018 (%)

	6 months	1 year	3 years	5 years
LF Prudential Dynamic 10-40 Portfolio	(0.01)	2.52	12.12	26.04

The performance of the Fund is based on the published price per 'A' 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.

PORTFOLIO STATEMENT AS AT 30 APRIL 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY PORTFOLIOS – 29.31% (31.10.17 – 29.32%)		
	CONTINENTAL EUROPE – 4.70% (31.10.17 – 4.77%)		
271,749	Henderson European Selected Opportunities	4,473	2.41
1,013,576	Jupiter European Special Situations	4,244	2.29
	TOTAL CONTINENTAL EUROPE	8,717	4.70
	UNITED KINGDOM – 11.63% (31.10.17 – 11.68%)		
1,184,863	Artemis Income	5,187	2.78
202,193	AXA Framlington UK Select Opportunities	7,194	3.88
6,329,904	Investec UK Alpha	8,411	4.53
243,544	M&G Recovery†	818	0.44
	TOTAL UNITED KINGDOM	21,610	11.63
	ASIA EX JAPAN – 4.74% (31.10.17 – 4.59%)		
311,530	Fidelity Asia	4,293	2.31
209,850	Investec Asian Equity	4,507	2.43
	TOTAL ASIA EX JAPAN	8,800	4.74
	JAPAN – 2.07% (31.10.17 – 2.17%)		
1,162,571	MAN GLG Japan CoreAlpha	1,966	1.06
508,725	Schroder Tokyo	1,867	1.01
	TOTAL JAPAN	3,833	2.07
	UNITED STATES – 4.59% (31.10.17 – 4.57%)		
1,684,492	Schroder US Mid Cap	2,308	1.24
2,204,397	Threadneedle American	6,212	3.35
	TOTAL UNITED STATES	8,520	4.59
	EMERGING MARKETS – 1.58% (31.10.17 – 1.54%)		
942,947	M&G Global Emerging Markets†	2,935	1.58
	TOTAL EMERGING MARKETS	2,935	1.58
	TOTAL EQUITY PORTFOLIOS	54,415	29.31

LF PRUDENTIAL DYNAMIC 10-40 PORTFOLIO

ACD's Report (continued)

Portfolio Statement (continued)

As at 30 April 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
EQUITY INVESTMENT INSTRUMENTS – 3.62% (31.10.17 – 3.73%)			
1,091,410	BGI	1,446	0.78
548,256	BioPharma Credit	410	0.22
474,050	Blue Capital Alternative Income	217	0.12
466,885	DP Aircraft I	356	0.19
162,251	HarbourVest Global Private Equity	2,041	1.10
46,081	HgCapital	878	0.47
379,130	NB Distressed Debt Investment	252	0.14
466,259	NextEnergy Solar	511	0.27
585,748	Renewables Infrastructure	618	0.33
	TOTAL EQUITY INVESTMENT INSTRUMENTS	6,729	3.62
PROPERTY PORTFOLIOS – 12.20% (31.10.17 – 12.07%)			
8,695,812	Legal & General UK Property	7,625	4.11
1,278,403	M&G Property Portfolio†	15,016	8.09
	TOTAL PROPERTY PORTFOLIOS	22,641	12.20
BOND PORTFOLIOS – 54.47% (31.10.17 – 54.86%)			
1,201,736	BlackRock Euro Corporate Bond	12,510	6.74
7,691,985	Fidelity MoneyBuilder Income	13,861	7.47
7,005,613	Invesco Perpetual Corporate Bond	14,147	7.62
4,070,183	Kames High Yield Bond	5,129	2.76
7,409,758	Kames Investment Grade Bond	13,243	7.13
3,782,038	M&G Global High Yield Bond†	4,971	2.68
30,813,627	M&G Short Dated Corporate Bond†	7,937	4.28
12,426,129	M&G Strategic Corporate Bond†	14,507	7.82
14,095	Merrill Lynch AQR Global Relative Value	1,745	0.94
12,552,878	Royal London Corporate Bond	13,055	7.03
	TOTAL BOND PORTFOLIOS	101,105	54.47
	Portfolio of investments	184,890	99.60
	Net other assets	736	0.40
	Net assets	185,626	100.00

The investments are collective investment schemes unless stated otherwise.

† Related party holding.

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 30 APRIL 2018

Total purchases for the half year £'000 **10,803**

Purchases	Cost £'000
M&G Short Dated Corporate Bond	2,951
Euro Stoxx 50 Index Futures March 2018	2,803
S&P 500 E Mini Futures March 2018	2,755
M&G Property Portfolio	875
Investec UK Alpha	662
Merrill Lynch AQR Global Relative Value	557
BGI	46
NB Distressed Debt Investment	44
BioPharma Credit	43
Renewables Infrastructure	42
DP Aircraft I	17
NextEnergy Solar	8

Purchases of Futures have been included at the value of their exposure.

Total sales for the half year £'000 **13,919**

Sales	Proceeds £'000
Euro Stoxx 50 Index Futures March 2018	2,937
S&P 500 E Mini Futures March 2018	2,907
M&G Short Dated Corporate Bond	1,952
Legal & General UK Property	1,569
Invesco Perpetual Corporate Bond	1,201
M&G Strategic Corporate Bond	940
AXA Framlington UK Select Opportunities	746
Artemis Income	555
Kames High Yield Bond	552
Schroder Tokyo	300
CATCo Reinsurance Opportunities	254
NB Distressed Debt Investment	6

Sales of Futures have been included at the value of their exposure.

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

LF PRUDENTIAL DYNAMIC 10-40 PORTFOLIO
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Income:				
Net capital (losses)/gains		(595)		5,029
Revenue	2,341		2,837	
Expenses	(700)		(681)	
Interest payable and similar charges	(1)		(1)	
Net revenue before taxation	1,640		2,155	
Taxation	(235)		(373)	
Net revenue after taxation		1,405		1,782
Total return before distributions		810		6,811
Distributions*		(9)		(33)
Change in net assets attributable to shareholders from investment activities		801		6,778

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Opening net assets attributable to shareholders		187,348		182,573
Amounts receivable on issue of shares	8,557		7,018	
Amounts payable on redemption of shares	(11,080)		(11,562)	
		(2,523)		(4,544)
Change in net assets attributable to shareholders from investment activities		801		6,778
Closing net assets attributable to shareholders		185,626		184,807

The above statement shows the comparative closing net assets at 30 April 2017 whereas the current accounting period commenced 1 November 2017.

* The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

BALANCE SHEET
AS AT 30 APRIL 2018

	30.04.18 £'000	31.10.17 £'000
ASSETS		
Fixed assets		
Investments	184,890	187,315
Current assets		
Debtors	709	1,618
Cash and bank balances	1,277	790
Total assets	186,876	189,723
LIABILITIES		
Provisions for liabilities	(23)	(65)
Creditors		
Distribution payable	–	(1,234)
Other creditors	(1,227)	(1,076)
Total liabilities	(1,250)	(2,375)
Net assets attributable to shareholders	185,626	187,348

LF PRUDENTIAL DYNAMIC 10-40 PORTFOLIO

Interim Financial Statements (unaudited) (continued)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

AS AT 30 APRIL 2018

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2017 and are described in those annual financial statements.

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

LF PRUDENTIAL DYNAMIC 20-55 PORTFOLIO

ACD'S REPORT

FOR THE HALF YEAR ENDED 30 APRIL 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 11 and 12.

INVESTMENT OBJECTIVE AND POLICY

The LF Prudential Dynamic 20-55 Portfolio ('the Fund') aims to achieve long-term total return (the combination of income and growth of capital) by investing mainly in collective investment schemes. Between 20% and 55% of the Fund will be invested in schemes whose predominant exposure is to equities.

The Fund is an actively managed portfolio investing mainly in collective investment schemes in order to provide a well diversified exposure to global fixed income and variable rate assets, cash, near cash, equities and/or immovable property. From time to time, however, the Fund may have a high exposure to equities and/or fixed income assets. Scheme selection is made on the basis of in depth initial and ongoing qualitative assessment of the fund managers and quantitative analysis of the collective investment schemes.

The Fund may also invest directly in other assets including transferable securities, other collective investment schemes, cash and near cash, deposits, warrants and money market instruments. Derivative instruments may be held directly for the purposes of efficient portfolio management only.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Dynamic 20-55 Portfolio

27 June 2018

LF PRUDENTIAL DYNAMIC 20-55 PORTFOLIO

ACD's Report (continued)

For the half year ended 30 April 2018

PORTFOLIO MANAGER'S REPORT

Between 1 November 2017 and 30 April 2018 (the period in review) share classes, R (Accumulation) 0.26%¹, P (Accumulation) 0.36%¹ and A (Accumulation) 0.06%¹ produced returns ahead of the -0.18%¹ sector average for IA Mixed Investment 20-60% Shares.

ECONOMIC OVERVIEW

Late in the first quarter of 2018, a potential global trade war dominated the headlines. President Trump imposed tariffs on various imports into the US, and China, the main target, vowed to retaliate. Economic data was generally positive, with measures of activity revised upwards in the US, Japan and the eurozone. The UK proved an exception as growth was revised downwards, albeit remaining positive. Corporate earnings showed healthy growth and, on the whole, inflation remains muted. However, a jump in wage growth in the US triggered concerns that more interest rate increases will follow. The US Federal Reserve ('Fed') raised interest rates in late March by a quarter point to 1.75%, but signalled that further increases would be gradual.

MARKET OVERVIEW

2018 began strongly for most stockmarkets; many reached record highs before falling sharply, seemingly on concern about US inflation. Investors were then buffeted by unsettling factors, including potential interest rate increases, political uncertainty in the US, growing trade tensions and possible regulatory changes for leading technology companies.

UK

UK shares were among the weakest during the first quarter of 2018. Investors had to contend with continued uncertainty over the UK's withdrawal from the European Union, a potential reduction in the levels of economic activity and a possible trade war. The stronger pound was also seen as negative for the multinational companies that make up a large proportion of the FTSE 100 Index. The more domestically focused FTSE 250 Index declined as well, with several high street retailers reporting lower profits.

The Artemis Income Fund produced returns ahead of the FTSE All-Share Index from 1 November 2017 to 30 April 2018. The AXA Framlington UK Select Opportunities Fund and Investec UK Alpha Fund lagged the index.

NORTH AMERICA

US stockmarkets reached record highs in late January as technology companies continued their remarkable rally. But things changed rapidly when investors decided that an increase in wage growth could signal higher inflation, prompting faster Fed interest rate hikes. Investors were further unsettled by President Trump's imposition of tariffs on imports, which threaten to unleash a global trade war. Later, the prospect of greater regulation on the largest technology groups weighed on their share prices. However, the US economy continues to grow and company profits remain robust.

Returns from the Threadneedle American Fund were marginally behind the S&P 500 Index over the period in review. The Schroder US Mid Cap Fund was also negative and behind the index.

¹ Source: FE Analytics. The Portfolio Manager uses the IA Mixed Investment 20-60% Shares for comparison. No benchmark is to be disclosed per the Prospectus.

EUROPE

Share prices started 2018 strongly before succumbing to fears about higher US interest rates, a potential trade war and sharp falls in the share prices of technology groups. There was also some softening perceived in the economic data released later in the period. The persistent rise of the euro against other currencies led some investors to question whether exports may come under pressure.

The Henderson European Selected Opportunities Fund produced a negative return and was behind the index over the period in review. The Jupiter European Special Situations Fund was also negative but slightly ahead of the index.

JAPAN

Having reached its highest level for 26 years in January 2018, the Japanese stockmarket fell back very sharply during the rest of the first quarter of 2018 and ended with a significant decline, in yen terms. To UK investors, the losses were reduced by the strength of the Japanese currency, which benefited from being seen as a safe haven. However, a stronger yen usually weighs on the country's stockmarket, as it reduced the attraction of exports, on which many companies are reliant. Exporting companies were also adversely affected by the possibility of a trade war.

Schroder Tokyo Fund marginally underperformed the index comparator between 1 November 2017 and 30 April 2018 while the MAN GLG Japan CoreAlpha Fund outperformed.

ASIA EX JAPAN

The first few months of 2018 were negative for the Asia Pacific region as a whole, with investors preferring to focus on the ramifications of a trade war between the US and China rather than an easing of tension between North Korea and the US. The South Korean market did, however, outperform in March as the prospect of talks between Presidents Trump and Kim arose. China was adversely affected by trade tensions and potential regulations of financial groups.

Both the Fidelity Asia Fund and Investec Asian Equity Fund produced returns ahead of the index comparator over the period in review.

UK AND GLOBAL BONDS

The prospect of higher interest rates weighed in particular on the prices of government bonds due to be redeemed in 5-10 years, which underperformed those with a longer time before repayment, making the returns from UK government bonds (gilts) almost flat over the first few months of 2018.

The Fed raised US interest rates again after the new Fed chairman signalled his optimism about the US economy. This was taken to indicate further hikes in US borrowing costs. Earlier, higher US wage growth had raised concerns about increased inflationary pressures, which caused a sharp sell-off in US Treasuries. As risk aversion built up later in Q1, government bonds benefited from their safe haven status, meaning that the yields on bonds issued by Japan and Germany returned to remarkably low, or even negative, levels. Corporate bonds underperformed government bonds.

The Invesco Perpetual Corporate Bond Fund finished slightly ahead of the sector average with small positive returns. The Kames Investment Grade Bond Fund and Fidelity MoneyBuilder Income Fund were negative and slightly behind.

In high yield, Kames High Yield Bond Fund produced a small negative return. The BlackRock Euro Corporate Bond Fund was flat over the period in review.

LF PRUDENTIAL DYNAMIC 20-55 PORTFOLIO

ACD's Report (continued)

Portfolio Manager's Report (continued)

For the half year ended 30 April 2018

UK PROPERTY

UK commercial property made a steady start to 2018, although the pace of expansion was somewhat slower than in the final quarter of 2017. Capital value growth was strongest in Industrials, which was also the only sector to see a meaningful increase in rental values. Meanwhile, Retail capital value growth lagged the broader market.

The M&G Property Portfolio and Legal & General UK Property Fund were two of the stronger performers across portfolios during the period in review.

EMERGING MARKETS

There was a wide disparity of returns in the first months of 2018. Africa, Asia and the Middle East declined, while Latin America rallied. Brazil led the way, helped by the economy recovering from recession. Elsewhere, the Russian stockmarket was supported by higher prices for oil and other natural resources. Indian shares were hit by a new capital gains tax, while China is at the centre of a possible trade war with the US. The Mexican stockmarket is seen at risk from President Trump's attempts to renegotiate the North American Free Trade Agreement.

The M&G Global Emerging Markets Fund produced a small positive return which was ahead of the index comparator. Aberdeen Emerging Markets Equity Fund produced a negative return that lagged the index comparator.

ALTERNATIVES

Overall performance of the alternatives holdings was mixed over the period in review with two notable outliers being HgCapital Trust which was up over 11% and Blue Capital Alternative Income Fund which was down over 11%.

POSITIONING

Aside from day to day portfolio management activities there were no significant changes to the underlying portfolios, although following the market falls in early February the funds took a small overweight position in US and European equities (via futures) on the basis that fundamentals were still strong and the move down had been episodic. This proved profitable and the positions were closed towards the end of February.

OUTLOOK

Global growth in 2018 is expected to be broadly similar to the post-crisis highs of 2017 and is likely to be accompanied by rising inflation (albeit from low levels), as output gaps close, as well as by a gradual tightening of monetary policy on average in advanced economies.

Solid global economic performance should be supported by an expected acceleration in US growth, related to fiscal stimulus, and a continued strengthening of growth in some emerging markets, such as India and Indonesia. We judge the eurozone to be at the mid-cycle peak of its expansion, which suggests that the scope for a further acceleration of its economic growth is limited beyond the near term. In our view, overall growth will be restrained by a moderate slowdown in China, where extremely high leverage is expected to weigh on economic

performance, as will some structural reform implementation. Furthermore, rising US rates should eventually prompt many emerging market central banks into tightening policy (most major emerging market central banks have held policy rates steady, with some exceptions such as South Korea and Mexico, or are loosening policy).

M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

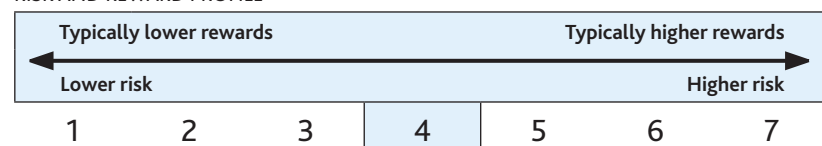
15 May 2018

LF PRUDENTIAL DYNAMIC 20-55 PORTFOLIO

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.

Currency Risk: As the Fund invests indirectly in overseas securities, exchange rates movements may, when not hedged, cause the value of your investment to increase or decrease.

Fixed interest securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security is also affected by its credit rating. Fixed interest securities with a higher average yield tend to be less liquid and have a lower credit rating. Investment in fixed interest securities with a higher yield also generally brings an increased risk of default on repayment by the issuer which could affect the income and capital of the Fund.

The Fund may also invest indirectly in property. Property investments may be harder to buy and sell than other asset types.

Non-UCITS Retail Scheme (NURS): The Fund can be less diversified than UCITS schemes as it has higher investment limits for certain types of assets. It can also invest in assets which are not available to UCITS schemes. This can increase the potential rewards but can also increase risk.

The value of investments, and the income from them, will fluctuate. This will cause the Fund price to fall as well as rise and you may not get back what you originally invested.

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, by following the link 'Fund Information'.

COMPARATIVE TABLES

Information for 30 April 2018 relates to the 6 month period ending 30 April 2018, with the exception of the operating charges in the 'Other Information' section. The operating charges relate to the expenses incurred on an *ex post* basis over the 12 month period ending 30 April 2018, expressed as a percentage of the average net asset value over the same period.

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

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'A' Income shares				
Change in net assets per share				
Opening net asset value per share	155.47	145.57	134.20	129.94
Return before operating charges*	2.27	14.73	16.04	8.71
Operating charges	(1.80)	(3.42)	(3.12)	(3.07)
Return after operating charges	0.47	11.31	12.92	5.64
Distributions	–	(1.41)	(1.55)	(1.38)
Closing net asset value per share	155.94	155.47	145.57	134.20
* after direct transaction costs of:	–	0.04	–	–

Performance				
Return after charges	0.30%	7.77%	9.63%	4.34%

Other Information				
Closing net asset value (£'000)	2,437	3,568	4,203	6,733
Closing number of shares	1,562,723	2,294,898	2,887,058	5,016,795
Operating charges	2.33%	2.26%	2.30%	2.26%
Direct transaction costs	–	0.03%	–	–

Prices				
Highest share price	158.65	157.26	148.74	143.71
Lowest share price	151.95	142.42	125.60	130.43

LF PRUDENTIAL DYNAMIC 20-55 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'A' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	167.97	155.87	142.18	136.26
Return before operating charges*	2.43	15.77	16.98	9.14
Operating charges	(1.94)	(3.67)	(3.29)	(3.22)
Return after operating charges	0.49	12.10	13.69	5.92
Distributions	–	(1.51)	(1.64)	(1.44)
Retained distributions on accumulation shares	–	1.51	1.64	1.44
Closing net asset value per share	168.46	167.97	155.87	142.18
* after direct transaction costs of:	–	0.04	–	–
Performance				
Return after charges	0.29%	7.76%	9.63%	4.34%
Other Information				
Closing net asset value (£'000)	13,458	15,226	17,277	44,867
Closing number of shares	7,988,590	9,064,829	11,084,492	31,556,180
Operating charges	2.33%	2.26%	2.30%	2.26%
Direct transaction costs	–	0.03%	–	–
Prices				
Highest share price	171.34	168.33	157.54	150.66
Lowest share price	164.17	152.50	133.07	136.78

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'C' Income shares				
Change in net assets per share				
Opening net asset value per share	156.09	146.10	134.61	130.32
Return before operating charges*	2.06	14.49	15.89	8.43
Operating charges	(0.86)	(1.59)	(1.48)	(1.41)
Return after operating charges	1.20	12.90	14.41	7.02
Distributions	–	(2.91)	(2.92)	(2.73)
Closing net asset value per share	157.29	156.09	146.10	134.61
* after direct transaction costs of:	–	0.04	–	–
Performance				
Return after charges	0.77%	8.83%	10.70%	5.39%
Other Information				
Closing net asset value (£'000)	82,973	83,905	82,545	83,423
Closing number of shares	52,750,318	53,755,204	56,499,465	61,973,907
Operating charges	1.11%	1.04%	1.08%	1.04%
Direct transaction costs	–	0.03%	–	–
Prices				
Highest share price	159.58	159.37	150.62	144.77
Lowest share price	153.19	143.08	126.34	131.15

LF PRUDENTIAL DYNAMIC 20-55 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'P' Income shares				
Change in net assets per share				
Opening net asset value per share	121.99	114.20	105.24	102.02
Return before operating charges*	1.68	11.41	12.49	6.57
Operating charges	(0.96)	(1.80)	(1.66)	(1.61)
Return after operating charges	0.72	9.61	10.83	4.96
Distributions	–	(1.82)	(1.87)	(1.74)
Closing net asset value per share	122.71	121.99	114.20	105.24
* after direct transaction costs of:	–	0.03	–	–
Performance				
Return after charges	0.59%	8.42%	10.29%	4.86%
Other Information				
Closing net asset value (£'000)	7,207	7,521	6,784	4,320
Closing number of shares	5,873,050	6,165,273	5,940,687	4,105,497
Operating charges	1.58%	1.51%	1.55%	1.51%
Direct transaction costs	–	0.03%	–	–
Prices				
Highest share price	124.80	124.27	117.49	113.10
Lowest share price	119.54	111.79	98.65	102.60

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'P' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	130.14	120.03	108.83	103.84
Return before operating charges*	1.78	12.00	12.92	6.63
Operating charges	(1.02)	(1.89)	(1.72)	(1.64)
Return after operating charges	0.76	10.11	11.20	4.99
Distributions	–	(1.92)	(1.92)	(1.76)
Retained distributions on accumulation shares	–	1.92	1.92	1.76
Closing net asset value per share	130.90	130.14	120.03	108.83
* after direct transaction costs of:	–	0.03	–	–
Performance				
Return after charges	0.58%	8.42%	10.29%	4.81%
Other Information				
Closing net asset value (£'000)	122,472	124,066	115,684	92,995
Closing number of shares	93,558,561	95,333,063	96,377,902	85,447,076
Operating charges	1.58%	1.51%	1.55%	1.51%
Direct transaction costs	–	0.03%	–	–
Prices				
Highest share price	133.09	130.58	121.48	115.07
Lowest share price	127.52	117.50	102.03	104.41

LF PRUDENTIAL DYNAMIC 20-55 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'R' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	148.72	137.45	124.86	119.30
Return before operating charges*	2.07	13.79	14.89	7.76
Operating charges	(1.35)	(2.52)	(2.30)	(2.20)
Return after operating charges	0.72	11.27	12.59	5.56
Distributions	–	(1.90)	(1.95)	(1.76)
Retained distributions on accumulation shares	–	1.90	1.95	1.76
Closing net asset value per share	149.44	148.72	137.45	124.86
* after direct transaction costs of:	–	0.04	–	–
Performance				
Return after charges	0.48%	8.20%	10.08%	4.66%
Other Information				
Closing net asset value (£'000)	11,824	11,318	25,992	13,218
Closing number of shares	7,912,249	7,609,979	18,910,457	10,586,236
Operating charges	1.83%	1.76%	1.80%	1.76%
Direct transaction costs	–	0.03%	–	–
Prices				
Highest share price	151.89	149.09	138.98	132.17
Lowest share price	145.60	134.52	116.98	119.94

FUND PERFORMANCE TO 30 APRIL 2018 (%)

	6 months	1 year	3 years	5 years
LF Prudential Dynamic 20-55 Portfolio	0.06	3.94	13.70	29.69

The performance of the Fund is based on the published price per 'A' 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 PRUDENTIAL DYNAMIC 20-55 PORTFOLIO

ACD's Report (continued)

PORTFOLIO STATEMENT

AS AT 30 APRIL 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY PORTFOLIOS – 40.00% (31.10.17 – 40.90%)		
	CONTINENTAL EUROPE – 6.19% (31.10.17 – 6.22%)		
687,687	Henderson European Selected Opportunities	11,319	4.71
849,868	Jupiter European Special Situations	3,558	1.48
	TOTAL CONTINENTAL EUROPE	14,877	6.19
	UNITED KINGDOM – 15.80% (31.10.17 – 15.94%)		
1,803,298	Artemis Income	7,894	3.29
402,209	AXA Framlington UK Select Opportunities	14,311	5.95
11,873,998	Investec UK Alpha	15,778	6.56
	TOTAL UNITED KINGDOM	37,983	15.80
	ASIA EX JAPAN – 6.56% (31.10.17 – 7.14%)		
590,280	Fidelity Asia	8,134	3.38
354,809	Investec Asian Equity	7,621	3.18
	TOTAL ASIA EX JAPAN	15,755	6.56
	JAPAN – 3.04% (31.10.17 – 2.93%)		
1,564,486	Man GLG Japan CoreAlpha	2,646	1.10
1,271,546	Schroder Tokyo	4,667	1.94
	TOTAL JAPAN	7,313	3.04
	UNITED STATES – 6.24% (31.10.17 – 6.54%)		
2,873,258	Schroder US Mid Cap	3,936	1.64
3,926,429	Threadneedle American	11,065	4.60
	TOTAL UNITED STATES	15,001	6.24
	EMERGING MARKETS – 2.19% (31.10.17 – 2.13%)		
151,572	Aberdeen Emerging Markets Equity	1,080	0.45
1,346,189	M&G Global Emerging Markets†	4,190	1.74
	TOTAL EMERGING MARKETS	5,270	2.19
	TOTAL EQUITY PORTFOLIOS	96,199	40.00

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY INVESTMENT INSTRUMENTS – 4.85% (31.10.17 – 4.96%)		
1,884,633	BBCI	2,497	1.04
962,997	BioPharma Credit	720	0.30
819,485	Blue Capital Alternative Income	375	0.16
817,083	DP Aircraft I	623	0.26
284,385	HarbourVest Global Private Equity	3,578	1.49
77,120	HgCapital	1,469	0.61
661,174	NB Distressed Debt Investment	439	0.18
816,441	NextEnergy Solar	894	0.38
986,097	Renewables Infrastructure	1,041	0.43
	TOTAL EQUITY INVESTMENT INSTRUMENTS	11,636	4.85
	PROPERTY PORTFOLIOS – 14.86% (31.10.17 – 14.83%)		
13,436,801	Legal & General UK Property	11,783	4.90
2,038,870	M&G Property Portfolio†	23,948	9.96
	TOTAL PROPERTY PORTFOLIOS	35,731	14.86
	BOND PORTFOLIOS – 39.19% (31.10.17 – 38.92%)		
1,023,000	BlackRock Euro Corporate Bond	10,649	4.43
11,569,226	Fidelity MoneyBuilder Income	20,848	8.67
10,479,232	Invesco Perpetual Corporate Bond	21,162	8.81
9,411,649	Kames High Yield Bond	11,860	4.93
11,536,529	Kames Investment Grade Bond	20,618	8.58
23,324,963	M&G Short Dated Corporate Bond†	6,009	2.50
24,676	Merrill Lynch AQR Global Relative Value	3,054	1.27
	TOTAL BOND PORTFOLIOS	94,200	39.19
	Portfolio of investments	237,766	98.92
	Net other assets	2,605	1.08
	Net assets	240,371	100.00

The investments are collective investment schemes unless stated otherwise.

† Related party holding.

LF PRUDENTIAL DYNAMIC 20-55 PORTFOLIO

ACD's Report (continued)

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 30 APRIL 2018

Total purchases for the half year £'000 **13,152**

Purchases	Cost £'000
M&G Short Dated Corporate Bond	3,696
Euro Stoxx 50 Index Futures March 2018	3,658
S&P 500 E Mini Futures March 2018	3,610
Merrill Lynch AQR Global Relative Value	961
Investec UK Alpha	953
BGI	79
NB Distressed Debt Investment	78
BioPharma Credit	43
Renewables Infrastructure	31
DP Aircraft I	31
NextEnergy Solar	12

Purchases of Futures have been included at the value of their exposure.

Total sales for the half year £'000 **21,363**

Sales	Proceeds £'000
Euro Stoxx 50 Index Futures March 2018	3,834
S&P 500 E Mini Futures March 2018	3,809
M&G Short Dated Corporate Bond	1,783
M&G Property Portfolio	1,351
Fidelity Asia	1,240
Artemis Income	1,000
Threadneedle American	983
Invesco Perpetual Corporate Bond	976
Fidelity MoneyBuilder Income	972
Investec Asian Equity	970
AXA Framlington UK Select Opportunities	956
Kames Investment Grade Bond	953
BlackRock Euro Corporate Bond	950
Investec UK Alpha	713
CATCo Reinsurance Opportunities	444
Legal & General UK Property	419
NB Distressed Debt Investment	10

Sales of Futures have been included at the value of their exposure.

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

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Income:				
Net capital (losses)/gains		(257)		8,596
Revenue	2,779		3,282	
Expenses	(860)		(929)	
Interest payable and similar charges	—		(1)	
Net revenue before taxation	1,919		2,352	
Taxation	(245)		(367)	
Net revenue after taxation		1,674		1,985
Total return before distributions		1,417		10,581
Distributions*		(25)		(59)
Change in net assets attributable to shareholders from investment activities		1,392		10,522

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Opening net assets attributable to shareholders		245,604		252,485
Amounts receivable on issue of shares	10,466		9,360	
Amounts payable on redemption of shares	(17,091)		(19,078)	
		(6,625)		(9,718)
Change in net assets attributable to shareholders from investment activities		1,392		10,522
Closing net assets attributable to shareholders		240,371		253,289

The above statement shows the comparative closing net assets at 30 April 2017 whereas the current accounting period commenced 1 November 2017.

* The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

LF PRUDENTIAL DYNAMIC 20-55 PORTFOLIO

Interim Financial Statements (unaudited) (continued)

BALANCE SHEET

AS AT 30 APRIL 2018

	30.04.17 £'000	31.10.16 £'000
ASSETS		
Fixed assets		
Investments	237,766	244,648
Current assets		
Debtors	2,390	3,170
Cash and bank balances	1,276	711
Total assets	<u>241,432</u>	<u>248,529</u>
LIABILITIES		
Provisions for liabilities	(37)	(105)
Creditors		
Distribution payable	–	(1,709)
Other creditors	(1,024)	(1,111)
Total liabilities	<u>(1,061)</u>	<u>(2,925)</u>
Net assets attributable to shareholders	<u>240,371</u>	<u>245,604</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

AS AT 30 APRIL 2018

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2017 and are described in those annual financial statements.

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

LF PRUDENTIAL DYNAMIC 40-80 PORTFOLIO
ACD'S REPORT
FOR THE HALF YEAR ENDED 30 APRIL 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 11 and 12.

INVESTMENT OBJECTIVE AND POLICY

The LF Prudential Dynamic 40-80 Portfolio ('the Fund') aims to achieve long-term total return (the combination of income and growth of capital) by investing mainly in collective investment schemes. Between 40% and 80% of the Fund will be invested in schemes whose predominant exposure is to equities.

The Fund is an actively managed portfolio investing mainly in collective investment schemes in order to provide a well diversified exposure to global equities, fixed income and variable rate assets, immovable property, cash and/or near cash. Typically the Fund will have a bias towards assets providing potential for growth, such as equities. Scheme selection is made on the basis of in depth initial and ongoing qualitative assessment of the fund managers and quantitative analysis of the collective investment schemes.

The Fund may also invest directly in other assets including transferable securities, other collective investment schemes, cash and near cash, deposits, warrants and money market instruments. Derivative instruments may be directly held for the purposes of efficient portfolio management only.

LINK FUND SOLUTIONS LIMITED
ACD of LF Prudential Dynamic 40-80 Portfolio
27 June 2018

PORTFOLIO MANAGER'S REPORT

Between 1 November 2017 and 30 April 2018 (the period in review) share classes, R (Accumulation) 0.06%¹, A (Accumulation) -0.08%¹ and P (Accumulation) 0.07%¹ produced returns ahead of the -0.13%¹ sector average for IA Mixed Investment 40-85% Shares.

ECONOMIC OVERVIEW

Late in the first quarter of 2018, a potential global trade war dominated the headlines. President Trump imposed tariffs on various imports into the US, and China, the main target, vowed to retaliate. Economic data was generally positive, with measures of activity revised upwards in the US, Japan and the eurozone. The UK proved an exception as growth was revised downwards, albeit remaining positive. Corporate earnings showed healthy growth and, on the whole, inflation remains muted. However, a jump in wage growth in the US triggered concerns that more interest rate increases will follow. The US Federal Reserve ('Fed') raised interest rates in late March by a quarter point to 1.75%, but signalled that further increases would be gradual.

MARKET OVERVIEW

2018 began strongly for most stockmarkets; many reached record highs before falling sharply, seemingly on concern about US inflation. Investors were then buffeted by unsettling factors, including potential interest rate increases, political uncertainty in the US, growing trade tensions and possible regulatory changes for leading technology companies.

UK

UK shares were among the weakest during the first quarter of 2018. Investors had to contend with continued uncertainty over the UK's withdrawal from the European Union, a potential reduction in the levels of economic activity and a possible trade war. The stronger pound was also seen as negative for the multinational companies that make up a large proportion of the FTSE 100 Index. The more domestically focused FTSE 250 Index declined as well, with several high street retailers reporting lower profits.

The Artemis Income Fund produced returns ahead of the FTSE All-Share Index from 1 November 2017 to 30 April 2018. The AXA Framlington UK Select Opportunities Fund, M&G Recovery Fund and Investec UK Alpha Fund lagged the index.

NORTH AMERICA

US stockmarkets reached record highs in late January as technology companies continued their remarkable rally. But things changed rapidly when investors decided that an increase in wage growth could signal higher inflation, prompting faster Fed interest rate hikes. Investors were further unsettled by President Trump's imposition of tariffs on imports, which threaten to unleash a global trade war. Later, the prospect of greater regulation on the largest technology groups weighed on their share prices. However, the US economy continues to grow and company profits remain robust.

Returns from the Threadneedle American Fund were marginally behind the S&P 500 Index over the period in review. The Schroder US Mid Cap Fund was also negative and behind the index.

¹ Source: FE Analytics. The Portfolio Manager uses the IA Mixed Investment 40-85% Shares for comparison. No benchmark is to be disclosed per the Prospectus.

LF PRUDENTIAL DYNAMIC 40-80 PORTFOLIO

ACD's Report (continued)

Portfolio Manager's Report (continued)

For the half year ended 30 April 2018

EUROPE

Share prices started 2018 strongly before succumbing to fears about higher US interest rates, a potential trade war and sharp falls in the share prices of technology groups. There was also some softening perceived in the economic data released later in the period. The persistent rise of the euro against other currencies led some investors to question whether exports may come under pressure.

The Henderson European Selected Opportunities Fund produced a negative return and was behind the index over the period in review. The Jupiter European Special Situations Fund was also negative but slightly ahead of the index.

JAPAN

Having reached its highest level for 26 years in January 2018, the Japanese stockmarket fell back very sharply during the rest of the first quarter of 2018 and ended with a significant decline, in yen terms. To UK investors, the losses were reduced by the strength of the Japanese currency, which benefited from being seen as a safe haven. However, a stronger yen usually weighs on the country's stockmarket, as it reduced the attraction of exports, on which many companies are reliant. Exporting companies were also adversely affected by the possibility of a trade war.

Schroder Tokyo Fund marginally underperformed the index comparator between 1 November 2017 and 30 April 2018 while the Man GLG Japan CoreAlpha Fund outperformed.

ASIA EX JAPAN

The first few months of 2018 were negative for the Asia Pacific region as a whole, with investors preferring to focus on the ramifications of a trade war between the US and China rather than an easing of tension between North Korea and the US. The South Korean market did, however, outperform in March as the prospect of talks between Presidents Trump and Kim arose. China was adversely affected by trade tensions and potential regulations of financial groups.

Both the Fidelity Asia Fund and Investec Asian Equity Fund produced returns ahead of the index comparator over the period in review.

UK AND GLOBAL BONDS

The prospect of higher interest rates weighed in particular on the prices of government bonds due to be redeemed in 5-10 years, which underperformed those with a longer time before repayment, making the returns from UK government bonds (gilts) almost flat over the first few months of 2018.

The Fed raised US interest rates again after the new Fed chairman signalled his optimism about the US economy. This was taken to indicate further hikes in US borrowing costs. Earlier, higher US wage growth had raised concerns about increased inflationary pressures, which caused a sharp sell-off in US Treasuries. As risk aversion built up later in Q1, government bonds benefited from their safe haven status, meaning that the yields on bonds issued by Japan and Germany returned to remarkably low, or even negative, levels. Corporate bonds underperformed government bonds.

The Invesco Perpetual Corporate Bond Fund finished slightly ahead of the sector average with small positive returns. The Kames Investment Grade Bond Fund and Fidelity MoneyBuilder Income Fund were negative and slightly behind.

In high yield, Kames High Yield Bond Fund produced a small negative return. The BlackRock Euro Corporate Bond Fund was flat over the period in review.

UK PROPERTY

UK commercial property made a steady start to 2018, although the pace of expansion was somewhat slower than in the final quarter of 2017. Capital value growth was strongest in Industrials, which was also the only sector to see a meaningful increase in rental values. Meanwhile, Retail capital value growth lagged the broader market.

The M&G Property Portfolio and Legal & General UK Property Fund were two of the stronger performers across portfolios during the period in review.

EMERGING MARKETS

There was a wide disparity of returns in the first months of 2018. Africa, Asia and the Middle East declined, while Latin America rallied. Brazil led the way, helped by the economy recovering from recession. Elsewhere, the Russian stockmarket was supported by higher prices for oil and other natural resources. Indian shares were hit by a new capital gains tax, while China is at the centre of a possible trade war with the US. The Mexican stockmarket is seen at risk from President Trump's attempts to renegotiate the North American Free Trade Agreement.

The M&G Global Emerging Markets Fund produced a small positive return which was ahead of the index comparator. Aberdeen Emerging Markets Equity Fund produced a negative return that lagged the index comparator.

ALTERNATIVES

Overall performance of the alternatives holdings was mixed over the period in review with two notable outliers being HgCapital Trust which was up over 11% and Blue Capital Alternative Income Fund which was down over 11%.

POSITIONING

Aside from day to day portfolio management activities there were no significant changes to the underlying portfolios, although following the market falls in early February the funds took a small overweight position in US and European equities (via futures) on the basis that fundamentals were still strong and the move down had been episodic. This proved profitable and the positions were closed towards the end of February.

OUTLOOK

Global growth in 2018 is expected to be broadly similar to the post-crisis highs of 2017 and is likely to be accompanied by rising inflation (albeit from low levels), as output gaps close, as well as by a gradual tightening of monetary policy on average in advanced economies.

Solid global economic performance should be supported by an expected acceleration in US growth, related to fiscal stimulus, and a continued strengthening of growth in some emerging markets, such as India and Indonesia. We judge the eurozone to be at the mid-cycle peak of its expansion, which suggests that the scope for a further acceleration of its economic growth is limited beyond the near term. In our view, overall growth will be restrained by a moderate slowdown in China, where extremely high leverage is expected to weigh on economic

LF PRUDENTIAL DYNAMIC 40-80 PORTFOLIO

ACD's Report (continued)
Portfolio Manager's Report (continued)
For the half year ended 30 April 2018

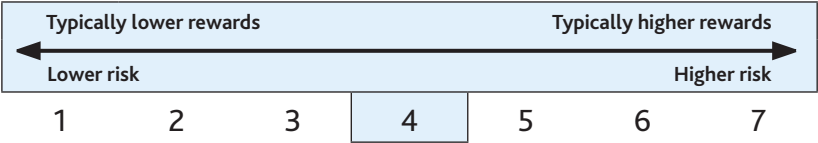
OUTLOOK (continued)

performance, as will some structural reform implementation. Furthermore, rising US rates should eventually prompt many emerging market central banks into tightening policy (most major emerging market central banks have held policy rates steady, with some exceptions such as South Korea and Mexico, or are loosening policy).

M&G INVESTMENT MANAGEMENT LIMITED
Portfolio Manager
15 May 2018

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.

Currency Risk: As the Fund invests indirectly in overseas securities, exchange rates movements may, when not hedged, cause the value of your investment to increase or decrease.

Fixed interest securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security is also affected by its credit rating. Fixed interest securities with a higher average yield tend to be less liquid and have a lower credit rating. Investment in fixed interest securities with a higher yield also generally brings an increased risk of default on repayment by the issuer which could affect the income and capital of the Fund.

The Fund may also invest indirectly in property. Property investments may be harder to buy and sell than other asset types.

Non-UCITS Retail Scheme (NURS): The Fund can be less diversified than UCITS schemes as it has higher investment limits for certain types of assets. It can also invest in assets which are not available to UCITS schemes. This can increase the potential rewards but can also increase risk.

The value of investments, and the income from them, will fluctuate. This will cause the Fund price to fall as well as rise and you may not get back what you originally invested.

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, by following the link 'Fund Information'.

LF PRUDENTIAL DYNAMIC 40-80 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES

Information for 30 April 2018 relates to the 6 month period ending 30 April 2018, with the exception of the operating charges in the 'Other Information' section. The operating charges relate to the expenses incurred on an *ex post* basis over the 12 month period ending 30 April 2018, expressed as a percentage of the average net asset value over the same period.

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

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'A' Income shares				
Change in net assets per share				
Opening net asset value per share	168.05	155.54	141.40	135.42
Return before operating charges*	2.77	17.54	18.88	10.37
Operating charges	(1.96)	(3.73)	(3.33)	(3.33)
Return after operating charges	0.81	13.81	15.55	7.04
Distributions	–	(1.30)	(1.41)	(1.06)
Closing net asset value per share	168.86	168.05	155.54	141.40
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.48%	8.88%	11.00%	5.20%
Other Information				
Closing net asset value (£'000)	1,035	1,053	1,732	3,741
Closing number of shares	612,874	626,738	1,113,714	2,645,698
Operating charges	2.35%	2.30%	2.33%	2.33%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	172.20	170.18	158.67	153.07
Lowest share price	163.44	151.66	130.89	135.12

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'A' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	177.44	162.97	146.82	139.54
Return before operating charges*	2.93	18.39	19.60	10.71
Operating charges	(2.07)	(3.92)	(3.45)	(3.43)
Return after operating charges	0.86	14.47	16.15	7.28
Distributions	–	(1.36)	(1.46)	(1.09)
Retained distributions on accumulation shares	–	1.36	1.46	1.09
Closing net asset value per share	178.30	177.44	162.97	146.82
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.48%	8.88%	11.00%	5.22%
Other Information				
Closing net asset value (£'000)	20,304	22,222	28,649	55,711
Closing number of shares	11,387,689	12,523,549	17,579,578	37,944,258
Operating charges	2.35%	2.30%	2.33%	2.33%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	181.77	178.27	164.73	157.65
Lowest share price	172.57	158.90	135.92	139.24

LF PRUDENTIAL DYNAMIC 40-80 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'C' Income shares				
Change in net assets per share				
Opening net asset value per share	168.69	156.06	141.78	135.74
Return before operating charges*	2.68	17.31	18.72	10.09
Operating charges	(0.95)	(1.77)	(1.60)	(1.58)
Return after operating charges	1.73	15.54	17.12	8.51
Distributions	–	(2.91)	(2.84)	(2.47)
Closing net asset value per share	170.42	168.69	156.06	141.78
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	1.03%	9.96%	12.08%	6.27%
Other Information				
Closing net asset value (£'000)	91,877	92,352	92,117	92,487
Closing number of shares	53,912,861	54,746,557	59,024,741	65,234,803
Operating charges	1.13%	1.08%	1.11%	1.11%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	173.20	172.35	160.61	154.06
Lowest share price	164.74	152.32	131.60	135.64

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'P' Income shares				
Change in net assets per share				
Opening net asset value per share	127.59	118.05	107.26	102.85
Return before operating charges*	2.08	13.19	14.25	7.57
Operating charges	(1.01)	(1.92)	(1.73)	(1.71)
Return after operating charges	1.07	11.27	12.52	5.86
Distributions	–	(1.73)	(1.73)	(1.45)
Closing net asset value per share	128.66	127.59	118.05	107.26
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.84%	9.55%	11.67%	5.70%
Other Information				
Closing net asset value (£'000)	6,201	6,567	5,384	3,528
Closing number of shares	4,819,788	5,146,294	4,560,767	3,289,126
Operating charges	1.60%	1.55%	1.58%	1.58%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	131.09	130.11	121.27	116.38
Lowest share price	124.40	115.18	99.45	102.68

LF PRUDENTIAL DYNAMIC 40-80 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'P' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	134.70	122.97	110.10	104.21
Return before operating charges*	2.20	13.73	14.64	7.64
Operating charges	(1.07)	(2.00)	(1.77)	(1.75)
Return after operating charges	1.13	11.73	12.87	5.89
Distributions	–	(1.81)	(1.77)	(1.47)
Retained distributions on accumulation shares	–	1.81	1.77	1.47
Closing net asset value per share	135.83	134.70	122.97	110.10
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.84%	9.54%	11.69%	5.65%
Other Information				
Closing net asset value (£'000)	125,767	122,155	11,535	80,887
Closing number of shares	92,593,788	90,684,203	90,703,292	73,464,533
Operating charges	1.60%	1.55%	1.58%	1.58%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	138.36	135.49	124.48	117.98
Lowest share price	131.34	119.97	102.10	104.05

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'R' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	157.23	143.83	129.05	122.26
Return before operating charges*	2.59	16.12	17.19	9.15
Operating charges	(1.44)	(2.72)	(2.41)	(2.36)
Return after operating charges	1.15	13.40	14.78	6.79
Distributions	–	(1.81)	(1.81)	(1.47)
Retained distributions on accumulation shares	–	1.81	1.81	1.47
Closing net asset value per share	158.38	157.23	143.83	129.05
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.73%	9.32%	11.45%	5.55%
Other Information				
Closing net asset value (£'000)	13,176	13,257	11,664	9,961
Closing number of shares	8,319,225	8,431,010	8,110,069	7,718,599
Operating charges	1.85%	1.80%	1.83%	1.83%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	161.29	158.02	145.46	138.38
Lowest share price	153.18	140.29	119.60	122.06

LF PRUDENTIAL DYNAMIC 40-80 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

FUND PERFORMANCE TO 30 APRIL 2018 (%)

	6 months	1 year	3 years	5 years
LF Prudential Dynamic 40-80 Portfolio	(0.08)	4.37	15.92	35.22

The performance of the Fund is based on the published price per 'A' 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.

PORTFOLIO STATEMENT AS AT 30 APRIL 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY PORTFOLIOS – 51.88% (31.10.17 – 52.74%)		
	CONTINENTAL EUROPE – 8.35% (31.10.17 – 8.16%)		
730,205	Henderson European Selected Opportunities	12,019	4.65
2,282,997	Jupiter European Special Situations	9,558	3.70
	TOTAL CONTINENTAL EUROPE	21,577	8.35
	UNITED KINGDOM – 20.63% (31.10.17 – 20.44%)		
2,242,073	Artemis Income	9,815	3.80
387,216	AXA Framlington UK Select Opportunities	13,777	5.33
12,196,391	Investec UK Alpha	16,207	6.27
4,027,288	M&G Recovery†	13,522	5.23
	TOTAL UNITED KINGDOM	53,321	20.63
	ASIA EX JAPAN – 8.29% (31.10.17 – 8.77%)		
749,944	Fidelity Asia	10,334	4.00
515,969	Investec Asian Equity	11,083	4.29
	TOTAL ASIA EX JAPAN	21,417	8.29
	JAPAN – 3.71% (31.10.17 – 3.99%)		
2,672,932	Man GLG Japan CoreAlpha	4,520	1.75
1,376,933	Schroder Tokyo	5,053	1.96
	TOTAL JAPAN	9,573	3.71
	UNITED STATES – 8.28% (31.10.17 – 8.37%)		
4,554,033	Schroder US Mid Cap	6,239	2.41
5,378,767	Threadneedle American	15,158	5.87
	TOTAL UNITED STATES	21,397	8.28
	EMERGING MARKETS – 2.62% (31.10.17 – 3.01%)		
559,595	Aberdeen Emerging Markets Equity	3,986	1.54
893,737	M&G Global Emerging Markets†	2,782	1.08
	TOTAL EMERGING MARKETS	6,768	2.62
	TOTAL EQUITY PORTFOLIOS	134,053	51.88

LF PRUDENTIAL DYNAMIC 40-80 PORTFOLIO

ACD's Report (continued)

Portfolio Statement (continued)

As at 30 April 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY INVESTMENT INSTRUMENTS – 5.94% (31.10.17 – 6.20%)		
2,477,206	BBGI	3,282	1.27
1,249,520	BioPharma Credit	934	0.36
1,093,355	Blue Capital Alternative Income	500	0.19
1,064,459	DP Aircraft I	812	0.31
371,604	HarbourVest Global Private Equity	4,675	1.82
105,097	HgCapital	2,002	0.77
868,624	NB Distressed Debt Investment	577	0.22
1,063,050	NextEnergy Solar	1,164	0.45
1,340,675	Renewables Infrastructure	1,416	0.55
	TOTAL EQUITY INVESTMENT INSTRUMENTS	15,362	5.94
	PROPERTY PORTFOLIOS – 16.59% (31.10.17 – 16.41%)		
15,190,314	Legal & General UK Property	13,320	5.16
2,515,218	M&G Property Portfolio†	29,543	11.43
	TOTAL PROPERTY PORTFOLIOS	42,863	16.59
	BOND PORTFOLIOS – 25.25% (31.10.17 – 24.86%)		
633,719	BlackRock Euro Corporate Bond	6,597	2.55
7,850,815	Fidelity MoneyBuilder Income	14,147	5.48
6,461,179	Invesco Perpetual Corporate Bond	13,048	5.05
7,613,964	Kames High Yield Bond	9,594	3.71
7,936,101	Kames Investment Grade Bond	14,184	5.49
14,365,794	M&G Short Dated Corporate Bond†	3,701	1.43
32,191	Merrill Lynch AQR Global Relative Value	3,984	1.54
	TOTAL BOND PORTFOLIOS	65,255	25.25
	Portfolio of investments	257,533	99.68
	Net other assets	827	0.32
	Net assets	258,360	100.00

The investments are collective investment schemes unless stated otherwise.

† Related party holding.

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 30 APRIL 2018

Total purchases for the half year £'000 **21,673**

Purchases	Cost £'000
Euro Stoxx 50 Index Futures March 2018	3,835
S&P 500 E Mini Futures March 2018	3,800
M&G Short Dated Corporate Bond	2,848
Investec UK Alpha	2,045
Legal & General UK Property	1,726
Kames Investment Grade Bond	1,548
Fidelity MoneyBuilder Income	1,548
Merrill Lynch AQR Global Relative Value	1,277
Henderson European Selected Opportunities	1,000
Threadneedle American	828
Investec Asian Equity	768
NB Distressed Debt Investment	106
Renewables Infrastructure	103
BioPharma Credit	96
BBGI	92
DP Aircraft I	36
NextEnergy Solar	17

Purchases of Futures have been included at the value of their exposure.

The summary of material portfolio changes represents all of the purchases during the half year.

LF PRUDENTIAL DYNAMIC 40-80 PORTFOLIO

ACD's Report (continued)

Summary of Material Portfolio Changes (continued)

For the half year ended 30 April 2018

Total sales for the half year £'000	24,064
Sales	Proceeds £'000
Euro Stoxx 50 Index Futures March 2018	4,020
S&P 500 E Mini Futures March 2018	4,009
M&G Property Portfolio	2,330
Artemis Income	2,324
Kames Investment Grade Bond	1,533
Investec Asian Equity	1,470
Fidelity MoneyBuilder Income	1,278
Fidelity Asia	1,040
Invesco Perpetual Corporate Bond	1,018
M&G Short Dated Corporate Bond	1,000
Threadneedle American	900
Man GLG Japan CoreAlpha	893
Aberdeen Emerging Markets Equity	893
BlackRock Euro Corporate Bond	762
CATco Reinsurance Opportunities	581
NB Distressed Debt Investment	13

Sales of Futures have been included at the value of their exposure.

The summary of material portfolio changes represents all of the sales during the half year.

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Income:				
Net capital gains		509		9,958
Revenue	2,691		2,909	
Expenses	(914)		(913)	
Interest payable and similar charges	(4)		(2)	
Net revenue before taxation	1,773		1,994	
Taxation	(152)		(272)	
Net revenue after taxation		1,621		1,722
Total return before distributions		2,130		11,680
Distributions*		(6)		(40)
Change in net assets attributable to shareholders from investment activities		2,124		11,640

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Opening net assets attributable to shareholders		257,606		251,081
Amounts receivable on issue of shares	12,752		9,883	
Amounts payable on redemption of shares	(14,122)		(19,690)	
		(1,370)		(9,807)
Change in net assets attributable to shareholders from investment activities		2,124		11,640
Closing net assets attributable to shareholders		258,360		252,914

The above statement shows the comparative closing net assets at 30 April 2017 whereas the current accounting period commenced 1 November 2017.

* The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

LF PRUDENTIAL DYNAMIC 40-80 PORTFOLIO

Interim Financial Statements (unaudited) (continued)

BALANCE SHEET

AS AT 30 APRIL 2018

	30.04.18 £'000	31.10.17 £'000
ASSETS		
Fixed assets		
Investments	257,533	258,169
Current assets		
Debtors	1,186	995
Cash and bank balances	516	1,007
Total assets	<u>259,235</u>	<u>260,171</u>
LIABILITIES		
Provisions for liabilities	(45)	(143)
Creditors		
Distribution payable	–	(1,690)
Other creditors	(830)	(732)
Total liabilities	<u>(875)</u>	<u>(2,565)</u>
Net assets attributable to shareholders	<u>258,360</u>	<u>257,606</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

AS AT 30 APRIL 2018

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2017 and are described in those annual financial statements.

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

LF PRUDENTIAL DYNAMIC 60-100 PORTFOLIO
ACD'S REPORT
FOR THE HALF YEAR ENDED 30 APRIL 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 11 and 12.

INVESTMENT OBJECTIVE AND POLICY

The LF Prudential Dynamic 60-100 Portfolio ('the Fund') aims to achieve long-term total return (the combination of income and growth of capital) by investing mainly in collective investment schemes. Between 60% and 100% of the Fund will be invested in schemes whose predominant exposure is to equities.

The Fund is an actively managed portfolio investing in collective investment schemes in order to provide a well diversified exposure to global equities, fixed interest and variable rate assets, immovable property, cash and/or near cash. Typically the Fund will have a high exposure to assets providing potential for growth, such as equities. Scheme selection is made on the basis of in depth initial and ongoing qualitative assessment of the fund managers and quantitative analysis of the collective investment schemes.

The Fund may also invest directly in other assets including transferable securities, other collective investment schemes, cash and near cash, deposits, warrants and money market instruments. Derivative instruments may be held directly for the purposes of efficient portfolio management only.

LINK FUND SOLUTIONS LIMITED
ACD of LF Prudential Dynamic 60-100 Portfolio
27 June 2018

PORTFOLIO MANAGER'S REPORT

Between 1 November 2017 and 30 April 2018 (the period in review) share classes, R (Accumulation) 0.76%¹, P (Accumulation) 0.96%¹ and A (Accumulation) 0.53%¹ produced returns ahead of the -0.09%¹ sector average for IA Flexible Investment sector.

ECONOMIC OVERVIEW

Late in the first quarter of 2018, a potential global trade war dominated the headlines. President Trump imposed tariffs on various imports into the US, and China, the main target, vowed to retaliate. Economic data was generally positive, with measures of activity revised upwards in the US, Japan and the eurozone. The UK proved an exception as growth was revised downwards, albeit remaining positive. Corporate earnings showed healthy growth and, on the whole, inflation remains muted. However, a jump in wage growth in the US triggered concerns that more interest rate increases will follow. The US Federal Reserve ('Fed') raised interest rates in late March by a quarter point to 1.75%, but signalled that further increases would be gradual.

MARKET OVERVIEW

2018 began strongly for most stockmarkets; many reached record highs before falling sharply, seemingly on concern about US inflation. Investors were then buffeted by unsettling factors, including potential interest rate increases, political uncertainty in the US, growing trade tensions and possible regulatory changes for leading technology companies.

UK

UK shares were among the weakest during the first quarter of 2018. Investors had to contend with continued uncertainty over the UK's withdrawal from the European Union, a potential reduction in the levels of economic activity and a possible trade war. The stronger pound was also seen as negative for the multinational companies that make up a large proportion of the FTSE 100 Index. The more domestically focused FTSE 250 Index declined as well, with several high street retailers reporting lower profits.

The Artemis Income Fund produced returns ahead of the FTSE All-Share Index from 1 November 2017 to 30 April 2018. The AXA Framlington UK Select Opportunities Fund, M&G Recovery Fund and Investec UK Alpha Fund lagged the index.

NORTH AMERICA

US stockmarkets reached record highs in late January as technology companies continued their remarkable rally. But things changed rapidly when investors decided that an increase in wage growth could signal higher inflation, prompting faster Fed interest rate hikes. Investors were further unsettled by President Trump's imposition of tariffs on imports, which threaten to unleash a global trade war. Later, the prospect of greater regulation on the largest technology groups weighed on their share prices. However, the US economy continues to grow and company profits remain robust.

Returns from the Threadneedle American Fund were marginally behind the S&P 500 Index over the period in review. The Schroder US Mid Cap Fund was also negative and behind the index.

¹ Source: FE Analytics. The Portfolio Manager uses the IA Flexible Investment sector for comparison. No benchmark is to be disclosed per the Prospectus.

LF PRUDENTIAL DYNAMIC 60-100 PORTFOLIO

ACD's Report (continued)

Portfolio Manager's Report (continued)

For the half year ended 30 April 2018

EUROPE

Share prices started 2018 strongly before succumbing to fears about higher US interest rates, a potential trade war and sharp falls in the share prices of technology groups. There was also some softening perceived in the economic data released later in the period. The persistent rise of the euro against other currencies led some investors to question whether exports may come under pressure.

Henderson European Selected Opportunities Fund and Henderson European Growth Fund produced negative returns and were behind the index over the period in review. The Jupiter European Special Situations Fund was also negative but slightly ahead of the index.

JAPAN

Having reached its highest level for 26 years in January 2018, the Japanese stockmarket fell back very sharply during the rest of the first quarter of 2018 and ended with a significant decline, in yen terms. To UK investors, the losses were reduced by the strength of the Japanese currency, which benefited from being seen as a safe haven. However, a stronger yen usually weighs on the country's stockmarket, as it reduced the attraction of exports, on which many companies are reliant. Exporting companies were also adversely affected by the possibility of a trade war.

Schroder Tokyo Fund marginally underperformed the index comparator between 1 November 2017 and 30 April 2018 while the Man GLG Japan CoreAlpha Fund outperformed.

ASIA EX JAPAN

The first few months of 2018 were negative for the Asia Pacific region as a whole, with investors preferring to focus on the ramifications of a trade war between the US and China rather than an easing of tension between North Korea and the US. The South Korean market did, however, outperform in March as the prospect of talks between Presidents Trump and Kim arose. China was adversely affected by trade tensions and potential regulations of financial groups.

Both the Fidelity Asia Fund and Investec Asian Equity Fund produced returns ahead of the index comparator over the period in review.

UK AND GLOBAL BONDS

The prospect of higher interest rates weighed in particular on the prices of government bonds due to be redeemed in 5-10 years, which underperformed those with a longer time before repayment, making the returns from UK government bonds (gilts) almost flat over the first few months of 2018.

The Fed raised US interest rates again after the new Fed chairman signalled his optimism about the US economy. This was taken to indicate further hikes in US borrowing costs. Earlier, higher US wage growth had raised concerns about increased inflationary pressures, which caused a sharp sell-off in US Treasuries. As risk aversion built up later in Q1, government bonds benefited from their safe haven status, meaning that the yields on bonds issued by Japan and Germany returned to remarkably low, or even negative, levels. Corporate bonds underperformed government bonds.

Invesco Perpetual Corporate Bond Fund finished slightly ahead of the sector average with small positive return.

In high yield, Kames High Yield Bond Fund produced a small negative return. The BlackRock Euro Corporate Bond Fund was flat over the period in review.

UK PROPERTY

UK commercial property made a steady start to 2018, although the pace of expansion was somewhat slower than in the final quarter of 2017. Capital value growth was strongest in Industrials, which was also the only sector to see a meaningful increase in rental values. Meanwhile, Retail capital value growth lagged the broader market.

The M&G Property Portfolio and Legal & General UK Property Fund were two of the stronger performers across portfolios during the period in review.

EMERGING MARKETS

There was a wide disparity of returns in the first months of 2018. Africa, Asia and the Middle East declined, while Latin America rallied. Brazil led the way, helped by the economy recovering from recession. Elsewhere, the Russian stockmarket was supported by higher prices for oil and other natural resources. Indian shares were hit by a new capital gains tax, while China is at the centre of a possible trade war with the US. The Mexican stockmarket is seen at risk from President Trump's attempts to renegotiate the North American Free Trade Agreement.

The M&G Global Emerging Markets Fund produced a small positive return which was ahead of the index comparator. Aberdeen Emerging Markets Equity Fund produced a negative return that lagged the index comparator.

ALTERNATIVES

Overall performance of the alternatives holdings was mixed over the period in review with two notable outliers being HgCapital Trust which was up over 11% and Blue Capital Alternative Income Fund which was down over 11%.

POSITIONING

Aside from day to day portfolio management activities there were no significant changes to the underlying portfolios, although following the market falls in early February the Fund took a small overweight position in US and European equities (via futures) on the basis that fundamentals were still strong and the move down had been episodic. This proved profitable and the positions were closed towards the end of February.

OUTLOOK

Global growth in 2018 is expected to be broadly similar to the post-crisis highs of 2017 and is likely to be accompanied by rising inflation (albeit from low levels), as output gaps close, as well as by a gradual tightening of monetary policy on average in advanced economies.

Solid global economic performance should be supported by an expected acceleration in US growth, related to fiscal stimulus, and a continued strengthening of growth in some emerging markets, such as India and Indonesia. We judge the eurozone to be at the mid-cycle peak of its expansion, which suggests that the scope for a further acceleration of its economic growth is limited beyond the near term. In our view, overall growth will be restrained by a moderate slowdown in China, where extremely high leverage is expected to weigh on economic

LF PRUDENTIAL DYNAMIC 60-100 PORTFOLIO

ACD's Report (continued)
Portfolio Manager's Report (continued)
For the half year ended 30 April 2018

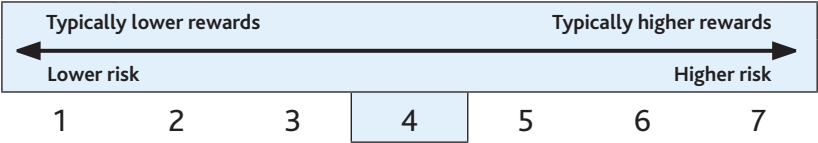
OUTLOOK (continued)

performance, as will some structural reform implementation. Furthermore, rising US rates should eventually prompt many emerging market central banks into tightening policy (most major emerging market central banks have held policy rates steady, with some exceptions such as South Korea and Mexico, or are loosening policy).

M&G INVESTMENT MANAGEMENT LIMITED
Portfolio Manager
15 May 2018

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.

Currency Risk: As the Fund invests indirectly in overseas securities, exchange rates movements may, when not hedged, cause the value of your investment to increase or decrease.

Fixed interest securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security is also affected by its credit rating. Fixed interest securities with a higher average yield tend to be less liquid and have a lower credit rating. Investment in fixed interest securities with a higher yield also generally brings an increased risk of default on repayment by the issuer which could affect the income and capital of the Fund.

The Fund may also invest indirectly in property. Property investments may be harder to buy and sell than other asset types.

Non-UCITS Retail Scheme (NURS): The Fund can be less diversified than UCITS schemes as it has higher investment limits for certain types of assets. It can also invest in assets which are not available to UCITS schemes. This can increase the potential rewards but can also increase risk.

The value of investments, and the income from them, will fluctuate. This will cause the Fund price to fall as well as rise and you may not get back what you originally invested.

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, by following the link 'Fund Information'.

LF PRUDENTIAL DYNAMIC 60-100 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES

Information for 30 April 2018 relates to the 6 month period ending 30 April 2018, with the exception of the operating charges in the 'Other Information' section. The operating charges relate to the expenses incurred on an *ex post* basis over the 12 month period ending 30 April 2018, expressed as a percentage of the average net asset value over the same period.

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

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'A' Income shares				
Change in net assets per share				
Opening net asset value per share	183.43	167.14	149.84	141.35
Return before operating charges*	3.31	21.68	21.92	12.73
Operating charges	(2.18)	(4.14)	(3.57)	(3.55)
Return after operating charges	1.13	17.54	18.35	9.18
Distributions	–	(1.25)	(1.05)	(0.69)
Closing net asset value per share	184.56	183.43	167.14	149.84
* after direct transaction costs of:	–	–	0.01	–
Performance				
Return after charges	0.62%	10.49%	12.25%	6.49%
Other Information				
Closing net asset value (£'000)	232	276	398	872
Closing number of shares	125,766	150,778	238,426	581,674
Operating charges	2.40%	2.36%	2.36%	2.39%
Direct transaction costs	–	–	0.01%	–
Prices				
Highest share price	188.76	185.41	170.45	162.88
Lowest share price	177.19	162.51	136.66	141.53

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'A' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	189.47	171.48	152.76	143.44
Return before operating charges*	3.42	22.25	22.36	12.92
Operating charges	(2.25)	(4.26)	(3.64)	(3.60)
Return after operating charges	1.17	17.99	18.72	9.32
Distributions	–	(1.28)	(1.07)	(0.70)
Retained distributions on accumulation shares	–	1.28	1.07	0.70
Closing net asset value per share	190.64	189.47	171.48	152.76
* after direct transaction costs of:	–	–	0.01	–
Performance				
Return after charges	0.62%	10.49%	12.25%	6.50%
Other Information				
Closing net asset value (£'000)	7,534	8,218	10,753	20,075
Closing number of shares	3,951,826	4,337,284	6,270,764	13,140,980
Operating charges	2.40%	2.36%	2.36%	2.39%
Direct transaction costs	–	–	0.01%	–
Prices				
Highest share price	195.02	190.26	173.82	165.27
Lowest share price	183.04	166.73	139.33	143.68

LF PRUDENTIAL DYNAMIC 60-100 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'C' Income shares				
Change in net assets per share				
Opening net asset value per share	184.27	167.83	150.33	141.79
Return before operating charges*	3.12	21.45	21.83	12.45
Operating charges	(1.08)	(2.03)	(1.75)	(1.71)
Return after operating charges	2.04	19.42	20.08	10.74
Distributions	–	(2.98)	(2.58)	(2.20)
Closing net asset value per share	186.31	184.27	167.83	150.33
* after direct transaction costs of:	–	–	0.01	–
Performance				
Return after charges	1.11%	11.57%	13.36%	7.57%
Other Information				
Closing net asset value (£'000)	35,342	36,443	38,033	35,106
Closing number of shares	18,969,540	19,776,735	22,622,022	23,352,953
Operating charges	1.18%	1.14%	1.14%	1.17%
Direct transaction costs	–	–	0.01%	–
Prices				
Highest share price	190.02	188.00	172.61	164.13
Lowest share price	178.75	163.34	137.50	142.18

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'P' Income shares				
Change in net assets per share				
Opening net asset value per share	132.23	120.44	107.90	102.00
Return before operating charges*	2.30	15.50	15.73	8.81
Operating charges	(1.08)	(2.05)	(1.76)	(1.74)
Return after operating charges	1.22	13.45	13.97	7.07
Distributions	–	(1.66)	(1.43)	(1.17)
Closing net asset value per share	133.45	132.23	120.44	107.90
* after direct transaction costs of:	–	–	0.01	–
Performance				
Return after charges	0.92%	11.17%	12.95%	6.93%
Other Information				
Closing net asset value (£'000)	1,860	2,022	1,793	1,470
Closing number of shares	1,394,141	1,529,334	1,488,306	1,362,232
Operating charges	1.65%	1.61%	1.61%	1.64%
Direct transaction costs	–	–	0.01%	–
Prices				
Highest share price	136.50	134.68	123.73	117.86
Lowest share price	128.06	117.18	98.58	102.20

LF PRUDENTIAL DYNAMIC 60-100 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'P' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	138.29	124.40	110.14	103.03
Return before operating charges*	2.40	16.01	16.07	8.87
Operating charges	(1.13)	(2.12)	(1.81)	(1.76)
Return after operating charges	1.27	13.89	14.26	7.11
Distributions	–	(1.72)	(1.46)	(1.18)
Retained distributions on accumulation shares	–	1.72	1.46	1.18
Closing net asset value per share	139.56	138.29	124.40	110.14
* after direct transaction costs of:	–	–	0.01	–
Performance				
Return after charges	0.92%	11.17%	12.95%	6.90%
Other Information				
Closing net asset value (£'000)	56,124	51,915	39,528	27,148
Closing number of shares	40,215,985	37,541,468	31,775,418	24,649,483
Operating charges	1.65%	1.61%	1.61%	1.64%
Direct transaction costs	–	–	0.01%	–
Prices				
Highest share price	142.70	139.05	126.26	119.01
Lowest share price	133.93	121.02	100.62	103.24

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'R' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	166.06	149.69	132.80	124.31
Return before operating charges*	2.92	19.31	19.41	10.94
Operating charges	(1.56)	(2.94)	(2.52)	(2.45)
Return after operating charges	1.36	16.37	16.89	8.49
Distributions	–	(1.75)	(1.48)	(1.15)
Retained distributions on accumulation shares	–	1.75	1.48	1.15
Closing net asset value per share	167.42	166.06	149.69	132.80
* after direct transaction costs of:	–	–	0.01	–
Performance				
Return after charges	0.82%	10.94%	12.72%	6.83%
Other Information				
Closing net asset value (£'000)	6,565	6,164	4,921	4,355
Closing number of shares	3,921,144	3,711,896	3,287,548	3,279,098
Operating charges	1.90%	1.86%	1.86%	1.89%
Direct transaction costs	–	–	0.01%	–
Prices				
Highest share price	171.11	166.80	151.76	143.46
Lowest share price	160.69	145.61	121.27	124.55

LF PRUDENTIAL DYNAMIC 60-100 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

FUND PERFORMANCE TO 30 APRIL 2018 (%)

	6 months	1 year	3 years	5 years
LF Prudential Dynamic 60-100 Portfolio	0.53	5.31	17.92	40.68

The performance of the Fund is based on the published price per 'A' 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.

PORTFOLIO STATEMENT

AS AT 30 APRIL 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY PORTFOLIOS – 64.00% (31.10.17 – 65.53^%)		
	CONTINENTAL EUROPE – 10.18% (31.10.17 – 10.39%)		
1,137,933	Henderson European Growth	2,674	2.48
345,116	Henderson European Selected Opportunities	5,680	5.28
619,281	Jupiter European Special Situations	2,593	2.42
	TOTAL CONTINENTAL EUROPE	10,947	10.18
	UNITED KINGDOM – 25.43% (31.10.17 – 25.74%)		
1,261,399	Artemis Income	5,522	5.13
202,670	AXA Framlington UK Select Opportunities	7,211	6.70
5,626,452	Investec UK Alpha	7,476	6.94
2,135,400	M&G Recovery†	7,170	6.66
	TOTAL UNITED KINGDOM	27,379	25.43
	ASIA EX JAPAN – 10.17% (31.10.17 – 10.85%)		
391,244	Fidelity Asia	5,392	5.01
258,667	Investec Asian Equity	5,556	5.16
	TOTAL ASIA EX JAPAN	10,948	10.17
	JAPAN – 4.69% (31.10.17 – 4.68%)		
1,620,753	Man GLG Japan CoreAlpha	2,741	2.55
629,324	Schroder Tokyo	2,309	2.14
	TOTAL JAPAN	5,050	4.69
	UNITED STATES – 10.32% (31.10.17 – 10.52%)		
2,526,185	Schroder US Mid Cap	3,461	3.21
2,716,482	Threadneedle American	7,655	7.11
	TOTAL UNITED STATES	11,116	10.32
	EMERGING MARKETS – 3.21% (31.10.17 – 3.35%)		
367,678	Aberdeen Emerging Markets Equity	2,619	2.43
268,210	M&G Global Emerging Markets†	835	0.78
	TOTAL EMERGING MARKETS	3,454	3.21
	TOTAL EQUITY PORTFOLIOS	68,894	64.00

LF PRUDENTIAL DYNAMIC 60-100 PORTFOLIO

ACD's Report (continued)

Portfolio Statement (continued)

As at 30 April 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY INVESTMENT INSTRUMENTS – 7.05% (31.10.17 – 7.42%)		
1,224,506	BBGI	1,622	1.51
618,450	BioPharma Credit	463	0.43
512,705	Blue Capital Alternative Income	235	0.22
539,890	DP Aircraft I	412	0.39
187,073	HarbourVest Global Private Equity	2,353	2.19
49,150	HgCapital	936	0.87
425,294	NB Distressed Debt Investment	283	0.26
518,092	NextEnergy Solar	567	0.53
658,376	Renewables Infrastructure	695	0.65
	TOTAL EQUITY INVESTMENT INSTRUMENTS	7,566	7.05
	PROPERTY PORTFOLIOS – 17.52% (31.10.17 – 17.20%)		
6,539,028	Legal & General UK Property	5,734	5.33
1,117,552	M&G Property Portfolio†	13,126	12.19
	TOTAL PROPERTY PORTFOLIOS	18,860	17.52
	BOND PORTFOLIOS – 10.26% (31.10.17 – 10.28%)		
112,151	BlackRock Euro Corporate Bond	1,168	1.08
3,072,553	Invesco Perpetual Corporate Bond	6,205	5.76
1,358,170	Kames High Yield Bond	1,711	1.59
15,919	Merrill Lynch AQR Global Relative Value	1,970	1.83
	TOTAL BOND PORTFOLIOS	11,054	10.26
	Portfolio of investments	106,374	98.81
	Net other assets	1,283	1.19
	Net assets	107,657	100.00

The investments are collective investment schemes unless stated otherwise.

† Related party holding.

^ Restated.

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 30 APRIL 2018

Total purchases for the half year £'000 **11,663**

Purchases	Cost £'000
Invesco Perpetual Corporate Bond	2,906
Euro Stoxx 50 Index Futures March 2018	1,564
S&P 500 E-Mini Index Futures March 2018	1,520
Legal & General UK Property	1,421
Investec UK Alpha	1,366
Merrill Lynch AQR Global Relative Value	695
Schroder US Mid Cap	522
Man GLG Japan CoreAlpha	441
Investec Asian Equity	338
Henderson European Selected Opportunities	212
M&G Recovery	212
Henderson European Growth	127
HarbourVest Global Private Equity	87
Renewables Infrastructure	80
BioPharma Credit	67
NB Distressed Debt Investment	53
BBGI	44
NextEnergy Solar	8

Purchases of Futures have been included at the value of their exposure.

Total sales for the half year £'000 **11,543**

Sales	Proceeds £'000
Invesco Perpetual Corporate Bond	2,913
Euro Stoxx 50 Index Futures March 2018	1,639
S&P 500 E-Mini Index Futures March 2018	1,604
M&G Property Portfolio	1,120
Investec UK Alpha	987
Artemis Income	735
Investec Asian Equity	572
Fidelity Asia	474
Threadneedle American	425
Man GLG Japan CoreAlpha	419
CATCo Reinsurance Opportunities	348
M&G Short Dated Corporate Bond	301
NB Distressed Debt Investment	6

Sales of Futures have been included at the value of their exposure.

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

LF PRUDENTIAL DYNAMIC 60-100 PORTFOLIO
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Income:				
Net capital gains		500		4,541
Revenue	889		948	
Expenses	(379)		(348)	
Interest payable and similar charges	(2)		–	
Net revenue before taxation	508		600	
Taxation	(4)		(62)	
Net revenue after taxation		504		538
Total return before distributions		1,004		5,079
Distributions*		6		(2)
Change in net assets attributable to shareholders from investment activities		1,010		5,077

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Opening net assets attributable to shareholders		105,038		95,426
Amounts receivable on issue of shares	9,123		7,401	
Amounts payable on redemption of shares	(7,514)		(7,974)	
		1,609		(573)
Change in net assets attributable to shareholders from investment activities		1,010		5,077
Closing net assets attributable to shareholders		107,657		99,930

The above statement shows the comparative closing net assets at 30 April 2017 whereas the current accounting period commenced 1 November 2017.

* The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

BALANCE SHEET
AS AT 30 APRIL 2018

	30.04.18 £'000	31.10.17 £'000
ASSETS		
Fixed assets		
Investments	106,374	105,494
Current assets		
Debtors	615	560
Cash and bank balances	1,562	113
Total assets	108,551	106,167
LIABILITIES		
Provisions for liabilities	(20)	(68)
Creditors		
Distribution payable	–	(617)
Other creditors	(874)	(444)
Total liabilities	(894)	(1,129)
Net assets attributable to shareholders	107,657	105,038

LF PRUDENTIAL DYNAMIC 60-100 PORTFOLIO

Interim Financial Statements (unaudited) (continued)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

AS AT 30 APRIL 2018

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2017 and are described in those annual financial statements.

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

LF PRUDENTIAL DYNAMIC FOCUSED 0-30 PORTFOLIO

ACD'S REPORT

FOR THE HALF YEAR ENDED 30 APRIL 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 11 and 12.

INVESTMENT OBJECTIVE AND POLICY

The LF Prudential Dynamic Focused 0-30 Portfolio ('the Fund') aims to achieve a long-term total return (the combination of income and growth of capital) by investing mainly in collective investment schemes. No more than 30% of the Fund will be invested in schemes whose predominant exposure is to equities.

The Fund invests in other funds which use active and passive management approaches in order to provide a well-diversified, indirect exposure to global fixed income and variable rate assets, cash, near cash, equities and/or immovable property. Typically, the Fund will have a higher exposure to lower risk assets such as fixed income assets, cash and near cash. The Fund will concentrate on delivering returns from the Portfolio Manager's asset allocation decisions and the selection of a focused range of funds and fund management groups (which may include other funds managed by the Portfolio Manager).

The Fund may also invest directly in other assets such as transferable securities, cash and near cash, deposits, warrants and money market instruments. Derivative instruments may be used for efficient portfolio management only.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Dynamic Focused 0-30 Portfolio

27 June 2018

LF PRUDENTIAL DYNAMIC FOCUSED 0-30 PORTFOLIO

ACD's Report (continued)

For the half year ended 30 April 2018

PORTFOLIO MANAGER'S REPORT

Between 1 November 2017 and 30 April 2018 (the period in review) share classes R (Accumulation) -0.11%¹, P (Accumulation) -0.03%¹ and A (Accumulation) -0.27%¹ produced negative returns, albeit ahead of the -0.41%¹ sector average for IA Mixed Investment 0-35% Shares.

ECONOMIC OVERVIEW

Late in the first quarter of 2018, a potential global trade war dominated the headlines. President Trump imposed tariffs on various imports into the US, and China, the main target, vowed to retaliate. Economic data was generally positive, with measures of activity revised upwards in the US, Japan and the eurozone. The UK proved an exception as growth was revised downwards, albeit remaining positive. Corporate earnings showed healthy growth and, on the whole, inflation remains muted. However, a jump in wage growth in the US triggered concerns that more interest rate increases will follow. The US Federal Reserve ('Fed') raised interest rates in late March by a quarter point to 1.75%, but signalled that further increases would be gradual.

MARKET OVERVIEW

2018 began strongly for most stockmarkets; many reached record highs before falling sharply, seemingly on concern about US inflation. Investors were then buffeted by unsettling factors, including potential interest rate increases, political uncertainty in the US, growing trade tensions and possible regulatory changes for leading technology companies.

UK EQUITIES

UK shares were among the weakest during the first quarter of 2018. Investors had to contend with continued uncertainty over the UK's withdrawal from the European Union, a potential reduction in the levels of economic activity and a possible trade war. The stronger pound was also seen as negative for the multinational companies that make up a large proportion of the FTSE 100 Index. The more domestically focused FTSE 250 Index declined as well, with several high street retailers reporting lower profits.

Returns from the Legal & General UK Index Trust were in line with the performance of the FTSE All-Share Index.

NORTH AMERICA

US stockmarkets reached record highs in late January as technology companies continued their remarkable rally. But things changed rapidly when investors decided that an increase in wage growth could signal higher inflation, prompting faster Fed interest rate hikes. Investors were further unsettled by President Trump's imposition of tariffs on imports, which threaten to unleash a global trade war. Later, the prospect of greater regulation on the largest technology groups weighed on their share prices. However, the US economy continues to grow and company profits remain robust.

Returns from the Legal & General US Index Trust were in line with the performance of the FTSE USA Index.

EUROPE

Share prices started 2018 strongly before succumbing to fears about higher US interest rates, a potential trade war and sharp falls in the share prices of technology groups. There was also some softening perceived in the economic data released later in the period. The persistent rise of the euro against other currencies led some investors to question whether exports may come under pressure.

Returns from the Legal & General European Index Trust were in line with the performance of the FTSE World Europe ex UK Index.

JAPAN

Having reached its highest level for 26 years in January 2018, the Japanese stockmarket fell back very sharply during the rest of the first quarter of 2018 and ended with a significant decline, in yen terms. To UK investors, the losses were reduced by the strength of the Japanese currency, which benefited from being seen as a safe haven. However, a stronger yen usually weighs on the country's stockmarket, as it reduced the attraction of exports, on which many companies are reliant. Exporting companies were also adversely affected by the possibility of a trade war.

Returns from the Legal & General Japan Index Trust were in line with the performance of the FTSE Japan Index.

ASIA EX JAPAN

The first few months of 2018 were negative for the Asia Pacific region as a whole, with investors preferring to focus on the ramifications of a trade war between the US and China rather than an easing of tension between North Korea and the US. The South Korean market did, however, outperform in March as the prospect of talks between Presidents Trump and Kim arose. China was adversely affected by trade tensions and potential regulations of financial groups.

Returns from the Legal & General Pacific Index Trust were in line with the performance of the FTSE World Asia Pacific ex Japan Index.

UK AND GLOBAL BONDS

The prospect of higher interest rates weighed in particular on the prices of government bonds due to be redeemed in 5-10 years, which underperformed those with a longer time before repayment, making the returns from UK government bonds (gilts) almost flat over the first few months of 2018.

The Fed raised US interest rates again after the new Fed chairman signalled his optimism about the US economy. This was taken to indicate further hikes in US borrowing costs. Earlier, higher US wage growth had raised concerns about increased inflationary pressures, which caused a sharp sell-off in US Treasuries. As risk aversion built up later in Q1, government bonds benefited from their safe haven status, meaning that the yields on bonds issued by Japan and Germany returned to remarkably low, or even negative, levels. Corporate bonds underperformed government bonds.

The M&G Strategic Corporate Bond, M&G Corporate Bond, M&G Global High Yield Bond, M&G European Corporate Bond and M&G Global Convertibles funds all produced small negative returns over the period in review. The M&G European Loan Fund was marginally positive.

¹ Source: FE Analytics. The Portfolio Manager uses the IA Mixed Investment 0-35% Shares for comparison. No benchmark is to be disclosed per the Prospectus.

LF PRUDENTIAL DYNAMIC FOCUSED 0-30 PORTFOLIO

ACD's Report (continued)

Portfolio Manager's Report (continued)

For the half year ended 30 April 2018

UK PROPERTY

UK commercial property made a steady start to 2018, although the pace of expansion was somewhat slower than in the final quarter of 2017. Capital value growth was strongest in Industrials, which was also the only sector to see a meaningful increase in rental values. Meanwhile, Retail capital value growth lagged the broader market.

The performance of the M&G Property Portfolio continues to be positive.

EMERGING MARKETS

There was a wide disparity of returns in the first months of 2018. Africa, Asia and the Middle East declined, while Latin America rallied. Brazil led the way, helped by the economy recovering from recession. Elsewhere, the Russian stockmarket was supported by higher prices for oil and other natural resources. Indian shares were hit by a new capital gains tax, while China is at the centre of a possible trade war with the US. The Mexican stockmarket is seen at risk from President Trump's attempts to renegotiate the North American Free Trade Agreement.

Returns from the Legal & General Global Emerging Markets Index Fund were in line with the performance of the FTSE All World Emerging Index.

ALTERNATIVES

Overall performance of the alternatives holdings was mixed over the period in review with two notable outliers being HgCapital Trust which was up over 11% and Blue Capital Alternative Income Fund which was down over 11%.

POSITIONING

Aside from day to day portfolio management activities there were no significant changes to the underlying portfolios, although following the market falls in early February the funds took a small overweight position in US and European equities (via futures) on the basis that fundamentals were still strong and the move down had been episodic. This proved profitable and the positions were closed towards the end of February.

OUTLOOK

Global growth in 2018 is expected to be broadly similar to the post-crisis highs of 2017 and is likely to be accompanied by rising inflation (albeit from low levels), as output gaps close, as well as by a gradual tightening of monetary policy on average in advanced economies.

Solid global economic performance should be supported by an expected acceleration in US growth, related to fiscal stimulus, and a continued strengthening of growth in some emerging markets, such as India and Indonesia. We judge the eurozone to be at the mid-cycle peak of its expansion, which suggests that the scope for a further acceleration of its economic growth is limited beyond the near term. In our view, overall growth will be restrained by a moderate slowdown in China, where extremely high leverage is expected to weigh on economic performance, as will some structural reform implementation. Furthermore, rising US rates should eventually prompt many emerging market central banks into tightening policy (most major emerging market central banks have held policy rates steady, with some exceptions such as South Korea and Mexico, or are loosening policy).

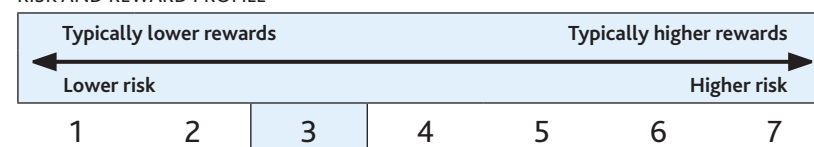
M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

16 May 2018

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 3 because its volatility has been measured as medium to 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.

Currency Risk: As the Fund invests indirectly in overseas securities, exchange rates movements may, when not hedged, cause the value of your investment to increase or decrease.

Fixed interest securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security is also affected by its credit rating. Fixed interest securities with a higher average yield tend to be less liquid and have a lower credit rating. Investment in fixed interest securities with a higher yield also generally brings an increased risk of default on repayment by the issuer which could affect the income and capital of the Fund.

The Fund may also invest indirectly in property. Property investments may be harder to buy and sell than other asset types.

Non-UCITS Retail Scheme (NURS): The Fund can be less diversified than UCITS schemes as it has higher investment limits for certain types of assets. It can also invest in assets which are not available to UCITS schemes. This can increase the potential rewards but can also increase risk.

The value of investments, and the income from them, will fluctuate. This will cause the Fund price to fall as well as rise and you may not get back what you originally invested.

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, by following the link 'Fund Information'.

LF PRUDENTIAL DYNAMIC FOCUSED 0-30 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES

Information for 30 April 2018 relates to the 6 month period ending 30 April 2018, with the exception of the operating charges in the 'Other Information' section. The operating charges relate to the expenses incurred on an *ex post* basis over the 12 month period ending 30 April 2018, expressed as a percentage of the average net asset value over the same period.

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

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'A' Income shares				
Change in net assets per share				
Opening net asset value per share	139.33	134.77	122.49	123.74
Return before operating charges*	1.04	9.42	16.53	3.35
Operating charges	(1.10)	(2.21)	(1.96)	(1.96)
Return after operating charges	(0.06)	7.21	14.57	1.39
Distributions ¹	–	(2.65)	(2.29)	(2.64)
Closing net asset value per share	139.27	139.33	134.77	122.49
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(0.04)%	5.35%	11.89%	1.12%
Other Information				
Closing net asset value (£'000)	322	314	310	1,907
Closing number of shares	231,580	225,437	230,163	1,556,959
Operating charges	1.60%	1.60%	1.58%	1.56%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	141.28	142.17	137.34	129.83
Lowest share price	137.00	131.68	119.61	121.90

¹ All interest distributions payable after 6 April 2017 will be paid gross.

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'A' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	171.53	162.81	145.99	144.99
Return before operating charges*	1.28	11.39	19.74	3.91
Operating charges	(1.36)	(2.67)	(2.37)	(2.30)
Return after operating charges	(0.08)	8.72	17.37	1.61
Distributions ¹	–	(3.21)	(2.76)	(3.08)
Retained distributions on accumulation shares	–	3.21	2.21	2.47
Closing net asset value per share	171.45	171.53	162.81	145.99
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	(0.05)%	5.36%	11.90%	1.11%
Other Information				
Closing net asset value (£'000)	8,578	8,881	10,150	22,374
Closing number of shares	5,003,081	5,177,861	6,233,932	15,325,078
Operating charges	1.60%	1.60%	1.58%	1.56%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	173.83	171.75	163.70	152.08
Lowest share price	168.56	159.06	142.59	142.83

¹ All interest distributions payable after 6 April 2017 will be paid gross.

LF PRUDENTIAL DYNAMIC FOCUSED 0-30 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'C' Income shares				
Change in net assets per share				
Opening net asset value per share	139.53	134.93	122.61	123.88
Return before operating charges*	1.04	9.50	16.70	3.34
Operating charges	(0.17)	(0.35)	(0.29)	(0.26)
Return after operating charges	0.87	9.15	16.41	3.08
Distributions ¹	–	(4.55)	(4.09)	(4.35)
Closing net asset value per share	140.40	139.53	134.93	122.61
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.62%	6.78%	13.38%	2.49%
Other Information				
Closing net asset value (£'000)	170,127	171,075	176,753	187,326
Closing number of shares	121,170,632	122,612,020	130,997,628	152,781,499
Operating charges	0.25%	0.25%	0.23%	0.21%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	141.85	144.21	138.90	130.56
Lowest share price	137.93	132.01	120.10	123.25

¹ All interest distributions payable after 6 April 2017 will be paid gross.

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'P' Income shares				
Change in net assets per share				
Opening net asset value per share	113.13	109.43	99.45	100.47
Return before operating charges*	0.85	7.66	13.54	2.71
Operating charges	(0.48)	(0.96)	(0.86)	(0.83)
Return after operating charges	0.37	6.70	12.68	1.88
Distributions ¹	–	(3.00)	(2.70)	(2.90)
Closing net asset value per share	113.50	113.13	109.43	99.45
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.33%	6.12%	12.75%	1.87%
Other Information				
Closing net asset value (£'000)	6,317	5,370	3,956	3,014
Closing number of shares	5,565,862	4,746,330	3,615,077	3,030,903
Operating charges	0.85%	0.85%	0.83%	0.81%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	115.01	116.40	112.31	105.67
Lowest share price	111.57	107.00	97.29	99.52

¹ All interest distributions payable after 6 April 2017 will be paid gross.

LF PRUDENTIAL DYNAMIC FOCUSED 0-30 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'P' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	123.99	116.81	104.11	102.84
Return before operating charges*	0.93	8.20	14.16	2.71
Operating charges	(0.52)	(1.02)	(0.90)	(0.85)
Return after operating charges	0.41	7.18	13.26	1.86
Distributions ¹	–	(3.21)	(2.81)	(2.97)
Retained distributions on accumulation shares	–	3.21	2.25	2.38
Closing net asset value per share	124.40	123.99	116.81	104.11
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.33%	6.15%	12.74%	1.81%
Other Information				
Closing net asset value (£'000)	86,440	69,303	65,203	59,047
Closing number of shares	69,484,171	55,893,928	55,817,853	56,718,628
Operating charges	0.85%	0.85%	0.83%	0.81%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	126.00	124.22	117.52	108.08
Lowest share price	122.28	114.21	101.85	101.80

¹ All interest distributions payable after 6 April 2017 will be paid gross.

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'R' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	136.68	129.10	115.29	114.05
Return before operating charges*	1.04	9.04	15.67	3.08
Operating charges	(0.75)	(1.46)	(1.29)	(1.23)
Return after operating charges	0.29	7.58	14.38	1.85
Distributions ¹	–	(3.21)	(2.81)	(3.02)
Retained distributions on accumulation shares	–	3.21	2.24	2.41
Closing net asset value per share	136.97	136.68	129.10	115.29
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.21%	5.87%	12.47%	1.62%
Other Information				
Closing net asset value (£'000)	18,660	17,793	14,931	12,462
Closing number of shares	13,623,671	13,017,368	11,565,725	10,809,455
Operating charges	1.10%	1.10%	1.08%	1.06%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	138.76	136.88	129.81	119.90
Lowest share price	134.67	126.18	112.73	112.75

¹ All interest distributions payable after 6 April 2017 will be paid gross.

LF PRUDENTIAL DYNAMIC FOCUSED 0-30 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

FUND PERFORMANCE TO 30 APRIL 2018 (%)

	6 months	1 year	3 years	5 years
LF Prudential Dynamic Focused 0-30 Portfolio	(0.27)	2.68	14.63	22.16

The performance of the Fund is based on the published price per 'A' 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.

PORTFOLIO STATEMENT AS AT 30 APRIL 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY PORTFOLIOS – 18.83% (31.10.17 – 19.23%)		
12,817,978	UNITED KINGDOM – 7.30% (31.10.17 – 7.39%) Legal & General UK Index	21,214	7.30
	TOTAL UNITED KINGDOM	21,214	7.30
	CONTINENTAL EUROPE – 3.04% (31.10.17 – 3.31%)		
3,084,847	Legal & General European Index	8,841	3.04
	TOTAL CONTINENTAL EUROPE	8,841	3.04
	ASIA EX JAPAN – 3.02% (31.10.17 – 3.23%)		
8,038,169	Legal & General Pacific Index	8,778	3.02
	TOTAL ASIA EX JAPAN	8,778	3.02
	JAPAN – 1.31% (31.10.17 – 1.38%)		
6,945,287	Legal & General Japan Index	3,802	1.31
	TOTAL JAPAN	3,802	1.31
	UNITED STATES – 3.19% (31.10.17 – 2.98%)		
2,352,414	Legal & General US Index	9,261	3.19
	TOTAL UNITED STATES	9,261	3.19
	EMERGING MARKETS – 0.97% (31.10.17 – 0.94%)		
4,792,423	Legal & General Global Emerging Markets Index	2,805	0.97
	TOTAL EMERGING MARKETS	2,805	0.97
	TOTAL EQUITY PORTFOLIOS	54,701	18.83
	EQUITY INVESTMENT INSTRUMENTS – 2.38% (31.10.17 – 2.53%)		
1,127,477	BBGI	1,494	0.51
547,460	BioPharma Credit	409	0.14
460,040	Blue Capital Alternative Income	211	0.07
474,648	DP Aircraft I	362	0.13
171,969	HarbourVest Global Private Equity	2,163	0.75

LF PRUDENTIAL DYNAMIC FOCUSED 0-30 PORTFOLIO

ACD's Report (continued)

Portfolio Statement (continued)

As at 30 April 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY INVESTMENT INSTRUMENTS – 2.38% (31.10.17 – 2.53%) (continued)		
45,797	HgCapital	873	0.30
388,620	NB Distressed Debt Investment	258	0.09
464,050	NextEnergy Solar	508	0.17
605,168	Renewables Infrastructure	639	0.22
	TOTAL EQUITY INVESTMENT INSTRUMENTS	6,917	2.38
	PROPERTY PORTFOLIOS – 8.67% (31.10.17 – 9.03%)		
2,143,035	M&G Property Portfolio†	25,171	8.67
	TOTAL PROPERTY PORTFOLIOS	25,171	8.67
	BOND PORTFOLIOS – 68.52% (31.10.17 – 69.99%)		
114,725,945	M&G Corporate Bond†	46,705	16.08
20,859,963	M&G European Corporate Bond†	23,435	8.07
97,913	M&G European Loan†	8,629	2.97
2,165,029	M&G Global Convertible†	4,582	1.58
6,572,477	M&G Global High Yield Bond†	8,638	2.97
68,384,183	M&G Short Dated Corporate Bond†	17,616	6.07
75,086,931	M&G Strategic Corporate Bond†	87,664	30.18
14,026	Merrill Lynch AQR Global Relative Value	1,736	0.60
	TOTAL BOND PORTFOLIOS	199,005	68.52
	Portfolio of investments	285,794	98.40
	Net other assets	4,650	1.60
	Net assets	290,444	100.00

The investments are collective investment schemes unless stated otherwise.

† Related party holding.

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 30 APRIL 2018

Total purchases for the half year £'000 **24,126**

Purchases	Cost £'000
Euro Stoxx 50 Index Futures March 2018	4,278
S&P 500 E Mini Futures March 2018	4,180
M&G Strategic Corporate Bond	3,992
M&G Corporate Bond	3,107
M&G Short Dated Corporate Bond	2,550
Legal & General US Index	1,073
M&G European Corporate Bond	1,014
Legal & General Global Emerging Markets Index	941
Legal & General UK Index	864
M&G European Loan	576
M&G Global High Yield Bond	575
Merrill Lynch AQR Global Relative Value	517
HarbourVest Global Private Equity	149
BBGI	107
Renewables Infrastructure	65
NB Distressed Debt Investment	56
BioPharma Credit	46
NextEnergy Solar	24
DP Aircraft I	12

In addition to above, purchases totalling £463,546,000 were made in short term investments during the half year.

Purchases of Futures have been included at the value of their exposure.

Total sales for the half year £'000 **12,068**

Sales	Proceeds £'000
Euro Stoxx 50 Index Futures March 2018	4,483
S&P 500 E Mini Futures March 2018	4,410
M&G Strategic Corporate Bond	2,200
Legal & General Global Emerging Markets Index	719
CATCo Reinsurance Opportunities	250
NB Distressed Debt Investment	6

In addition to above, sales totalling £463,449,000 were made in short term investments during the half year.

Sales of Futures have been included at the value of their exposure.

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

LF PRUDENTIAL DYNAMIC FOCUSED 0-30 PORTFOLIO
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Income:				
Net capital (losses)/gains		(2,424)		3,428
Revenue	4,466		4,685	
Expenses	(613)		(552)	
Net revenue before taxation	3,853		4,133	
Taxation	(75)		(76)	
Net revenue after taxation		3,778		4,057
Total return before distributions		1,354		7,485
Distributions*		63		(21)
Change in net assets attributable to shareholders from investment activities		1,417		7,464

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Opening net assets attributable to shareholders		272,736		271,303
Amounts receivable on issue of shares	27,637		14,831	
Amounts payable on redemption of shares	(11,347)		(17,286)	
		16,290		(2,455)
Change in net assets attributable to shareholders from investment activities		1,417		7,464
Unclaimed distributions		1		–
Closing net assets attributable to shareholders		290,444		276,312

The above statement shows the comparative closing net assets at 30 April 2017 whereas the current accounting period commenced 1 November 2017.

* The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

BALANCE SHEET
AS AT 30 APRIL 2018

	30.04.18 £'000	31.10.17 £'000
ASSETS		
Fixed assets		
Investments	285,794	274,867
Current assets		
Debtors	2,876	2,040
Cash and bank balances	2,480	2,264
Total assets	291,150	279,171
LIABILITIES		
Provisions for liabilities	(38)	(25)
Creditors		
Distribution payable	–	(5,733)
Other creditors	(668)	(677)
Total liabilities	(706)	(6,435)
Net assets attributable to shareholders	290,444	272,736

LF PRUDENTIAL DYNAMIC FOCUSED 0-30 PORTFOLIO

Interim Financial Statements (unaudited) (continued)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

AS AT 30 APRIL 2018

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2017 and are described in those annual financial statements.

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

LF PRUDENTIAL DYNAMIC FOCUSED 10-40 PORTFOLIO

ACD'S REPORT

FOR THE HALF YEAR ENDED 30 APRIL 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 11 and 12.

INVESTMENT OBJECTIVE AND POLICY

The LF Prudential Dynamic Focused 10-40 Portfolio ('the Fund') aims to achieve a long-term total return (the combination of income and growth of capital) by investing mainly in collective investment schemes. Between 10% and 40% of the Fund will be invested in schemes whose predominant exposure is to equities.

The Fund invests in other funds which use active and passive management approaches in order to provide a well-diversified, indirect exposure to global fixed income and variable rate assets, cash, near cash, equities and/or immovable property. Typically, the Fund will have a bias towards lower risk assets such as fixed income assets and cash but will always have some exposure to equities. The Fund will concentrate on delivering returns from the Portfolio Manager's asset allocation decisions and the selection of a focused range of funds and fund management groups (which may include other funds managed by the Portfolio Manager).

The Fund may also invest directly in other assets such as transferable securities, cash and near cash, deposits, warrants and money market instruments. Derivative instruments may be used for efficient portfolio management only.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Dynamic Focused 10-40 Portfolio

27 June 2018

LF PRUDENTIAL DYNAMIC FOCUSED 10-40 PORTFOLIO

ACD's Report (continued)

For the half year ended 30 April 2018

PORTFOLIO MANAGER'S REPORT

Between 1 November 2017 and 30 April 2018 (the period in review) share classes R (Accumulation) 0.01%¹ and P (Accumulation) 0.10%¹ produced returns ahead of the -0.18%¹ sector average for the IA Mixed Investment 20-60% Shares. The A (Accumulation) share class was the same as the sector average at -0.18%¹.

ECONOMIC OVERVIEW

Late in the first quarter of 2018, a potential global trade war dominated the headlines. President Trump imposed tariffs on various imports into the US, and China, the main target, vowed to retaliate. Economic data was generally positive, with measures of activity revised upwards in the US, Japan and the eurozone. The UK proved an exception as growth was revised downwards, albeit remaining positive. Corporate earnings showed healthy growth and, on the whole, inflation remains muted. However, a jump in wage growth in the US triggered concerns that more interest rate increases will follow. The US Federal Reserve ('Fed') raised interest rates in late March by a quarter point to 1.75%, but signalled that further increases would be gradual.

MARKET OVERVIEW

2018 began strongly for most stockmarkets; many reached record highs before falling sharply, seemingly on concern about US inflation. Investors were then buffeted by unsettling factors, including potential interest rate increases, political uncertainty in the US, growing trade tensions and possible regulatory changes for leading technology companies.

UK EQUITIES

UK shares were among the weakest during the first quarter of 2018. Investors had to contend with continued uncertainty over the UK's withdrawal from the European Union, a potential reduction in the levels of economic activity and a possible trade war. The stronger pound was also seen as negative for the multinational companies that make up a large proportion of the FTSE 100 Index. The more domestically focused FTSE 250 Index declined as well, with several high street retailers reporting lower profits.

Returns from the Legal & General UK Index Trust were in line with the performance of the FTSE All-Share Index.

NORTH AMERICA

US stockmarkets reached record highs in late January as technology companies continued their remarkable rally. But things changed rapidly when investors decided that an increase in wage growth could signal higher inflation, prompting faster Fed interest rate hikes. Investors were further unsettled by President Trump's imposition of tariffs on imports, which threaten to unleash a global trade war. Later, the prospect of greater regulation on the largest technology groups weighed on their share prices. However, the US economy continues to grow and company profits remain robust.

Returns from the Legal & General US Index Trust were in line with the performance of the FTSE USA Index.

EUROPE

Share prices started 2018 strongly before succumbing to fears about higher US interest rates, a potential trade war and sharp falls in the share prices of technology groups. There was also some softening perceived in the economic data released later in the period. The persistent rise of the euro against other currencies led some investors to question whether exports may come under pressure.

Returns from the Legal & General European Index Trust were in line with the performance of the FTSE World Europe ex UK Index.

JAPAN

Having reached its highest level for 26 years in January 2018, the Japanese stockmarket fell back very sharply during the rest of the first quarter of 2018 and ended with a significant decline, in yen terms. To UK investors, the losses were reduced by the strength of the Japanese currency, which benefited from being seen as a safe haven. However, a stronger yen usually weighs on the country's stockmarket, as it reduced the attraction of exports, on which many companies are reliant. Exporting companies were also adversely affected by the possibility of a trade war.

Returns from the Legal & General Japan Index Trust were in line with the performance of the FTSE Japan Index.

ASIA EX JAPAN

The first few months of 2018 were negative for the Asia Pacific region as a whole, with investors preferring to focus on the ramifications of a trade war between the US and China rather than an easing of tension between North Korea and the US. The South Korean market did, however, outperform in March as the prospect of talks between Presidents Trump and Kim arose. China was adversely affected by trade tensions and potential regulations of financial groups.

Returns from the Legal & General Pacific Index Trust were in line with the performance of the FTSE World Asia Pacific ex Japan Index.

UK AND GLOBAL BONDS

The prospect of higher interest rates weighed in particular on the prices of government bonds due to be redeemed in 5-10 years, which underperformed those with a longer time before repayment, making the returns from UK government bonds (gilts) almost flat over the first few months of 2018.

The Fed raised US interest rates again after the new Fed chairman signalled his optimism about the US economy. This was taken to indicate further hikes in US borrowing costs. Earlier, higher US wage growth had raised concerns about increased inflationary pressures, which caused a sharp sell-off in US Treasuries. As risk aversion built up later in Q1, government bonds benefited from their safe haven status, meaning that the yields on bonds issued by Japan and Germany returned to remarkably low, or even negative, levels. Corporate bonds underperformed government bonds.

The M&G Strategic Corporate Bond, M&G Corporate Bond, M&G Global High Yield Bond, M&G European Corporate Bond and M&G Global Convertibles funds all produced small negative returns over the period in review. The M&G European Loan Fund was marginally positive.

¹ Source: FE Analytics. The Portfolio Manager uses IA Mixed Investment 20-60% Shares for comparison. No benchmark is to be disclosed per the Prospectus.

LF PRUDENTIAL DYNAMIC FOCUSED 10-40 PORTFOLIO

ACD's Report (continued)

Portfolio Manager's Report (continued)

For the half year ended 30 April 2018

UK PROPERTY

UK commercial property made a steady start to 2018, although the pace of expansion was somewhat slower than in the final quarter of 2017. Capital value growth was strongest in Industrials, which was also the only sector to see a meaningful increase in rental values. Meanwhile, Retail capital value growth lagged the broader market.

The performance of the M&G Property Portfolio continues to be positive.

EMERGING MARKETS

There was a wide disparity of returns in the first months of 2018. Africa, Asia and the Middle East declined, while Latin America rallied. Brazil led the way, helped by the economy recovering from recession. Elsewhere, the Russian stockmarket was supported by higher prices for oil and other natural resources. Indian shares were hit by a new capital gains tax, while China is at the centre of a possible trade war with the US. The Mexican stockmarket is seen at risk from President Trump's attempts to renegotiate the North American Free Trade Agreement.

Returns from the Legal & General Global Emerging Markets Index Trust were in line with the performance of the FTSE All World Emerging Index.

ALTERNATIVES

Overall performance of the alternatives holdings was broadly flat over the period in review with two notable outliers being HgCapital Trust which was up over 11% and Blue Capital Alternative Income which was down over 11%.

POSITIONING

Aside from day to day portfolio management activities there were no significant changes to the underlying portfolios, although following the market falls in early February the funds took a small overweight position in US and European equities (via futures) on the basis that fundamentals were still strong and the move down had been episodic. This proved profitable and the positions were closed towards the end of February.

OUTLOOK

Global growth in 2018 is expected to be broadly similar to the post-crisis highs of 2017 and is likely to be accompanied by rising inflation (albeit from low levels), as output gaps close, as well as by a gradual tightening of monetary policy on average in advanced economies.

Solid global economic performance should be supported by an expected acceleration in US growth, related to fiscal stimulus, and a continued strengthening of growth in some emerging markets, such as India and Indonesia. We judge the eurozone to be at the mid-cycle peak of its expansion, which suggests that the scope for a further acceleration of its economic growth is limited beyond the near term. In our view, overall growth will be restrained by a moderate slowdown in China, where extremely high leverage is expected to weigh on economic performance, as will some structural reform implementation. Furthermore, rising US rates should eventually prompt many emerging market central banks into tightening policy (most major emerging market central banks have held policy rates steady, with some exceptions such as South Korea and Mexico, or are loosening policy).

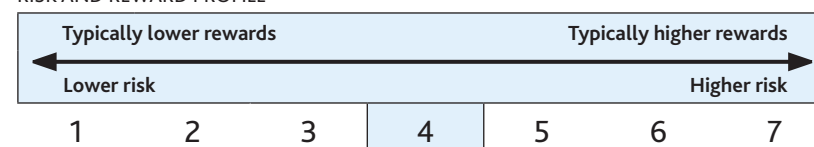
M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

16 May 2018

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.

During the period the indicator changed from 3 to 4. The Fund has been classed as 4 because its volatility has been measured as average.

As this Fund has less than 5 years' price history, this calculation incorporates the volatility of an appropriate benchmark index.

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 invests indirectly in overseas securities, exchange rates movements may, when not hedged, cause the value of your investment to increase or decrease.

Fixed interest securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security is also affected by its credit rating. Fixed interest securities with a higher average yield tend to be less liquid and have a lower credit rating. Investment in fixed interest securities with a higher yield also generally brings an increased risk of default on repayment by the issuer which could affect the income and capital of the Fund.

The Fund may also invest indirectly in property. Property investments may be harder to buy and sell than other asset types.

Non-UCITS Retail Scheme (NURS): The Fund can be less diversified than UCITS schemes as it has higher investment limits for certain types of assets. It can also invest in assets which are not available to UCITS schemes. This can increase the potential rewards but can also increase risk.

The value of investments and the income from them, will fluctuate. This will cause the Fund price to fall as well as rise and you may not get back what you originally invested.

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, by following the link 'Fund Information'.

LF PRUDENTIAL DYNAMIC FOCUSED 10-40 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES

Information for 30 April 2018 relates to the 6 month period ending 30 April 2018, with the exception of the operating charges in the 'Other Information' section. The operating charges relate to the expenses incurred on an *ex post* basis over the 12 month period ending 30 April 2018, expressed as a percentage of the average net asset value over the same period.

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

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 ¹ (p/share)
'A' Income shares				
Change in net assets per share				
Opening net asset value per share	115.31	110.19	100.11	100.00
Return before operating charges*	1.30	9.13	13.03	0.75
Operating charges	(0.94)	(1.84)	(1.64)	(0.24)
Return after operating charges	0.36	7.29	11.39	0.51
Distributions	–	(2.17)	(1.31)	(0.40)
Closing net asset value per share	115.67	115.31	110.19	100.11
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.31%	6.62%	11.38%	0.51%
Other Information				
Closing net asset value (£'000)	–	–	–	–
Closing number of shares	250	250	250	250
Operating charges	1.65%	1.62%	1.59%	1.56% ²
Direct transaction costs	–	–	–	–
Prices				
Highest share price	117.48	117.86	112.34	100.73
Lowest share price	113.07	107.65	96.21	98.16

¹ From 9 September 2015.

² Annualised figure due to share class being launched less than 1 year.

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 ¹ (p/share)
'A' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	119.57	112.38	100.62	100.00
Return before operating charges*	1.11	9.09	13.41	0.86
Operating charges	(0.98)	(1.90)	(1.65)	(0.24)
Return after operating charges	0.13	7.19	11.76	0.62
Distributions	–	(1.91)	(1.60)	(0.52)
Retained distributions on accumulation shares	–	1.91	1.60	0.52
Closing net asset value per share	119.70	119.57	112.38	100.62
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.11%	6.40%	11.69%	0.62%
Other Information				
Closing net asset value (£'000)	5	5	–	–
Closing number of shares	4,361	4,361	250	250
Operating charges	1.65%	1.62%	1.59%	1.56% ²
Direct transaction costs	–	–	–	–
Prices				
Highest share price	121.68	119.94	113.22	100.82
Lowest share price	117.04	109.82	96.89	98.17

¹ From 9 September 2015.

² Annualised figure due to share class being launched less than 1 year.

LF PRUDENTIAL DYNAMIC FOCUSED 10-40 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 ¹ (p/share)
'C' Income shares	
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	1.58
Operating charges	0.00
Return after operating charges	1.58
Distributions	–
Closing net asset value per share	101.58
* after direct transaction costs of:	–
Performance	
Return after charges	1.58%
Other Information	
Closing net asset value (£'000)	–
Closing number of shares	250
Operating charges	0.30% ²
Direct transaction costs	–
Prices	
Highest share price	101.25
Lowest share price	100.00

¹ From 17 April 2018.

² Annualised figure due to share class being launched less than 1 year.

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 ¹ (p/share)
'P' Income shares				
Change in net assets per share				
Opening net asset value per share	115.50	110.26	100.11	100.00
Return before operating charges*	0.97	8.58	13.12	0.77
Operating charges	(0.52)	(0.99)	(0.87)	(0.12)
Return after operating charges	0.45	7.59	12.25	0.65
Distributions	–	(2.35)	(2.10)	(0.54)
Closing net asset value per share	115.95	115.50	110.26	100.11
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.39%	6.88%	12.24%	0.65%
Other Information				
Closing net asset value (£'000)	6,551	6,280	5,681	5,006
Closing number of shares	5,649,590	5,437,561	5,151,817	5,000,255
Operating charges	0.90%	0.87%	0.84%	0.81% ²
Direct transaction costs	–	–	–	–
Prices				
Highest share price	117.58	118.10	113.19	100.86
Lowest share price	113.31	107.75	96.50	98.21

¹ From 9 September 2015.

² Annualised figure due to share class being launched less than 1 year.

LF PRUDENTIAL DYNAMIC FOCUSED 10-40 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 ¹ (p/share)
'P' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	120.79	113.01	100.66	100.00
Return before operating charges*	1.02	8.80	13.24	0.76
Operating charges	(0.54)	(1.02)	(0.89)	(0.10)
Return after operating charges	0.48	7.78	12.35	0.66
Distributions	–	(2.41)	(2.12)	(0.55)
Retained distributions on accumulation shares	–	2.41	2.12	0.55
Closing net asset value per share	121.27	120.79	113.01	100.66
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.40%	6.88%	12.27%	0.66%
Other Information				
Closing net asset value (£'000)	11,189	7,408	648	3
Closing number of shares	9,226,372	6,132,407	573,785	3,092
Operating charges	0.90%	0.87%	0.84%	0.81% ²
Direct transaction costs	–	–	–	–
Prices				
Highest share price	122.97	121.05	113.84	100.88
Lowest share price	118.51	110.45	97.04	98.22

¹ From 9 September 2015.

² Annualised figure due to share class being launched less than 1 year.

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 ¹ (p/share)
'R' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	120.24	112.72	100.62	100.00
Return before operating charges*	1.03	8.82	13.25	0.76
Operating charges	(0.68)	(1.30)	(1.15)	(0.14)
Return after operating charges	0.35	7.52	12.10	0.62
Distributions	–	(2.17)	(1.91)	(0.52)
Retained distributions on accumulation shares	–	2.17	1.91	0.52
Closing net asset value per share	120.59	120.24	112.72	100.62
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.29%	6.67%	12.03%	0.62%
Other Information				
Closing net asset value (£'000)	15,945	14,120	5,912	750
Closing number of shares	13,222,564	11,743,112	5,244,239	745,172
Operating charges	1.15%	1.12%	1.09%	1.06% ²
Direct transaction costs	–	–	–	–
Prices				
Highest share price	122.36	120.51	113.56	100.84
Lowest share price	117.87	110.15	96.94	98.20

¹ From 9 September 2015.

² Annualised figure due to share class being launched less than 1 year.

LF PRUDENTIAL DYNAMIC FOCUSED 10-40 PORTFOLIO

ACD's Report (continued)
Fund Information (continued)

FUND PERFORMANCE TO 30 APRIL 2018 (%)

	6 months	1 year	Since launch*
LF Prudential Dynamic Focused 10-40 Portfolio	(0.18)	3.25	19.31

* The Fund launched on 9 September 2015.

The performance of the Fund is based on the published price per 'A' 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.

PORTFOLIO STATEMENT AS AT 30 APRIL 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY PORTFOLIOS – 33.30% (31.10.17 – 33.05%)		
2,421,925	UNITED KINGDOM – 11.90% (31.10.17 – 11.30%) Legal & General UK Index	4,008	11.90
	TOTAL UNITED KINGDOM	4,008	11.90
582,283	CONTINENTAL EUROPE – 4.95% (31.10.17 – 4.46%) Legal & General European Index	1,669	4.95
	TOTAL CONTINENTAL EUROPE	1,669	4.95
1,411,192	ASIA EX JAPAN – 4.57% (31.10.17 – 4.83%) Legal & General Pacific Index	1,541	4.57
	TOTAL ASIA EX JAPAN	1,541	4.57
1,241,255	JAPAN – 2.02% (31.10.17 – 2.41%) Legal & General Japan Index	680	2.02
	TOTAL JAPAN	680	2.02
370,563	UNITED STATES – 4.33% (31.10.17 – 4.53%) Legal & General US Index	1,459	4.33
	TOTAL UNITED STATES	1,459	4.33
938,393	EMERGING MARKETS – 1.63% (31.10.17 – 1.65%) Legal & General Global Emerging Markets Index	549	1.63
	TOTAL EMERGING MARKETS	549	1.63
	EQUITY INVESTMENT INSTRUMENTS – 3.90% (31.10.17 – 3.87%)		
224,862	BBGI	298	0.89
96,111	BioPharma Credit	72	0.21
58,845	Blue Capital Alternative Income	27	0.08
83,002	DP Aircraft I	63	0.19
34,098	HarbourVest Global Private Equity	429	1.27
7,633	HgCapital	146	0.43

LF PRUDENTIAL DYNAMIC FOCUSED 10-40 PORTFOLIO

ACD's Report (continued)

Portfolio Statement (continued)

As at 30 April 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY INVESTMENT INSTRUMENTS – 3.90% (31.10.17 – 3.87%) (continued)		
84,333	NB Distressed Debt Investment	56	0.17
94,437	NextEnergy Solar	103	0.31
112,620	Renewables Infrastructure	119	0.35
	TOTAL EQUITY INVESTMENT INSTRUMENTS	1,313	3.90
	TOTAL EQUITY PORTFOLIOS	11,219	33.30
	PROPERTY PORTFOLIOS – 12.09% (31.10.17 – 11.62%)		
346,843	M&G Property Portfolio†	4,074	12.09
	TOTAL PROPERTY PORTFOLIOS	4,074	12.09
	BOND PORTFOLIOS – 53.61% (31.10.17 – 53.20%)		
4,522,335	M&G Corporate Bond†	1,841	5.47
1,849,375	M&G European Corporate Bond†	2,078	6.17
9,056	M&G European Loan†	798	2.37
179,921	M&G Global Convertibles†	381	1.13
895,885	M&G Global High Yield Bond†	1,177	3.49
5,340,012	M&G Short Dated Corporate Bond†	1,376	4.08
8,651,359	M&G Strategic Corporate Bond†	10,100	29.99
2,489	Merrill Lynch AQR Global Relative Value	308	0.91
	TOTAL BOND PORTFOLIOS	18,059	53.61
	Portfolio of investments	33,352	99.00
	Net other assets	338	1.00
	Net assets	33,690	100.00

The investments are collective investment schemes unless stated otherwise.

† Related party holding.

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 30 APRIL 2018

Total purchases for the half year £'000	7,291
Major purchases	Cost £'000
M&G Strategic Corporate Bond	1,995
Legal & General UK Index	827
M&G Property Portfolio	769
S&P 500 E Mini Futures March 2018	475
Euro Stoxx 50 Index Futures March 2018	472
Legal & General European Index	448
M&G European Corporate Bond	404
M&G Corporate Bond	326
M&G Short Dated Corporate Bond	240
M&G European Loan	208
Legal & General Pacific Index	203
Legal & General US Index	197
M&G Global High Yield Bond	169
HarbourVest Global Private Equity	105
Merrill Lynch AQR Global Relative Value	102
Legal & General Global Emerging Markets Index	85
M&G Global Convertibles	71
BBGI	70
NextEnergy Solar	30
BioPharma Credit	27

Purchases of Futures have been included at the value of their exposure.

Total sales for the half year £'000	1,129
Sales	Proceeds £'000
S&P 500 E Mini Futures March 2018	501
Euro Stoxx 50 Index Futures March 2018	495
M&G Short Dated Corporate Bond	99
CATCo Reinsurance Opportunities	32
NB Distressed Debt Investment	2

Sales of Futures have been included at the value of their exposure.

The summary of material portfolio changes represents the 20 largest purchases and all of the sales during the half year.

LF PRUDENTIAL DYNAMIC FOCUSED 10-40 PORTFOLIO
INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Income:				
Net capital (losses)/gains		(136)		291
Revenue	432		223	
Expenses	(136)		(63)	
Net revenue before taxation	296		160	
Taxation	(41)		(21)	
Net revenue after taxation		255		139
Total return before distributions		119		430
Distributions*		14		25
Change in net assets attributable to shareholders from investment activities		133		455

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Opening net assets attributable to shareholders		27,813		12,241
Amounts receivable on issue of shares	7,037		6,275	
Amounts payable on redemption of shares	(1,293)		(773)	
		5,744		5,502
Change in net assets attributable to shareholders from investment activities		133		455
Closing net assets attributable to shareholders		33,690		18,198

The above statement shows the comparative closing net assets at 30 April 2017 whereas the current accounting period commenced 1 November 2017.

* The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

BALANCE SHEET
AS AT 30 APRIL 2018

	30.04.18 £'000	31.10.17 £'000
ASSETS		
Fixed assets		
Investments	33,352	27,221
Current assets		
Debtors	299	508
Cash and bank balances	277	551
Total assets	33,928	28,280
LIABILITIES		
Provisions for liabilities	(6)	(3)
Creditors		
Distribution payable	–	(128)
Other creditors	(232)	(336)
Total liabilities	(238)	(467)
Net assets attributable to shareholders	33,690	27,813

LF PRUDENTIAL DYNAMIC FOCUSED 10-40 PORTFOLIO

Interim Financial Statements (unaudited) (continued)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

AS AT 30 APRIL 2018

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2017 and are described in those annual financial statements.

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

LF PRUDENTIAL DYNAMIC FOCUSED 20-55 PORTFOLIO

ACD'S REPORT

FOR THE HALF YEAR ENDED 30 APRIL 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 11 and 12.

INVESTMENT OBJECTIVE AND POLICY

The LF Prudential Dynamic Focused 20-55 Portfolio ('the Fund') aims to achieve a long-term total return (the combination of income and growth of capital) by investing mainly in collective investment schemes. Between 20% and 55% of the Fund will be invested in schemes whose predominant exposure is to equities.

The Fund invests in other funds which use active and passive management approaches in order to provide a well-diversified, indirect exposure to global fixed income and variable rate assets, cash, near cash, equities and/or immovable property. From time to time, however, the Fund may have a high exposure to equities and/or fixed income assets. The Fund will concentrate on delivering returns from the Portfolio Manager's asset allocation decisions and the selection of a focused range of funds and fund management groups (which may include other funds managed by the Portfolio Manager).

The Fund may also invest directly in other assets such as transferable securities, cash and near cash, deposits, warrants and money market instruments. Derivative instruments may be used for efficient portfolio management only.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Dynamic Focused 20-55 Portfolio

27 June 2018

LF PRUDENTIAL DYNAMIC FOCUSED 20-55 PORTFOLIO

ACD's Report (continued)

For the half year ended 30 April 2018

PORTFOLIO MANAGER'S REPORT

Between 1 November 2017 and 30 April 2018 (the period in review) share classes R (Accumulation) -0.06%¹ and P (Accumulation) -0.04%¹ produced returns ahead of the -0.18%¹ sector average for IA Mixed Investment 20-60% Shares. A (Accumulation) -0.21% was slightly behind.

ECONOMIC OVERVIEW

Late in the first quarter of 2018, a potential global trade war dominated the headlines. President Trump imposed tariffs on various imports into the US, and China, the main target, vowed to retaliate. Economic data was generally positive, with measures of activity revised upwards in the US, Japan and the eurozone. The UK proved an exception as growth was revised downwards, albeit remaining positive. Corporate earnings showed healthy growth and, on the whole, inflation remains muted. However, a jump in wage growth in the US triggered concerns that more interest rate increases will follow. The US Federal Reserve ('Fed') raised interest rates in late March by a quarter point to 1.75%, but signalled that further increases would be gradual.

MARKET OVERVIEW

2018 began strongly for most stockmarkets; many reached record highs before falling sharply, seemingly on concern about US inflation. Investors were then buffeted by unsettling factors, including potential interest rate increases, political uncertainty in the US, growing trade tensions and possible regulatory changes for leading technology companies.

UK EQUITIES

UK shares were among the weakest during the first quarter of 2018. Investors had to contend with continued uncertainty over the UK's withdrawal from the European Union, a potential reduction in the levels of economic activity and a possible trade war. The stronger pound was also seen as negative for the multinational companies that make up a large proportion of the FTSE 100 Index. The more domestically focused FTSE 250 Index declined as well, with several high street retailers reporting lower profits.

Returns from the Legal & General UK Index Trust were in line with the performance of the FTSE All-Share Index.

NORTH AMERICA

US stockmarkets reached record highs in late January as technology companies continued their remarkable rally. But things changed rapidly when investors decided that an increase in wage growth could signal higher inflation, prompting faster Fed interest rate hikes. Investors were further unsettled by President Trump's imposition of tariffs on imports, which threaten to unleash a global trade war. Later, the prospect of greater regulation on the largest technology groups weighed on their share prices. However, the US economy continues to grow and company profits remain robust.

Returns from the Legal & General US Index Trust were in line with the performance of the FTSE USA Index.

EUROPE

Share prices started 2018 strongly before succumbing to fears about higher US interest rates, a potential trade war and sharp falls in the share prices of technology groups. There was also some softening perceived in the economic data released later in the period. The persistent rise of the euro against other currencies led some investors to question whether exports may come under pressure.

Returns from the Legal & General European Index Trust were in line with the performance of the FTSE World Europe ex UK Index.

JAPAN

Having reached its highest level for 26 years in January 2018, the Japanese stockmarket fell back very sharply during the rest of the first quarter of 2018 and ended with a significant decline, in yen terms. To UK investors, the losses were reduced by the strength of the Japanese currency, which benefited from being seen as a safe haven. However, a stronger yen usually weighs on the country's stockmarket, as it reduced the attraction of exports, on which many companies are reliant. Exporting companies were also adversely affected by the possibility of a trade war.

Returns from the Legal & General Japan Index Trust were in line with the performance of the FTSE Japan Index.

ASIA EX JAPAN

The first few months of 2018 were negative for the Asia Pacific region as a whole, with investors preferring to focus on the ramifications of a trade war between the US and China rather than an easing of tension between North Korea and the US. The South Korean market did, however, outperform in March as the prospect of talks between Presidents Trump and Kim arose. China was adversely affected by trade tensions and potential regulations of financial groups.

Returns from the Legal & General Pacific Index Trust were in line with the performance of the FTSE World Asia Pacific ex Japan Index.

UK AND GLOBAL BONDS

The prospect of higher interest rates weighed in particular on the prices of government bonds due to be redeemed in 5-10 years, which underperformed those with a longer time before repayment, making the returns from UK government bonds (gilts) almost flat over the first few months of 2018.

The Fed raised US interest rates again after the new Fed chairman signalled his optimism about the US economy. This was taken to indicate further hikes in US borrowing costs. Earlier, higher US wage growth had raised concerns about increased inflationary pressures, which caused a sharp sell-off in US Treasuries. As risk aversion built up later in Q1, government bonds benefited from their safe haven status, meaning that the yields on bonds issued by Japan and Germany returned to remarkably low, or even negative, levels. Corporate bonds underperformed government bonds.

The M&G Strategic Corporate Bond, M&G Global High Yield Bond, M&G European Corporate Bond and M&G Global Convertibles funds all produced small negative returns over the period in review. The M&G European Loan Fund was marginally positive.

¹ Source: FE Analytics. The Portfolio Manager uses the IA Mixed Investment 20-60% Shares for comparison. No benchmark is to be disclosed per the Prospectus.

LF PRUDENTIAL DYNAMIC FOCUSED 20-55 PORTFOLIO

ACD's Report (continued)

Portfolio Manager's Report (continued)

For the half year ended 30 April 2018

UK PROPERTY

UK commercial property made a steady start to 2018, although the pace of expansion was somewhat slower than in the final quarter of 2017. Capital value growth was strongest in Industrials, which was also the only sector to see a meaningful increase in rental values. Meanwhile, Retail capital value growth lagged the broader market.

The performance of the M&G Property Portfolio continues to be positive.

EMERGING MARKETS

There was a wide disparity of returns in the first months of 2018. Africa, Asia and the Middle East declined, while Latin America rallied. Brazil led the way, helped by the economy recovering from recession. Elsewhere, the Russian stockmarket was supported by higher prices for oil and other natural resources. Indian shares were hit by a new capital gains tax, while China is at the centre of a possible trade war with the US. The Mexican stockmarket is seen at risk from President Trump's attempts to renegotiate the North American Free Trade Agreement.

Returns from the Legal & General Global Emerging Markets Index Fund were in line with the performance of the FTSE All World Emerging Index.

ALTERNATIVES

Overall performance of the alternatives holdings was broadly flat over the period in review with two notable outliers being HgCapital Trust which was up over 11% and Blue Capital Alternative Income Fund which was down over 11%.

POSITIONING

Aside from day to day portfolio management activities there were no significant changes to the underlying portfolios, although following the market falls in early February the funds took a small overweight position in US and European equities (via futures) on the basis that fundamentals were still strong and the move down had been episodic. This proved profitable and the positions were closed towards the end of February.

OUTLOOK

Global growth in 2018 is expected to be broadly similar to the post-crisis highs of 2017 and is likely to be accompanied by rising inflation (albeit from low levels), as output gaps close, as well as by a gradual tightening of monetary policy on average in advanced economies.

Solid global economic performance should be supported by an expected acceleration in US growth, related to fiscal stimulus, and a continued strengthening of growth in some emerging markets, such as India and Indonesia. We judge the eurozone to be at the mid-cycle peak of its expansion, which suggests that the scope for a further acceleration of its economic growth is limited beyond the near term. In our view, overall growth will be restrained by a moderate slowdown in China, where extremely high leverage is expected to weigh on economic performance, as will some structural reform implementation. Furthermore, rising US rates should eventually prompt many emerging market central banks into tightening policy (most major emerging market central banks have held policy rates steady, with some exceptions such as South Korea and Mexico, or are loosening policy).

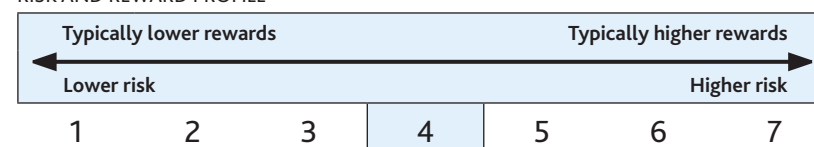
M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

16 May 2018

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.

Currency Risk: As the Fund invests indirectly in overseas securities, exchange rates movements may, when not hedged, cause the value of your investment to increase or decrease.

Fixed interest securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security is also affected by its credit rating. Fixed interest securities with a higher average yield tend to be less liquid and have a lower credit rating. Investment in fixed interest securities with a higher yield also generally brings an increased risk of default on repayment by the issuer which could affect the income and capital of the Fund.

The Fund may also invest indirectly in property. Property investments may be harder to buy and sell than other asset types.

Non-UCITS Retail Scheme (NURS): The Fund can be less diversified than UCITS schemes as it has higher investment limits for certain types of assets. It can also invest in assets which are not available to UCITS schemes. This can increase the potential rewards but can also increase risk.

The value of investments, and the income from them, will fluctuate. This will cause the Fund price to fall as well as rise and you may not get back what you originally invested.

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, by following the link 'Fund Information'.

LF PRUDENTIAL DYNAMIC FOCUSED 20-55 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES

Information for 30 April 2018 relates to the 6 month period ending 30 April 2018, with the exception of the operating charges in the 'Other Information' section. The operating charges relate to the expenses incurred on an *ex post* basis over the 12 month period ending 30 April 2018, expressed as a percentage of the average net asset value over the same period.

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

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'A' Income shares				
Change in net assets per share				
Opening net asset value per share	141.31	133.58	120.01	119.18
Return before operating charges*	1.53	12.31	17.05	5.37
Operating charges	(1.15)	(2.27)	(1.94)	(1.97)
Return after operating charges	0.38	10.04	15.11	3.40
Distributions	–	(2.31)	(1.54)	(2.57)
Closing net asset value per share	141.69	141.31	133.58	120.01
* after direct transaction costs of:	–	–	–	–

Performance				
Return after charges	0.27%	7.52%	12.59%	2.85%

Other Information				
Closing net asset value (£'000)	361	332	301	1,066
Closing number of shares	254,984	235,096	225,489	888,074
Operating charges	1.65%	1.64%	1.59%	1.59%
Direct transaction costs	–	–	–	–

Prices				
Highest share price	144.10	144.06	136.28	130.22
Lowest share price	137.67	130.41	115.24	117.85

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'A' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	170.67	158.74	140.95	137.01
Return before operating charges*	1.85	14.63	20.09	6.19
Operating charges	(1.39)	(2.70)	(2.30)	(2.25)
Return after operating charges	0.46	11.93	17.79	3.94
Distributions	–	(2.75)	(2.14)	(3.00)
Retained distributions on accumulation shares	–	2.75	2.14	3.00
Closing net asset value per share	171.13	170.67	158.74	140.95
* after direct transaction costs of:	–	–	–	–

Performance				
Return after charges	0.27%	7.52%	12.62%	2.88%

Other Information				
Closing net asset value (£'000)	10,333	10,601	11,285	15,039
Closing number of shares	6,038,174	6,211,459	7,109,287	10,669,696
Operating charges	1.65%	1.64%	1.59%	1.59%
Direct transaction costs	–	–	–	–

Prices				
Highest share price	173.90	171.06	159.98	149.46
Lowest share price	166.27	154.98	135.26	135.52

LF PRUDENTIAL DYNAMIC FOCUSED 20-55 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'C' Income shares				
Change in net assets per share				
Opening net asset value per share	140.98	133.22	119.91	119.16
Return before operating charges*	1.34	11.98	16.85	5.02
Operating charges	(0.21)	(0.40)	(0.30)	(0.30)
Return after operating charges	1.13	11.58	16.55	4.72
Distributions	–	(3.82)	(3.24)	(3.97)
Closing net asset value per share	142.11	140.98	133.22	119.91
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.80%	8.69%	13.80%	3.96%
Other Information				
Closing net asset value (£'000)	70,988	68,019	63,776	59,226
Closing number of shares	49,951,319	48,248,285	47,871,491	49,393,175
Operating charges	0.30%	0.29%	0.24%	0.24%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	144.13	145.23	137.64	130.60
Lowest share price	137.94	130.19	115.50	118.99

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'P' Income shares				
Change in net assets per share				
Opening net asset value per share	119.23	112.69	101.44	100.89
Return before operating charges*	1.21	10.24	14.36	4.30
Operating charges	(0.53)	(1.04)	(0.88)	(0.89)
Return after operating charges	0.68	9.20	13.48	3.41
Distributions	–	(2.66)	(2.23)	(2.86)
Closing net asset value per share	119.91	119.23	112.69	101.44
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.57%	8.16%	13.29%	3.38%
Other Information				
Closing net asset value (£'000)	5,212	4,681	3,595	2,950
Closing number of shares	4,346,848	3,925,710	3,190,657	2,907,923
Operating charges	0.90%	0.89%	0.84%	0.84%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	121.86	122.37	116.01	110.29
Lowest share price	116.44	110.07	97.70	100.23

LF PRUDENTIAL DYNAMIC FOCUSED 20-55 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'P' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	130.73	120.86	106.66	103.20
Return before operating charges*	1.33	10.99	15.12	4.36
Operating charges	(0.58)	(1.12)	(0.92)	(0.90)
Return after operating charges	0.75	9.87	14.20	3.46
Distributions	–	(2.86)	(2.34)	(2.92)
Retained distributions on accumulation shares	–	2.86	2.34	2.92
Closing net asset value per share	131.48	130.73	120.86	106.66
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.57%	8.17%	13.31%	3.35%
Other Information				
Closing net asset value (£'000)	69,124	53,898	41,522	42,800
Closing number of shares	52,574,106	41,227,361	34,354,208	40,126,665
Operating charges	0.90%	0.89%	0.84%	0.84%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	133.55	131.17	121.96	112.83
Lowest share price	127.68	118.06	102.71	102.49

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 (p/share)
'R' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	151.28	140.14	123.93	120.01
Return before operating charges*	1.57	12.80	17.61	5.25
Operating charges	(0.86)	(1.66)	(1.40)	(1.33)
Return after operating charges	0.71	11.14	16.21	3.92
Distributions	–	(3.02)	(2.49)	(3.16)
Retained distributions on accumulation shares	–	3.02	2.49	3.16
Closing net asset value per share	151.99	151.28	140.14	123.93
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.47%	7.95%	13.08%	3.27%
Other Information				
Closing net asset value (£'000)	22,754	19,926	13,119	8,507
Closing number of shares	14,971,147	13,171,964	9,361,120	6,864,399
Operating charges	1.15%	1.14%	1.09%	1.09%
Direct transaction costs	–	–	–	–
Prices				
Highest share price	154.35	151.68	141.30	131.13
Lowest share price	147.62	136.87	119.15	119.10

LF PRUDENTIAL DYNAMIC FOCUSED 20-55 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

FUND PERFORMANCE TO 30 APRIL 2018 (%)

	6 months	1 year	3 years	5 years
LF Prudential Dynamic Focused 20-55 Portfolio	(0.21)	3.92	16.45	30.12

The performance of the Fund is based on the published price per 'A' 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.

PORTFOLIO STATEMENT AS AT 30 APRIL 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY PORTFOLIOS – 40.22% (31.10.17 – 40.56%)		
3,937,250	CONTINENTAL EUROPE – 6.31% (31.10.17 – 6.56%) Legal & General European Index	11,284	6.31
	TOTAL CONTINENTAL EUROPE	11,284	6.31
17,532,130	UNITED KINGDOM – 16.23% (31.10.17 – 15.83%) Legal & General UK Index	29,016	16.23
	TOTAL UNITED KINGDOM	29,016	16.23
10,180,040	ASIA EX JAPAN – 6.22% (31.10.17 – 6.60%) Legal & General Pacific Index	11,117	6.22
	TOTAL ASIA EX JAPAN	11,117	6.22
9,472,443	JAPAN – 2.90% (31.10.17 – 2.95%) Legal & General Japan Index	5,185	2.90
	TOTAL JAPAN	5,185	2.90
2,959,335	UNITED STATES – 6.52% (31.10.17 – 6.32%) Legal & General US Index	11,651	6.52
	TOTAL UNITED STATES	11,651	6.52
6,248,700	EMERGING MARKETS – 2.04% (31.10.17 – 2.30%) Legal & General Global Emerging Markets Index	3,658	2.04
	TOTAL EMERGING MARKETS	3,658	2.04
	TOTAL EQUITY PORTFOLIOS	71,911	40.22
	EQUITY INVESTMENT INSTRUMENTS – 4.64% (31.10.17 – 4.87%)		
1,369,515	BBCI	1,815	1.02
654,399	BioPharma Credit	490	0.27
546,860	Blue Capital Alternative Income	250	0.14
563,054	DP Aircraft I	429	0.24
208,852	HarbourVest Global Private Equity	2,627	1.47
51,301	HgCapital	977	0.55

LF PRUDENTIAL DYNAMIC FOCUSED 20-55 PORTFOLIO

ACD's Report (continued)

Portfolio Statement (continued)

As at 30 April 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY INVESTMENT INSTRUMENTS – 4.64% (31.10.17 – 4.87%) (continued)		
464,563	NB Distressed Debt Investment	309	0.17
563,658	NextEnergy Solar	617	0.35
735,183	Renewables Infrastructure	776	0.43
	TOTAL EQUITY INVESTMENT INSTRUMENTS	8,290	4.64
	PROPERTY PORTFOLIOS – 14.40% (31.10.17 – 14.23%)		
2,191,512	M&G Property Portfolio†	25,741	14.40
	TOTAL PROPERTY PORTFOLIOS	25,741	14.40
	BOND PORTFOLIOS – 39.13% (31.10.17 – 40.10%)		
6,846,168	M&G European Corporate Bond†	7,691	4.30
34,326	M&G European Loan†	3,025	1.69
630,492	M&G Global Convertibles†	1,334	0.75
4,730,429	M&G Global High Yield Bond†	6,217	3.48
21,770,228	M&G Short Dated Corporate Bond†	5,608	3.14
37,696,833	M&G Strategic Corporate Bond†	44,011	24.62
16,667	Merrill Lynch AQR Global Relative Value	2,063	1.15
	TOTAL BOND PORTFOLIOS	69,949	39.13
	Portfolio of investments	175,891	98.39
	Net other assets	2,881	1.61
	Net assets	178,772	100.00

The investments are collective investment schemes unless stated otherwise.

† Related party holding.

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 30 APRIL 2018

Total purchases for the half year £'000 **28,973**

Major purchases	Cost £'000
M&G Strategic Corporate Bond	5,866
Legal & General UK Index	4,477
M&G Property Portfolio	2,842
Euro Stoxx 50 Index Futures March 2018	2,567
S&P 500 E Mini Futures March 2018	2,565
M&G Short Dated Corporate Bond	1,749
Legal & General US Index	1,666
Legal & General Pacific Index	1,477
Legal & General European Index	1,172
M&G Global High Yield Bond	830
Merrill Lynch AQR Global Relative Value	773
M&G European Corporate Bond	712
M&G European Loan	655
Legal & General Japan Index	480
HarbourVest Global Private Equity	404
BBGI	246
Renewables Infrastructure	130
BioPharma Credit	103
NB Distressed Debt Investment	80
NextEnergy Solar	68

Purchases of Futures have been included at the value of their exposure.

Total sales for the half year £'000 **10,162**

Sales	Proceeds £'000
S&P 500 E Mini Futures March 2018	2,706
Euro Stoxx 50 Index Futures March 2018	2,690
M&G Strategic Corporate Bond	1,700
M&G Short Dated Corporate Bond	1,490
Legal & General Pacific Index	696
Legal & General UK Index	582
CATCo Reinsurance Opportunities	291
NB Distressed Debt Investment	7

Sales of Futures have been included at the value of their exposure.

The summary of material portfolio changes represents the 20 largest purchases and all of the sales during the half year.

LF PRUDENTIAL DYNAMIC FOCUSED 20-55 PORTFOLIO
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Income:				
Net capital (losses)/gains		(594)		3,450
Revenue	2,363		2,095	
Expenses	(501)		(387)	
Net revenue before taxation	1,862		1,708	
Taxation	(212)		(206)	
Net revenue after taxation		1,650		1,502
Total return before distributions		1,056		4,952
Distributions*		60		29
Change in net assets attributable to shareholders from investment activities		1,116		4,981

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Opening net assets attributable to shareholders		157,457		133,598
Amounts receivable on issue of shares	28,255		18,224	
Amounts payable on redemption of shares	(8,056)		(11,218)	
		20,199		7,006
Change in net assets attributable to shareholders from investment activities		1,116		4,981
Closing net assets attributable to shareholders		178,772		145,585

The above statement shows the comparative closing net assets at 30 April 2017 whereas the current accounting period commenced 1 November 2017.

* The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

BALANCE SHEET
AS AT 30 APRIL 2018

	30.04.18 £'000	31.10.17 £'000
ASSETS		
Fixed assets		
Investments	175,891	157,077
Current assets		
Debtors	1,982	1,763
Cash and bank balances	1,921	1,221
Total assets	179,794	160,061
LIABILITIES		
Provisions for liabilities	(38)	(22)
Creditors		
Distribution payable	–	(1,955)
Other creditors	(984)	(627)
Total liabilities	(1,022)	(2,604)
Net assets attributable to shareholders	178,772	157,457

LF PRUDENTIAL DYNAMIC FOCUSED 20-55 PORTFOLIO

Interim Financial Statements (unaudited) (continued)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

AS AT 30 APRIL 2018

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2017 and are described in those annual financial statements.

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

LF PRUDENTIAL DYNAMIC FOCUSED 40-80 PORTFOLIO

ACD'S REPORT

FOR THE HALF YEAR ENDED 30 APRIL 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 11 and 12.

INVESTMENT OBJECTIVE AND POLICY

The LF Prudential Dynamic Focused 40-80 Portfolio ('the Fund') aims to achieve a long-term total return (the combination of income and growth of capital) by investing mainly in collective investment schemes. Between 40% and 80% of the Fund will be invested in schemes whose predominant exposure is to equities.

The Fund invests in other funds which use active and passive management approaches in order to provide a well-diversified, indirect exposure to global fixed income and variable rate assets, cash, near cash, equities and/or immovable property. Typically the Fund will have a bias towards assets providing potential for growth, such as equities. The Fund will concentrate on delivering returns from the Portfolio Manager's asset allocation decisions and the selection of a focused range of funds and fund management groups (which may include other funds managed by the Portfolio Manager).

The Fund may also invest directly in other assets such as transferable securities, cash and near cash, deposits, warrants and money market instruments. Derivative instruments may be used for efficient portfolio management only.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Dynamic Focused 40-80 Portfolio

27 June 2018

LF PRUDENTIAL DYNAMIC FOCUSED 40-80 PORTFOLIO

ACD's Report (continued)

For the half year ended 30 April 2018

PORTFOLIO MANAGER'S REPORT

Between 1 November 2017 and 30 April 2018 (the period in review) share classes R (Accumulation) -0.05%¹ and P (Accumulation) 0.07%¹ produced returns ahead of the -0.13%¹ sector average for IA Mixed Investment 40-85% Shares. The A (Accumulation) share class was behind the sector average returning -0.26%¹.

ECONOMIC OVERVIEW

Late in the first quarter of 2018, a potential global trade war dominated the headlines. President Trump imposed tariffs on various imports into the US, and China, the main target, vowed to retaliate. Economic data was generally positive, with measures of activity revised upwards in the US, Japan and the eurozone. The UK proved an exception as growth was revised downwards, albeit remaining positive. Corporate earnings showed healthy growth and, on the whole, inflation remains muted. However, a jump in wage growth in the US triggered concerns that more interest rate increases will follow. The US Federal Reserve ('Fed') raised interest rates in late March by a quarter point to 1.75%, but signalled that further increases would be gradual.

MARKET OVERVIEW

2018 began strongly for most stockmarkets; many reached record highs before falling sharply, seemingly on concern about US inflation. Investors were then buffeted by unsettling factors, including potential interest rate increases, political uncertainty in the US, growing trade tensions and possible regulatory changes for leading technology companies.

UK EQUITIES

UK shares were among the weakest during the first quarter of 2018. Investors had to contend with continued uncertainty over the UK's withdrawal from the European Union, a potential reduction in the levels of economic activity and a possible trade war. The stronger pound was also seen as negative for the multinational companies that make up a large proportion of the FTSE 100 Index. The more domestically focused FTSE 250 Index declined as well, with several high street retailers reporting lower profits.

Returns from the Legal & General UK Index Trust were in line with the performance of the FTSE All-Share Index.

NORTH AMERICA

US stockmarkets reached record highs in late January as technology companies continued their remarkable rally. But things changed rapidly when investors decided that an increase in wage growth could signal higher inflation, prompting faster Fed interest rate hikes. Investors were further unsettled by President Trump's imposition of tariffs on imports, which threaten to unleash a global trade war. Later, the prospect of greater regulation on the largest technology groups weighed on their share prices. However, the US economy continues to grow and company profits remain robust.

Returns from the Legal & General US Index Trust were in line with the performance of the FTSE USA Index.

EUROPE

Share prices started 2018 strongly before succumbing to fears about higher US interest rates, a potential trade war and sharp falls in the share prices of technology groups. There was also some softening perceived in the economic data released later in the period. The persistent rise of the euro against other currencies led some investors to question whether exports may come under pressure.

Returns from the Legal & General European Index Trust were in line with the performance of the FTSE World Europe ex UK Index.

JAPAN

Having reached its highest level for 26 years in January 2018, the Japanese stockmarket fell back very sharply during the rest of the first quarter of 2018 and ended with a significant decline, in yen terms. To UK investors, the losses were reduced by the strength of the Japanese currency, which benefited from being seen as a safe haven. However, a stronger yen usually weighs on the country's stockmarket, as it reduced the attraction of exports, on which many companies are reliant. Exporting companies were also adversely affected by the possibility of a trade war.

Returns from the Legal & General Japan Index Trust were in line with the performance of the FTSE Japan Index.

ASIA EX JAPAN

The first few months of 2018 were negative for the Asia Pacific region as a whole, with investors preferring to focus on the ramifications of a trade war between the US and China rather than an easing of tension between North Korea and the US. The South Korean market did, however, outperform in March as the prospect of talks between Presidents Trump and Kim arose. China was adversely affected by trade tensions and potential regulations of financial groups.

Returns from the Legal & General Pacific Index Trust were in line with the performance of the FTSE World Asia Pacific ex Japan Index.

UK AND GLOBAL BONDS

The prospect of higher interest rates weighed in particular on the prices of government bonds due to be redeemed in 5-10 years, which underperformed those with a longer time before repayment, making the returns from UK government bonds (gilts) almost flat over the first few months of 2018.

The Federal Reserve raised US interest rates again after the new Fed chairman signalled his optimism about the US economy. This was taken to indicate further hikes in US borrowing costs. Earlier, higher US wage growth had raised concerns about increased inflationary pressures, which caused a sharp sell-off in US Treasuries. As risk aversion built up later in Q1, government bonds benefited from their safe haven status, meaning that the yields on bonds issued by Japan and Germany returned to remarkably low, or even negative, levels. Corporate bonds underperformed government bonds.

The M&G Strategic Corporate Bond, M&G Global High Yield Bond, M&G European Corporate Bond and M&G Global Convertibles funds all produced small negative returns over the period in review. The M&G European Loan Fund was marginally positive.

¹ Source: FE Analytics. The Portfolio Manager uses the IA Mixed Investment 40-85% Shares for comparison. No benchmark is to be disclosed per the Prospectus.

LF PRUDENTIAL DYNAMIC FOCUSED 40-80 PORTFOLIO

ACD's Report (continued)

Portfolio Manager's Report (continued)

For the half year ended 30 April 2018

UK PROPERTY

UK commercial property made a steady start to 2018, although the pace of expansion was somewhat slower than in the final quarter of 2017. Capital value growth was strongest in Industrials, which was also the only sector to see a meaningful increase in rental values. Meanwhile, Retail capital value growth lagged the broader market.

The performance of the M&G Property Portfolio continues to be positive.

EMERGING MARKETS

There was a wide disparity of returns in the first months of 2018. Africa, Asia and the Middle East declined, while Latin America rallied. Brazil led the way, helped by the economy recovering from recession. Elsewhere, the Russian stockmarket was supported by higher prices for oil and other natural resources. Indian shares were hit by a new capital gains tax, while China is at the centre of a possible trade war with the US. The Mexican stockmarket is seen at risk from President Trump's attempts to renegotiate the North American Free Trade Agreement.

Returns from the Legal & General Global Emerging Markets Index Trust were in line with the performance of the FTSE All World Emerging Index.

ALTERNATIVES

Overall performance of the alternatives holdings was broadly flat over the period in review with two notable outliers being HgCapital Trust which was up over 11% and Blue Capital Alternative Income which was down over 11%.

POSITIONING

Aside from day to day portfolio management activities there were no significant changes to the underlying portfolios, although following the market falls in early February the funds took a small overweight position in US and European equities (via futures) on the basis that fundamentals were still strong and the move down had been episodic. This proved profitable and the positions were closed towards the end of February.

OUTLOOK

Global growth in 2018 is expected to be broadly similar to the post-crisis highs of 2017 and is likely to be accompanied by rising inflation (albeit from low levels), as output gaps close, as well as by a gradual tightening of monetary policy on average in advanced economies.

Solid global economic performance should be supported by an expected acceleration in US growth, related to fiscal stimulus, and a continued strengthening of growth in some emerging markets, such as India and Indonesia. We judge the eurozone to be at the mid-cycle peak of its expansion, which suggests that the scope for a further acceleration of its economic growth is limited beyond the near term. In our view, overall growth will be restrained by a moderate slowdown in China, where extremely high leverage is expected to weigh on economic performance, as will some structural reform implementation. Furthermore, rising US rates should eventually prompt many emerging market central banks into tightening policy (most major emerging market central banks have held policy rates steady, with some exceptions such as South Korea and Mexico, or are loosening policy).

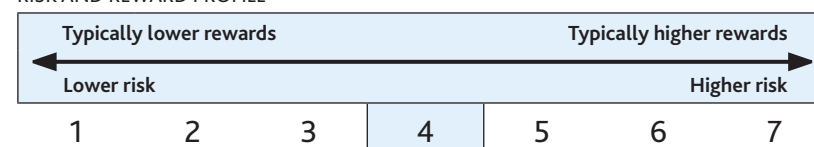
M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

16 May 2018

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.

As this Fund has less than 5 years' price history, this calculation incorporates the volatility of an appropriate benchmark index.

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 invests indirectly in overseas securities, exchange rates movements may, when not hedged, cause the value of your investment to increase or decrease.

Fixed interest securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security is also affected by its credit rating. Fixed interest securities with a higher average yield tend to be less liquid and have a lower credit rating. Investment in fixed interest securities with a higher yield also generally brings an increased risk of default on repayment by the issuer which could affect the income and capital of the Fund.

The Fund may also invest indirectly in property. Property investments may be harder to buy and sell than other asset types.

Non-UCITS Retail Scheme (NURS): The Fund can be less diversified than UCITS schemes as it has higher investment limits for certain types of assets. It can also invest in assets which are not available to UCITS schemes. This can increase the potential rewards but can also increase risk.

The value of investments and the income from them, will fluctuate. This will cause the Fund price to fall as well as rise and you may not get back what you originally invested.

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, by following the link 'Fund Information'.

LF PRUDENTIAL DYNAMIC FOCUSED 40-80 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES

Information for 30 April 2018 relates to the 6 month period ending 30 April 2018, with the exception of the operating charges in the 'Other Information' section. The operating charges relate to the expenses incurred on an *ex post* basis over the 12 month period ending 30 April 2018, expressed as a percentage of the average net asset value over the same period.

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

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 ¹ (p/share)
'A' Income shares				
Change in net assets per share				
Opening net asset value per share	120.41	112.55	100.65	100.00
Return before operating charges*	1.60	11.53	14.88	1.54
Operating charges	(1.00)	(1.97)	(1.64)	(0.22)
Return after operating charges	0.60	9.56	13.24	1.32
Distributions	–	(1.70)	(1.34)	(0.67)
Closing net asset value per share	121.01	120.41	112.55	100.65
* after direct transaction costs of:	–	–	–	–

Performance				
Return after charges	0.50%	8.49%	13.15%	1.32%

Other Information				
Closing net asset value (£'000)	4	4	–	–
Closing number of shares	3,656	3,656	250	250
Operating charges	1.68%	1.65%	1.59%	1.58% ²
Direct transaction costs	–	–	–	–

Prices				
Highest share price	123.41	122.69	117.52	101.62
Lowest share price	117.09	109.40	101.85	97.32

¹ From 9 September 2015.

² Annualised figure due to share class being launched less than 1 year.

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 ¹ (p/share)
'A' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	124.58	114.82	101.32	100.00
Return before operating charges*	1.64	11.72	15.16	1.56
Operating charges	(1.03)	(1.96)	(1.66)	(0.24)
Return after operating charges	0.61	9.76	13.50	1.32
Distributions	–	(1.75)	(1.44)	(0.69)
Retained distributions on accumulation shares	–	1.75	1.44	0.69
Closing net asset value per share	125.19	124.58	114.82	101.32
* after direct transaction costs of:	–	–	–	–

Performance				
Return after charges	0.49%	8.50%	13.32%	1.32%

Other Information				
Closing net asset value (£'000)	11	2	–	–
Closing number of shares	8,720	1,463	250	250
Operating charges	1.68%	1.65%	1.59%	1.58% ²
Direct transaction costs	–	–	–	–

Prices				
Highest share price	127.64	125.14	115.92	101.62
Lowest share price	121.10	111.61	95.11	97.31

¹ From 9 September 2015.

² Annualised figure due to share class being launched less than 1 year.

LF PRUDENTIAL DYNAMIC FOCUSED 40-80 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 ¹ (p/share)
'C' Income shares	
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	2.49
Operating charges	(0.01)
Return after operating charges	2.48
Closing net asset value per share	102.48
* after direct transaction costs of:	–
Performance	
Return after charges	2.48%
Other Information	
Closing net asset value (£'000)	–
Closing number of shares	250
Operating charges	0.33% ²
Direct transaction costs	–
Prices	
Highest share price	101.99
Lowest share price	100.00

¹ From 17 April 2018.

² Annualised figure due to share class being launched less than 1 year.

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 ¹ (p/share)
'P' Income shares				
Change in net assets per share				
Opening net asset value per share	120.62	112.68	100.65	100.00
Return before operating charges*	1.51	11.41	14.97	1.55
Operating charges	(0.56)	(1.06)	(0.87)	(0.12)
Return after operating charges	0.95	10.35	14.10	1.43
Distributions	–	(2.41)	(2.07)	(0.78)
Closing net asset value per share	121.57	120.62	112.68	100.65
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.79%	9.19%	14.01%	1.43%
Other Information				
Closing net asset value (£'000)	6,514	6,401	5,756	5,033
Closing number of shares	5,357,918	5,306,724	5,108,021	5,000,255
Operating charges	0.93%	0.90%	0.84%	0.83% ²
Direct transaction costs	–	–	–	–
Prices				
Highest share price	123.73	123.55	115.82	101.73
Lowest share price	117.54	109.60	94.60	97.37

¹ From 9 September 2015.

² Annualised figure due to share class being launched less than 1 year.

LF PRUDENTIAL DYNAMIC FOCUSED 40-80 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 ¹ (p/share)
'P' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	126.31	115.69	101.45	100.00
Return before operating charges*	1.58	11.71	15.15	1.57
Operating charges	(0.58)	(1.09)	(0.91)	(0.12)
Return after operating charges	1.00	10.62	14.24	1.45
Distributions	–	(2.47)	(2.10)	(0.80)
Retained distributions on accumulation shares	–	2.47	2.10	0.80
Closing net asset value per share	127.31	126.31	115.69	101.45
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.79%	9.18%	14.04%	1.45%
Other Information				
Closing net asset value (£'000)	19,155	12,491	2,673	4
Closing number of shares	15,045,286	9,888,775	2,310,195	3,874
Operating charges	0.93%	0.90%	0.84%	0.83% ²
Direct transaction costs	–	–	–	–
Prices				
Highest share price	129.53	126.82	116.75	101.75
Lowest share price	123.05	112.52	95.36	97.39

¹ From 9 September 2015.

² Annualised figure due to share class being launched less than 1 year.

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 ¹ (p/share)
'R' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	125.73	115.39	101.39	100.00
Return before operating charges*	1.60	11.73	15.16	1.54
Operating charges	(0.73)	(1.39)	(1.16)	(0.15)
Return after operating charges	0.87	10.34	14.00	1.39
Distributions	–	(2.22)	(1.86)	(0.76)
Retained distributions on accumulation shares	–	2.22	1.86	0.76
Closing net asset value per share	126.60	125.73	115.39	101.39
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.69%	8.96%	13.81%	1.39%
Other Information				
Closing net asset value (£'000)	5,919	4,360	1,709	254
Closing number of shares	4,675,455	3,467,456	1,481,209	250,416
Operating charges	1.18%	1.15%	1.09%	1.08% ²
Direct transaction costs	–	–	–	–
Prices				
Highest share price	128.90	126.26	116.47	101.70
Lowest share price	122.40	112.21	95.25	97.36

¹ From 9 September 2015.

² Annualised figure due to share class being launched less than 1 year.

LF PRUDENTIAL DYNAMIC FOCUSED 40-80 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

FUND PERFORMANCE TO 30 APRIL 2018 (%)

	6 months	1 year	Since launch*
LF Prudential Dynamic Focused 40-80 Portfolio	(0.26)	4.25	24.60

* The Fund launched on 9 September 2015.

The performance of the Fund is based on the published price per 'A' 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.

PORTFOLIO STATEMENT AS AT 30 APRIL 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY PORTFOLIOS – 51.65% (31.10.17 – 51.63%)		
911,406	CONTINENTAL EUROPE – 8.27% (31.10.17 – 7.99%) Legal & General European Index	2,612	8.27
	TOTAL CONTINENTAL EUROPE	2,612	8.27
3,920,974	UNITED KINGDOM – 20.53% (31.10.17 – 19.98%) Legal & General UK Index	6,489	20.53
	TOTAL UNITED KINGDOM	6,489	20.53
2,441,355	ASIA EX JAPAN – 8.44% (31.10.17 – 8.66%) Legal & General Pacific Index	2,666	8.44
	TOTAL ASIA EX JAPAN	2,666	8.44
2,074,357	JAPAN – 3.59% (31.10.17 – 4.02%) Legal & General Japan Index	1,136	3.59
	TOTAL JAPAN	1,136	3.59
660,972	UNITED STATES – 8.23% (31.10.17 – 7.86%) Legal & General US Index	2,602	8.23
	TOTAL UNITED STATES	2,602	8.23
1,399,260	EMERGING MARKETS – 2.59% (31.10.17 – 3.12%) Legal & General Global Emerging Markets Index	819	2.59
	TOTAL EMERGING MARKETS	819	2.59
	TOTAL EQUITY PORTFOLIOS	16,324	51.65
	EQUITY INVESTMENT INSTRUMENTS – 6.24% (31.10.17 – 6.46%)		
340,177	BBGI	451	1.43
136,682	BioPharma Credit	102	0.32
84,660	Blue Capital Alternative Income	39	0.12
121,115	DP Aircraft I	92	0.29
51,613	HarbourVest Global Private Equity	649	2.05
11,459	HgCapital	218	0.69

LF PRUDENTIAL DYNAMIC FOCUSED 40-80 PORTFOLIO

ACD's Report (continued)

Portfolio Statement (continued)

As at 30 April 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY INVESTMENT INSTRUMENTS – 6.24% (31.10.17 – 6.46%) (continued)		
127,659	NB Distressed Debt Investment	85	0.27
142,914	NextEnergy Solar	156	0.50
170,464	Renewables Infrastructure	180	0.57
	TOTAL EQUITY INVESTMENT INSTRUMENTS	1,972	6.24
	PROPERTY PORTFOLIOS – 16.48% (31.10.17 – 16.15%)		
443,388	M&G Property Portfolio†	5,208	16.48
	TOTAL PROPERTY PORTFOLIOS	5,208	16.48
	BOND PORTFOLIOS – 24.49% (31.10.17 – 25.20%)		
726,659	M&G European Corporate Bond†	816	2.58
3,835	M&G European Loan†	338	1.07
64,358	M&G Global Convertibles†	136	0.43
610,481	M&G Global High Yield Bond†	803	2.54
1,991,224	M&G Short Dated Corporate Bond†	513	1.62
4,029,578	M&G Strategic Corporate Bond†	4,705	14.89
3,462	Merrill Lynch AQR Global Relative Value	429	1.36
	TOTAL BOND PORTFOLIOS	7,740	24.49
	Portfolio of investments	31,244	98.86
	Net other assets	359	1.14
	Net assets	31,603	100.00

The investments are collective investment schemes unless stated otherwise.

† Related party holding.

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 30 APRIL 2018

Total purchases for the half year £'000 **26,304**

Major purchases	Cost £'000
Legal & General UK Index	1,789
M&G Property Portfolio	1,361
M&G Strategic Corporate Bond	1,241
Legal & General European Index	791
Legal & General US Index	769
Legal & General Pacific Index	660
Euro Stoxx 50 Index Futures March 2018	413
S&P 500 E Mini Futures March 2018	380
M&G European Corporate Bond	267
M&G Short Dated Corporate Bond	240
HarbourVest Global Private Equity	200
Legal & General Japan Index	187
M&G Global High Yield Bond	164
Merrill Lynch AQR Global Relative Value	143
BBGI	137
M&G European Loan	98
Legal & General Global Emerging Markets Index	90
NextEnergy Solar	51
Renewables Infrastructure	49
HgCapital	46

In addition to above, purchases totalling £17,151,000 were made in short term investments during the half year.

Purchases of Futures have been included at the value of their exposure.

Total sales for the half year £'000 **18,233**

Sales	Proceeds £'000
Euro Stoxx 50 Index Futures March 2018	433
S&P 500 E Mini Futures March 2018	401
M&G Short Dated Corporate Bond	200
CATCo Reinsurance Opportunities	46
NB Distressed Debt Investment	2

In addition to above, sales totalling £17,151,000 were made in short term investments during the half year.

Sales of Futures have been included at the value of their exposure.

The summary of material portfolio changes represents the 20 largest purchases and all of the sales during the half year.

LF PRUDENTIAL DYNAMIC FOCUSED 40-80 PORTFOLIO
INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN
FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Income:				
Net capital gains		17		363
Revenue	343		179	
Expenses	(110)		(50)	
Net revenue before taxation	233		129	
Taxation	(17)		(9)	
Net revenue after taxation		216		120
Total return before distributions		233		483
Distributions*		13		15
Change in net assets attributable to shareholders from investment activities		246		498

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Opening net assets attributable to shareholders		23,258		10,138
Amounts receivable on issue of shares	8,866		5,462	
Amounts payable on redemption of shares	(767)		(201)	
		8,099		5,261
Change in net assets attributable to shareholders from investment activities		246		498
Closing net assets attributable to shareholders		31,603		15,897

The above statement shows the comparative closing net assets at 30 April 2017 whereas the current accounting period commenced 1 November 2017.

* The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

BALANCE SHEET
AS AT 30 APRIL 2018

	30.04.18 £'000	31.10.17 £'000
ASSETS		
Fixed assets		
Investments	31,244	23,127
Current assets		
Debtors	260	365
Cash and bank balances	217	269
Total assets	31,721	23,761
LIABILITIES		
Provisions for liabilities	(7)	(4)
Creditors		
Distribution payable	–	(128)
Other creditors	(111)	(371)
Total liabilities	(118)	(503)
Net assets attributable to shareholders	31,603	23,258

LF PRUDENTIAL DYNAMIC FOCUSED 40-80 PORTFOLIO

Interim Financial Statements (unaudited) (continued)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

AS AT 30 APRIL 2018

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2017 and are described in those annual financial statements.

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

LF PRUDENTIAL DYNAMIC FOCUSED 60-100 PORTFOLIO

ACD'S REPORT

FOR THE HALF YEAR ENDED 30 APRIL 2018

IMPORTANT INFORMATION

Refer to the 'Important Information' section on pages 11 and 12.

INVESTMENT OBJECTIVE AND POLICY

The LF Prudential Dynamic Focused 60-100 Portfolio ('the Fund') aims to achieve a long-term total return (the combination of income and growth of capital) by investing mainly in collective investment schemes. Between 60% and 100% of the Fund will be invested in schemes whose predominant exposure is to equities.

The Fund invests in other funds which use active and passive management approaches in order to provide a well-diversified, indirect exposure to global fixed income and variable rate assets, cash, near cash, equities and/or immovable property. Typically the Fund will have a high exposure towards assets providing potential for growth, such as equities. The Fund will concentrate on delivering returns from the Portfolio Manager's asset allocation decisions and the selection of a focused range of funds and fund management groups (which may include other funds managed by the Portfolio Manager).

The Fund may also invest directly in other assets such as transferable securities, cash and near cash, deposits, warrants and money market instruments. Derivative instruments may be used for efficient portfolio management only.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Dynamic Focused 60-100 Portfolio

27 June 2018

LF PRUDENTIAL DYNAMIC FOCUSED 60-100 PORTFOLIO

ACD's Report (continued)

For the half year ended 30 April 2018

PORTFOLIO MANAGER'S REPORT

Between 1 November 2017 and 30 April 2018 (the period in review) share classes R (Accumulation) 0.38%¹, P (Accumulation) 0.48%¹ and A (Accumulation) 0.19%¹ produced returns ahead of the -0.09%¹ sector average for IA Flexible Investment.

ECONOMIC OVERVIEW

Late in the first quarter of 2018, a potential global trade war dominated the headlines. President Trump imposed tariffs on various imports into the US, and China, the main target, vowed to retaliate. Economic data was generally positive, with measures of activity revised upwards in the US, Japan and the eurozone. The UK proved an exception as growth was revised downwards, albeit remaining positive. Corporate earnings showed healthy growth and, on the whole, inflation remains muted. However, a jump in wage growth in the US triggered concerns that more interest rate increases will follow. The US Federal Reserve ('Fed') raised interest rates in late March by a quarter point to 1.75%, but signalled that further increases would be gradual.

MARKET OVERVIEW

2018 began strongly for most stockmarkets; many reached record highs before falling sharply, seemingly on concern about US inflation. Investors were then buffeted by unsettling factors, including potential interest rate increases, political uncertainty in the US, growing trade tensions and possible regulatory changes for leading technology companies.

UK EQUITIES

UK shares were among the weakest during the first quarter of 2018. Investors had to contend with continued uncertainty over the UK's withdrawal from the European Union, a potential reduction in the levels of economic activity and a possible trade war. The stronger pound was also seen as negative for the multinational companies that make up a large proportion of the FTSE 100 Index. The more domestically focused FTSE 250 Index declined as well, with several high street retailers reporting lower profits.

Returns from the Legal & General UK Index Trust were in line with the performance of the FTSE All-Share Index.

NORTH AMERICA

US stockmarkets reached record highs in late January as technology companies continued their remarkable rally. But things changed rapidly when investors decided that an increase in wage growth could signal higher inflation, prompting faster Fed interest rate hikes. Investors were further unsettled by President Trump's imposition of tariffs on imports, which threaten to unleash a global trade war. Later, the prospect of greater regulation on the largest technology groups weighed on their share prices. However, the US economy continues to grow and company profits remain robust.

Returns from the Legal & General US Index Trust were in line with the performance of the FTSE USA Index.

EUROPE

Share prices started 2018 strongly before succumbing to fears about higher US interest rates, a potential trade war and sharp falls in the share prices of technology groups. There was also some softening perceived in the economic data released later in the period. The persistent rise of the euro against other currencies led some investors to question whether exports may come under pressure.

Returns from the Legal & General European Index Trust were in line with the performance of the FTSE World Europe ex UK Index.

JAPAN

Having reached its highest level for 26 years in January 2018, the Japanese stockmarket fell back very sharply during the rest of the first quarter of 2018 and ended with a significant decline, in yen terms. To UK investors, the losses were reduced by the strength of the Japanese currency, which benefited from being seen as a safe haven. However, a stronger yen usually weighs on the country's stockmarket, as it reduced the attraction of exports, on which many companies are reliant. Exporting companies were also adversely affected by the possibility of a trade war.

Returns from the Legal & General Japan Index Trust were in line with the performance of the FTSE Japan Index.

ASIA EX JAPAN

The first few months of 2018 were negative for the Asia Pacific region as a whole, with investors preferring to focus on the ramifications of a trade war between the US and China rather than an easing of tension between North Korea and the US. The South Korean market did, however, outperform in March as the prospect of talks between Presidents Trump and Kim arose. China was adversely affected by trade tensions and potential regulations of financial groups.

Returns from the Legal & General Pacific Index Trust were in line with the performance of the FTSE World Asia Pacific ex Japan Index.

UK AND GLOBAL BONDS

The prospect of higher interest rates weighed in particular on the prices of government bonds due to be redeemed in 5-10 years, which underperformed those with a longer time before repayment, making the returns from UK government bonds (gilts) almost flat over the first few months of 2018.

The Fed raised US interest rates again after the new Fed chairman signalled his optimism about the US economy. This was taken to indicate further hikes in US borrowing costs. Earlier, higher US wage growth had raised concerns about increased inflationary pressures, which caused a sharp sell-off in US Treasuries. As risk aversion built up later in Q1, government bonds benefited from their safe haven status, meaning that the yields on bonds issued by Japan and Germany returned to remarkably low, or even negative, levels. Corporate bonds underperformed government bonds.

The M&G Strategic Corporate Bond, M&G Global High Yield Bond, M&G European Corporate Bond and M&G Global Convertibles funds all produced small negative returns over the period in review. The M&G European Loan Fund was marginally positive.

¹ Source: FE Analytics. The Portfolio Manager uses the IA Flexible Investment for comparison. No benchmark is to be disclosed per the Prospectus.

LF PRUDENTIAL DYNAMIC FOCUSED 60-100 PORTFOLIO

ACD's Report (continued)

Portfolio Manager's Report (continued)

For the half year ended 30 April 2018

UK PROPERTY

UK commercial property made a steady start to 2018, although the pace of expansion was somewhat slower than in the final quarter of 2017. Capital value growth was strongest in Industrials, which was also the only sector to see a meaningful increase in rental values. Meanwhile, Retail capital value growth lagged the broader market.

The performance of the M&G Property Portfolio continues to be positive.

EMERGING MARKETS

There was a wide disparity of returns in the first months of 2018. Africa, Asia and the Middle East declined, while Latin America rallied. Brazil led the way, helped by the economy recovering from recession. Elsewhere, the Russian stockmarket was supported by higher prices for oil and other natural resources. Indian shares were hit by a new capital gains tax, while China is at the centre of a possible trade war with the US. The Mexican stockmarket is seen at risk from President Trump's attempts to renegotiate the North American Free Trade Agreement.

Returns from the Legal & General Global Emerging Markets Index Fund were in line with the performance of the FTSE All World Emerging Index.

ALTERNATIVES

Overall performance of the alternatives holdings was broadly flat over the period in review with two notable outliers being HgCapital Trust which was up over 11% and Blue Capital Alternative Income which was down over 11%.

POSITIONING

Aside from day to day portfolio management activities there were no significant changes to the underlying portfolios, although following the market falls in early February the funds took a small overweight position in US and European equities (via futures) on the basis that fundamentals were still strong and the move down had been episodic. This proved profitable and the positions were closed towards the end of February.

OUTLOOK

Global growth in 2018 is expected to be broadly similar to the post-crisis highs of 2017 and is likely to be accompanied by rising inflation (albeit from low levels), as output gaps close, as well as by a gradual tightening of monetary policy on average in advanced economies.

Solid global economic performance should be supported by an expected acceleration in US growth, related to fiscal stimulus, and a continued strengthening of growth in some emerging markets, such as India and Indonesia. We judge the eurozone to be at the mid-cycle peak of its expansion, which suggests that the scope for a further acceleration of its economic growth is limited beyond the near term. In our view, overall growth will be restrained by a moderate slowdown in China, where extremely high leverage is expected to weigh on economic performance, as will some structural reform implementation. Furthermore, rising US rates should eventually prompt many emerging market central banks into tightening policy (most major emerging market central banks have held policy rates steady, with some exceptions such as South Korea and Mexico, or are loosening policy).

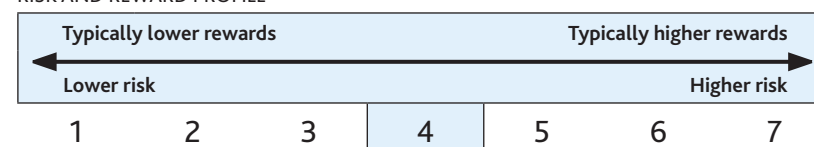
M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

16 May 2018

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 the volatility has been measured as average.

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

As this Fund has less than 5 years' price history, this calculation incorporates the volatility of an appropriate benchmark index.

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

Currency Risk: As the Fund invests indirectly in overseas securities, exchange rates movements may, when not hedged, cause the value of your investment to increase or decrease.

Fixed interest securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security is also affected by its credit rating. Fixed interest securities with a higher average yield tend to be less liquid and have a lower credit rating. Investment in fixed interest securities with a higher yield also generally brings an increased risk of default on repayment by the issuer which could affect the income and capital of the Fund.

The Fund may also invest indirectly in property. Property investments may be harder to buy and sell than other asset types.

Non-UCITS Retail Scheme (NURS): The Fund can be less diversified than UCITS schemes as it has higher investment limits for certain types of assets. It can also invest in assets which are not available to UCITS schemes. This can increase the potential rewards but can also increase risk.

The value of investments, and the income from them, will fluctuate. This will cause the Fund price to fall as well as rise and you may not get back what you originally invested.

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, by following the link 'Fund Information'.

LF PRUDENTIAL DYNAMIC FOCUSED 60-100 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES

Information for 30 April 2018 relates to the 6 month period ending 30 April 2018, with the exception of the operating charges in the 'Other Information' section. The operating charges relate to the expenses incurred on an *ex post* basis over the 12 month period ending 30 April 2018, expressed as a percentage of the average net asset value over the same period.

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

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 ¹ (p/share)
'A' Income shares				
Change in net assets per share				
Opening net asset value per share	124.60	114.90	101.00	100.00
Return before operating charges*	2.04	13.53	16.66	2.21
Operating charges	(1.04)	(1.99)	(1.71)	(0.41)
Return after operating charges	1.00	11.54	14.95	1.80
Distributions	–	(1.84)	(1.05)	(0.80)
Closing net asset value per share	125.60	124.60	114.90	101.00
* after direct transaction costs of:	–	–	–	–

Performance				
Return after charges	0.80%	10.04%	14.80%	1.80%

Other Information				
Closing net asset value (£'000)	2	–	–	–
Closing number of shares	1,256	250	250	250
Operating charges	1.70%	1.65%	1.64%	1.59% ²
Direct transaction costs	–	0.01%	–	–

Prices				
Highest share price	128.26	127.11	117.35	102.23
Lowest share price	120.69	111.98	93.77	96.83

¹ From 9 September 2015.

² Annualised figure due to share class being launched less than 1 year.

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 ¹ (p/share)
'A' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	128.72	117.03	101.85	100.00
Return before operating charges*	2.09	13.73	16.90	2.26
Operating charges	(1.08)	(2.04)	(1.72)	(0.41)
Return after operating charges	1.01	11.69	15.18	1.85
Distributions	–	(1.73)	(1.30)	(0.84)
Retained distributions on accumulation shares	–	1.73	1.30	0.84
Closing net asset value per share	129.73	128.72	117.03	101.85
* after direct transaction costs of:	–	–	–	–

Performance				
Return after charges	0.78%	9.99%	14.90%	1.85%

Other Information				
Closing net asset value (£'000)	3	3	–	–
Closing number of shares	2,457	1,770	250	250
Operating charges	1.70%	1.65%	1.64%	1.59% ²
Direct transaction costs	–	0.01%	–	–

Prices				
Highest share price	132.58	129.52	118.52	102.24
Lowest share price	124.74	114.13	94.60	96.82

¹ From 9 September 2015.

² Annualised figure due to share class being launched less than 1 year.

LF PRUDENTIAL DYNAMIC FOCUSED 60-100 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 ¹ (p/share)
'C' Income shares	
Change in net assets per share	
Opening net asset value per share	100.00
Return before operating charges*	3.03
Operating charges	(0.01)
Return after operating charges	3.02
Distributions	–
Closing net asset value per share	103.02
* after direct transaction costs of:	–
Performance	
Return after charges	3.02%
Other Information	
Closing net asset value (£'000)	–
Closing number of shares	250
Operating charges	0.35% ²
Direct transaction costs	–
Prices	
Highest share price	102.49
Lowest share price	99.98

¹ From 17 April 2018.

² Annualised figure due to share class being launched less than 1 year.

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 ¹ (p/share)
'P' Income shares				
Change in net assets per share				
Opening net asset value per share	124.80	114.98	101.01	100.00
Return before operating charges*	1.92	13.32	16.81	2.05
Operating charges	(0.59)	(1.09)	(0.93)	(0.12)
Return after operating charges	1.33	12.23	15.88	1.93
Distributions	–	(2.41)	(1.91)	(0.92)
Closing net asset value per share	126.13	124.80	114.98	101.01
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	1.07%	10.64%	15.72%	1.93%
Other Information				
Closing net asset value (£'000)	6,732	6,538	5,754	5,051
Closing number of shares	5,337,069	5,238,915	5,003,210	5,000,255
Operating charges	0.95%	0.90%	0.89%	0.84% ²
Direct transaction costs	–	0.01%	–	–
Prices				
Highest share price	128.65	127.91	118.23	102.33
Lowest share price	121.18	112.13	93.97	96.87

¹ From 9 September 2015.

² Annualised figure due to share class being launched less than 1 year.

LF PRUDENTIAL DYNAMIC FOCUSED 60-100 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 ¹ (p/share)
'P' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	130.65	118.10	101.95	100.00
Return before operating charges*	2.01	13.68	17.14	1.96
Operating charges	(0.61)	(1.13)	(0.99)	(0.01)
Return after operating charges	1.40	12.55	16.15	1.95
Distributions	–	(2.48)	(2.01)	(0.94)
Retained distributions on accumulation shares	–	2.48	2.01	0.94
Closing net asset value per share	132.05	130.65	118.10	101.95
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	1.07%	10.63%	15.84%	1.95%
Other Information				
Closing net asset value (£'000)	13,938	11,668	493	–
Closing number of shares	10,555,490	8,930,803	417,726	255
Operating charges	0.95%	0.90%	0.89%	0.84% ²
Direct transaction costs	–	0.01%	–	–
Prices				
Highest share price	134.62	131.32	119.42	102.35
Lowest share price	126.81	115.17	94.91	96.88

¹ From 9 September 2015.

² Annualised figure due to share class being launched less than 1 year.

	30.04.18 (p/share)	31.10.17 (p/share)	31.10.16 (p/share)	31.10.15 ¹ (p/share)
'R' Accumulation shares				
Change in net assets per share				
Opening net asset value per share	129.94	117.69	101.89	100.00
Return before operating charges*	2.03	13.68	17.01	2.04
Operating charges	(0.77)	(1.43)	(1.21)	(0.15)
Return after operating charges	1.26	12.25	15.80	1.89
Distributions	–	(2.22)	(1.72)	(0.90)
Retained distributions on accumulation shares	–	2.22	1.72	0.90
Closing net asset value per share	131.20	129.94	117.69	101.89
* after direct transaction costs of:	–	–	–	–
Performance				
Return after charges	0.97%	10.41%	15.51%	1.89%
Other Information				
Closing net asset value (£'000)	3,303	2,104	688	126
Closing number of shares	2,517,308	1,619,288	584,531	123,731
Operating charges	1.20%	1.15%	1.14%	1.09% ²
Direct transaction costs	–	0.01%	–	–
Prices				
Highest share price	133.85	130.63	119.03	102.30
Lowest share price	126.03	114.75	94.74	96.86

¹ From 9 September 2015.

² Annualised figure due to share class being launched less than 1 year.

LF PRUDENTIAL DYNAMIC FOCUSED 60-100 PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

FUND PERFORMANCE TO 30 APRIL 2018 (%)

	6 months	1 year	Since launch*
LF Prudential Dynamic Focused 60-100 Portfolio	0.19	5.19	29.48

* The Fund launched on 9 September 2015.

The performance of the Fund is based on the published price per 'A' 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.

PORTFOLIO STATEMENT

AS AT 30 APRIL 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY PORTFOLIOS – 71.15% (31.10.17 – 71.66%)		
	CONTINENTAL EUROPE – 10.10% (31.10.17 – 10.38%)		
844,837	Legal & General European Index	2,421	10.10
	TOTAL CONTINENTAL EUROPE	2,421	10.10
	UNITED KINGDOM – 25.39% (31.10.17 – 25.23%)		
3,678,001	Legal & General UK Index	6,087	25.39
	TOTAL UNITED KINGDOM	6,087	25.39
	ASIA EX JAPAN – 10.15% (31.10.17 – 10.38%)		
2,229,702	Legal & General Pacific Index	2,435	10.15
	TOTAL ASIA EX JAPAN	2,435	10.15
	JAPAN – 4.77% (31.10.17 – 4.85%)		
2,089,812	Legal & General Japan Index	1,144	4.77
	TOTAL JAPAN	1,144	4.77
	UNITED STATES – 10.38% (31.10.17 – 10.21%)		
632,577	Legal & General US Index	2,491	10.38
	TOTAL UNITED STATES	2,491	10.38
	EMERGING MARKETS – 3.25% (31.10.17 – 3.56%)		
1,332,684	Legal & General Global Emerging Markets Index	780	3.25
	TOTAL EMERGING MARKETS	780	3.25
	EQUITY INVESTMENT INSTRUMENTS – 7.10% (31.10.17 – 7.05%)		
275,674	BBGI	365	1.51
127,741	BioPharma Credit	96	0.40
80,465	Blue Capital Alternative Income	37	0.15
112,805	DP Aircraft I	86	0.36
43,883	HarbourVest Global Private Equity	552	2.30
10,374	HgCapital	198	0.83

LF PRUDENTIAL DYNAMIC FOCUSED 60-100 PORTFOLIO

ACD's Report (continued)

Portfolio Statement (continued)

As at 30 April 2018

Holding	Portfolio of Investments	Value £'000	30.04.18 %
	EQUITY INVESTMENT INSTRUMENTS – 7.10% (31.10.17 – 7.05%) (continued)		
114,946	NB Distressed Debt Investment	76	0.32
119,598	NextEnergy Solar	131	0.55
153,612	Renewables Infrastructure	162	0.68
	TOTAL EQUITY INVESTMENT INSTRUMENTS	1,703	7.10
	TOTAL EQUITY PORTFOLIOS	17,061	71.15
	PROPERTY PORTFOLIOS – 17.76% (31.10.17 – 17.10%)		
362,549	M&G Property Portfolio†	4,258	17.76
	TOTAL PROPERTY PORTFOLIOS	4,258	17.76
	BOND PORTFOLIOS – 10.00% (31.10.17 – 10.88%)		
218,077	M&G European Corporate Bond†	245	1.02
1,366	M&G European Loan†	120	0.50
24,902	M&G Global Convertibles†	53	0.22
198,684	M&G Global High Yield Bond†	261	1.09
1,112,622	M&G Strategic Corporate Bond†	1,299	5.42
3,381	Merrill Lynch AQR Global Relative Value	419	1.75
	TOTAL BOND PORTFOLIOS	2,397	10.00
	Portfolio of investments	23,716	98.91
	Net other assets	262	1.09
	Net assets	23,978	100.00

The investments are collective investment schemes unless stated otherwise.

† Related party holding.

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE HALF YEAR ENDED 30 APRIL 2018

Total purchases for the half year £'000 5,958

Purchases	Cost £'000
Legal & General UK Index	1,268
M&G Strategic Corporate Bond	835
M&G Property Portfolio	707
Legal & General US Index	523
Legal & General European Index	509
Legal & General Pacific Index	502
Euro Stoxx 50 Index Futures March 2018	325
S&P 500 E Mini Futures March 2018	285
Legal & General Japan Index	272
Legal & General Global Emerging Markets Index	158
Merrill Lynch AQR Global Relative Value	145
HarbourVest Global Private Equity	123
BGI	62
M&G European Loan	37
Renewables Infrastructure	37
M&G European Corporate Bond	35
BioPharma Credit	34
HgCapital	33
NextEnergy Solar	33

In addition to above, purchases totalling £7,701,000 were made in short term investments during the half year.

Purchases of Futures have been included at the value of their exposure.

The summary of material portfolio changes represents all of the purchases during the half year.

LF PRUDENTIAL DYNAMIC FOCUSED 60-100 PORTFOLIO

ACD's Report (continued)

Summary of Material Portfolio Changes (continued)

As at 30 April 2018

Total sales for the half year £'000 **2,559**

Sales	Proceeds £'000
M&G Strategic Corporate Bond	733
Legal & General UK Index	365
Euro Stoxx 50 Index Futures March 2018	340
S&P 500 E Mini Futures March 2018	301
Legal & General Pacific Index	169
Legal & General European Index	158
Legal & General Japan Index	130
Legal & General US Index	118
Legal & General Global Emerging Markets Index	110
M&G Short Dated Corporate Bond	89
CATCo Reinsurance Opportunities	44
NB Distressed Debt Investment	2

In addition to above, sales totalling £7,701,000 were made in short term investments during the half year.

Sales of Futures have been included at the value of their exposure.

The summary of material portfolio changes represents all of the sales during the half year.

INTERIM FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF TOTAL RETURN

FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Income:				
Net capital gains		96		317
Revenue	238		118	
Expenses	(83)		(35)	
Net revenue before taxation	155		83	
Taxation	(5)		(3)	
Net revenue after taxation		150		80
Total return before distributions		246		397
Distributions*		5		11
Change in net assets attributable to shareholders from investment activities		251		408

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

FOR THE HALF YEAR ENDED 30 APRIL 2018

	£'000	30.04.18 £'000	£'000	30.04.17 £'000
Opening net assets attributable to shareholders		20,313		6,935
Amounts receivable on issue of shares	5,371		5,512	
Amounts payable on redemption of shares	(1,957)		(307)	
		3,414		5,205
Change in net assets attributable to shareholders from investment activities		251		408
Closing net assets attributable to shareholders		23,978		12,548

The above statement shows the comparative closing net assets at 30 April 2017 whereas the current accounting period commenced 1 November 2017.

* The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

LF PRUDENTIAL DYNAMIC FOCUSED 60-100 PORTFOLIO

Interim Financial Statements (unaudited) (continued)

BALANCE SHEET

AS AT 30 APRIL 2018

	30.04.18 £'000	31.10.17 £'000
ASSETS		
Fixed assets		
Investments	23,716	20,239
Current assets		
Debtors	829	326
Cash and bank balances	175	234
Total assets	<u>24,720</u>	<u>20,799</u>
LIABILITIES		
Provisions for liabilities	(6)	(2)
Creditors		
Distribution payable	–	(126)
Other creditors	(736)	(358)
Total liabilities	<u>(742)</u>	<u>(486)</u>
Net assets attributable to shareholders	<u>23,978</u>	<u>20,313</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

AS AT 30 APRIL 2018

1. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2017 and are described in those annual financial statements.

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

GENERAL INFORMATION

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 Financial Conduct Authority and the agreement of the Depositary. On the introduction of any new sub-fund or class, 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 Prudential Dynamic 0-30 Portfolio
LF Prudential Dynamic 10-40 Portfolio
LF Prudential Dynamic 20-55 Portfolio
LF Prudential Dynamic 40-80 Portfolio
LF Prudential Dynamic 60-100 Portfolio
LF Prudential Dynamic Focused 0-30 Portfolio
LF Prudential Dynamic Focused 10-40 Portfolio
LF Prudential Dynamic Focused 20-55 Portfolio
LF Prudential Dynamic Focused 40-80 Portfolio
LF Prudential Dynamic Focused 60-100 Portfolio

In the future there may be other sub-funds of the Company.

VALUATION POINT

The valuation point of each sub-fund is 12.00 noon (London time) on each business day. Valuations may be made at other times under the terms contained within the Prospectus.

BUYING AND SELLING SHARES

The ACD will accept orders to deal in the shares on normal business days 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 384, Darlington DL1 9RZ or by telephone on 0344 335 8936.

PRICES

The prices of all shares are published on the website of the ACD: www.linkfundsolutions.co.uk. The prices of shares may also be obtained by calling 0344 335 8936 during the ACD's normal business hours.

OTHER INFORMATION

The Instrument of Incorporation, Prospectus, Key Investor Information Document 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, by following the link 'Fund Information'.

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.

