

LF Prudential Investment Funds (1)

INTERIM UNAUDITED REPORT AND FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 APRIL 2020



LF Prudential Risk Managed Active 1

LF Prudential Risk Managed Active 2

LF Prudential Risk Managed Active 3

LF Prudential Risk Managed Active 4

LF Prudential Risk Managed Active 5

LF Prudential Risk Managed Passive Fund 1

LF Prudential Risk Managed Passive Fund 2

LF Prudential Risk Managed Passive Fund 3

LF Prudential Risk Managed Passive Fund 4

LF Prudential Risk Managed Passive Fund 5

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ACD'S REPORT

for the half year ended 30 April 2020

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. A shareholder is not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

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

ACD's Statement

COVID-19

The outbreak of COVID-19, declared by the World Health Organisation as a pandemic on 11 March 2020, caused significant disruption to business and economic activity which was reflected in the fluctuations seen in the global stock markets. In the short time since its emergence the ramifications of COVID-19 and its long term impacts are now being fully recognised, as various national governments continue to provide financial support and stimulus to their economies. In the immediate aftermath of the global recognition of the seriousness of the pandemic there were sharp declines in asset prices and whilst there has been an element of recovery since then, there is now the unknown factor of the most dramatic global recession seen in living memory and how this will translate into future asset pricing. This combined with the fear, in many countries, of a second wave of COVID-19 would indicate that an extended period of instability will exist for some time as governments, society and business seek to understand how COVID-19 can be managed until such time there is a means of immunising the population.

Cross Holdings

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

ACD'S REPORT *continued*

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)

2 July 2020

LF PRUDENTIAL RISK MANAGED ACTIVE 1 ACD'S REPORT

for the half year ended 30 April 2020

Investment Objective and Policy

The LF Prudential Risk Managed Active 1 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 9%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 9%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in actively managed collective investment schemes. The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will have a high exposure to lower risk assets such as fixed income assets and cash. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

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

LF PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT *continued*

Benchmark

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

The Fund's performance may be compared against the IA Mixed Investment 0-35% shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Risk Managed Active 1

2 July 2020

LF PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the half year ended 30 April 2020

Between 1 November 2019 and 30 April 2020 (the period in review) share classes R (Acc) -3.32%¹, P (Acc) -3.20%¹ and A (Acc) -3.28%¹ produced returns marginally behind the -3.01%¹ sector average for IA Mixed Investment 0-35% Shares¹.

Market Overview

Early on in 2020 and before the gravity of the coronavirus situation became apparent, developed market equities were broadly flat, and Asia and emerging markets slightly down.

Towards the end of February, the reality hit that a potential human tragedy was unfolding which would dramatically affect economic activity. Sentiment plummeted across markets as investors rushed to sell financial assets. The speed of the sell-off was notable, albeit off the back of strong performance in 2019, which had been driven by the hope of economic activity improving. What took several months during the Global Financial Crisis ('GFC') happened in a matter of weeks this time round.

Equity markets became highly sensitive to case news. There were rallies on the back of a fall in new cases in Italy and falls when US cases took a marked upward step. US cases of COVID-19 rose from 150 to over 100,000 between 4 March and 27 March. In February alone, there were over 18 days where the S&P 500 was either up or down by more than 3%.

Corporate bond markets were also volatile as secondary markets and liquidity evaporated. Spreads on 1-year investment grade bonds jumped nearly 300bps in US and around 200bps in the UK and Europe. The moves in high yield were amplified with 1-year US high yield bonds spiking over 700bps and in the UK and Europe between 560/600bps. The US high yield segment was harder hit than Europe due to its larger weighting to energy companies, particularly shale producers.

Initial fears of a credit crunch have died down. The sheer scale and speed of central bank action has been unprecedented. The various bond buying programs have helped credit markets recover from their mid-March nadirs.

Foreign exchange markets were not spared the panic seen elsewhere and there was a lot of demand for the US dollar as investors rushed to US assets as safe havens. Sterling was particularly challenged.

Although COVID-19 continued to spread globally in April, some countries saw the rate of daily new infection rates start to fall. Governments now must grapple with the consequences of reopening their economies and balancing the difficult trade-off between economic risks and health risks.

The S&P 500 Index returned 12.8% in April recovering 50% of this year's decline, volatility fell, developed stock markets outperformed emerging markets, growth stocks outperformed value and fixed income markets rallied. The FTSE All-Share Index underperformed most equity markets, due to the energy sector exposure and ended April up 4.9%. The main catalyst of the April rebound was the significant stimulus measures introduced by governments and central banks to contain the damage caused by the shutdown. Improving virus related data was also supportive.

¹ Source: FE Analytics.

LF PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

There were still negative headlines as the WTI crude oil price reached negative territory for the first time in history amid rising inventories from falling demand, and a global storage space shortage.

Positioning

At the end of April, the portfolio manager had moved to a small overweight position across global equities from neutral. Relative calm had returned to market and they were all still well below their peaks. An underweight in global high yield was gradually moved to a neutral position as the portfolio manager felt that this was an asset class that had been over-sold. UK and European investment grade bonds remaining a small underweight. An overweight cash position from March was therefore reduced.

Outlook

The global economy is in the most severe contraction since the Great Depression. The International Monetary Fund's latest forecast say the US, Eurozone and Japan economies will register contractions of nearly 6%, 7% and 5% this year, respectively. The damage could have been worse without the unprecedented fiscal and monetary stimulus. Most survey measures have reached historical lows as would be expected and some consequences from lockdown have yet to be fully visible in low frequency data.

The virus statistics are key from here. Markets have been bombarded with more stimulus than during the GFC, but then much of the macro-economic data and economist projections are also worse than at that time. With statistics improving in several European countries there is now a focus on predicting the speed of reopening and thus the likely shape and timing of the potential recovery.

There is no question that, whilst there is 'light at the end of the tunnel' we are some way from returning to normal and for many companies the pandemic will change what 'normal' is forever. The lockdown has had many negative consequences but has also brought into even sharper focus issues like carbon emissions and climate change which can only be a good thing for the environment. Many businesses will have seen their carbon emissions fall even sharper than equity markets in March.

The portfolio manager remains fully focused on adhering to the long-standing investment philosophy and processes that have worked well for many years. The team has no greater insight into the future than anyone else but has concentrated on what can be controlled, which is how they invest both now and in the future.

M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

27 May 2020

LF PRUDENTIAL RISK MANAGED ACTIVE 1

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 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.

The Fund targets a risk level of 1 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

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

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

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

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

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

Derivatives Risk: A derivative may not perform as expected and may create losses greater than its cost.

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.

LF PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables

Information for 30 April 2020 relates to the 6 month period ending 30 April 2020, 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 6 month period ending 30 April 2020, expressed as an annualised percentage of the average net asset value.

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

'A' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	138.35	132.03	135.63	130.33
Return before operating charges*	(3.98)	10.31	0.59	10.13
Operating charges	(0.56)	(1.59)	(2.96)	(2.85)
Return after operating charges	(4.54)	8.72	(2.37)	7.28
Distributions	–	(2.40)	(1.23)	(1.98)
Closing net asset value per share	133.81	138.35	132.03	135.63
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(3.28)%	6.60%	(1.75)%	5.59%
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OTHER INFORMATION

Closing net asset value (£'000)	562	599	557	660
Closing number of shares	420,156	433,162	421,765	486,875
Operating charges	0.83%	1.17%	2.18%	2.12%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	142.59	141.65	137.65	138.15
Lowest share price	123.02	129.09	132.79	128.19

LF PRUDENTIAL RISK MANAGED ACTIVE 1
ACD'S REPORT *continued*
FUND INFORMATION *continued*

Comparative Tables *continued*

'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	157.09	147.36	149.98	142.05
Return before operating charges*	(4.50)	11.52	0.65	11.02
Operating charges	(0.64)	(1.79)	(3.27)	(3.09)
Return after operating charges	(5.14)	9.73	(2.62)	7.93
Distributions	–	(2.67)	(1.35)	(2.16)
Retained distributions on accumulation shares	–	2.67	1.35	2.16
Closing net asset value per share	151.95	157.09	147.36	149.98
* after direct transaction costs of:	–	0.01	0.01	–

PERFORMANCE

Return after charges	(3.27)%	6.60%	(1.75)%	5.58%
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OTHER INFORMATION

Closing net asset value (£'000)	4,256	4,708	5,357	6,088
Closing number of shares	2,800,756	2,996,742	3,635,526	4,059,087
Operating charges	0.83%	1.18%	2.18%	2.12%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	161.77	158.02	152.16	150.53
Lowest share price	139.61	144.10	146.84	139.70

LF PRUDENTIAL RISK MANAGED ACTIVE 1
ACD'S REPORT *continued*
FUND INFORMATION *continued*

Comparative Tables *continued*

'C' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	138.80	132.42	136.07	130.72
Return before operating charges*	(4.00)	10.40	0.57	10.20
Operating charges	(0.06)	(0.45)	(1.32)	(1.22)
Return after operating charges	(4.06)	9.95	(0.75)	8.98
Distributions	–	(3.57)	(2.90)	(3.63)
Closing net asset value per share	134.74	138.80	132.42	136.07
* after direct transaction costs of:	–	0.01	0.01	–

PERFORMANCE

Return after charges	(2.93)%	7.51%	(0.55)%	6.87%
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OTHER INFORMATION

Closing net asset value (£'000)	20,450	20,861	22,613	25,236
Closing number of shares	15,177,869	15,030,250	17,076,579	18,546,597
Operating charges	0.09%	0.33%	0.96%	0.90%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	143.36	143.16	139.03	139.93
Lowest share price	123.77	129.71	134.76	128.70

LF PRUDENTIAL RISK MANAGED ACTIVE 1
ACD'S REPORT *continued*
FUND INFORMATION *continued*

Comparative Tables *continued*

'P' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	117.18	111.81	114.88	110.37
Return before operating charges*	(3.37)	8.76	0.49	8.60
Operating charges	(0.33)	(0.94)	(1.65)	(1.56)
Return after operating charges	(3.70)	7.82	(1.16)	7.04
Distributions	–	(2.45)	(1.91)	(2.53)
Closing net asset value per share	113.48	117.18	111.81	114.88
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(3.16)%	6.99%	(1.01)%	6.38%
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OTHER INFORMATION

Closing net asset value (£'000)	4,733	4,273	4,342	4,295
Closing number of shares	4,171,079	3,646,110	3,883,325	3,738,665
Operating charges	0.57%	0.81%	1.43%	1.37%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	120.94	120.44	117.04	117.78
Lowest share price	104.29	109.44	113.27	108.62

LF PRUDENTIAL RISK MANAGED ACTIVE 1
ACD'S REPORT *continued*
FUND INFORMATION *continued*

Comparative Tables *continued*

'P' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	131.70	123.10	124.35	116.91
Return before operating charges*	(3.80)	9.63	0.53	9.10
Operating charges	(0.37)	(1.03)	(1.78)	(1.66)
Return after operating charges	(4.17)	8.60	(1.25)	7.44
Distributions	–	(2.69)	(2.06)	(2.68)
Retained distributions on accumulation shares	–	2.69	2.06	2.68
Closing net asset value per share	127.53	131.70	123.10	124.35
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(3.17)%	6.99%	(1.01)%	6.36%
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OTHER INFORMATION

Closing net asset value (£'000)	71,164	64,107	51,216	47,247
Closing number of shares	55,799,699	48,676,790	41,606,447	37,993,906
Operating charges	0.57%	0.81%	1.43%	1.37%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	135.85	132.57	126.67	124.73
Lowest share price	117.19	120.52	122.61	115.08

LF PRUDENTIAL RISK MANAGED ACTIVE 1
ACD'S REPORT *continued*
FUND INFORMATION *continued*

Comparative Tables *continued*

'R' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	143.52	134.48	136.19	128.36
Return before operating charges*	(4.13)	10.51	0.58	9.98
Operating charges	(0.58)	(1.47)	(2.29)	(2.15)
Return after operating charges	(4.71)	9.04	(1.71)	7.83
Distributions	–	(2.59)	(1.91)	(2.60)
Retained distributions on accumulation shares	–	2.59	1.91	2.60
Closing net asset value per share	138.81	143.52	134.48	136.19
* after direct transaction costs of:	–	0.01	0.01	–

PERFORMANCE

Return after charges	(3.28)%	6.72%	(1.26)%	6.10%
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OTHER INFORMATION

Closing net asset value (£'000)	11,880	11,023	8,360	6,995
Closing number of shares	8,558,658	7,680,911	6,216,515	5,136,127
Operating charges	0.82%	1.06%	1.68%	1.62%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	147.88	144.45	138.40	136.60
Lowest share price	127.60	131.61	133.97	126.29

LF PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 30 April 2020 (%)

	6 months	1 year	3 years	5 years
LF Prudential Risk Managed Active 1	(3.20)	(0.38)	5.38	15.50

The performance of the Fund is based on the published price per 'P' 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 RISK MANAGED ACTIVE 1

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	EQUITY PORTFOLIOS – 15.68% (31.10.19 – 17.35%)		
	CONTINENTAL EUROPE – 2.15% (31.10.19 – 1.94%)		
159,586	LF Prudential European QIS ¹	1,367	1.21
60,048	M&G European Select ¹	1,068	0.94
	TOTAL CONTINENTAL EUROPE	<u>2,435</u>	<u>2.15</u>
	UNITED KINGDOM – 4.96% (31.10.19 – 6.34%)		
592,128	LF Prudential UK Growth QIS ¹	1,831	1.62
728,550	M&G Recovery ¹	1,674	1.48
130,629	M&G UK Select ¹	2,092	1.86
	TOTAL UNITED KINGDOM	<u>5,597</u>	<u>4.96</u>
	JAPAN – 1.62% (31.10.19 – 1.67%)		
246,584	Eastspring Japan Equity	1,831	1.62
	TOTAL JAPAN	<u>1,831</u>	<u>1.62</u>
	NORTH AMERICA – 2.50% (31.10.19 – 2.65%)		
134,291	LF Prudential North American QIS ¹	1,456	1.29
53,314	M&G North American Value ¹	1,365	1.21
	TOTAL NORTH AMERICA	<u>2,821</u>	<u>2.50</u>
	EMERGING MARKETS – 4.45% (31.10.19 – 4.75%)		
352,791	Eastspring Developed and Emerging Asia Equity	3,483	3.08
155,410	Eastspring Emerging Asia Equity	1,552	1.37
	TOTAL EMERGING MARKETS	<u>5,035</u>	<u>4.45</u>
	TOTAL EQUITY PORTFOLIOS	<u>17,719</u>	<u>15.68</u>
	EQUITY INVESTMENT INSTRUMENTS – 3.41% (31.10.19 – 3.84%)		
303,707	BBGI	485	0.43
442,229	BioPharma Credit	339	0.30
147,535	Blue Capital Alternative Income ²	10	0.01
28,800	Boussard & Gavaudan	394	0.35

LF PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
271,537	DP Aircraft I	43	0.04
76,576	HarbourVest Global Private Equity	1,101	0.96
177,821	HgCapital	398	0.35
165,201	NB Distressed Debt Investment	74	0.07
237,309	NextEnergy Solar	267	0.24
227,651	Renewables Infrastructure	281	0.25
468,300	SDCL Energy Efficiency Income	468	0.41
	TOTAL EQUITY INVESTMENT INSTRUMENTS	<u>3,860</u>	<u>3.41</u>
	PROPERTY PORTFOLIOS – 2.84% (31.10.19 – 3.13%)		
2,754,312	Legal & General UK Property	2,517	2.23
69,072	M&G Property Portfolio ¹	687	0.61
	TOTAL PROPERTY PORTFOLIOS	<u>3,204</u>	<u>2.84</u>
	BOND PORTFOLIOS – 69.03% (31.10.19 – 67.07%)		
105,748	Eastspring Asian Bond	1,135	1.00
396,921	Eastspring Asian Local Bond	3,651	3.23
1,618,450	Eastspring US Corporate Bond	18,586	16.44
96,562	M&G European Credit Investment ¹	10,455	9.25
873,766	M&G Global Convertibles ¹	1,952	1.73
4,624,767	M&G Global High Yield Bond ¹	5,816	5.14
12,932,559	M&G Short Dated Corporate Bond ¹	3,268	2.90
13,893,767	M&G Strategic Corporate Bond ¹	16,789	14.85
15,600,347	Royal London Corporate Bond	16,380	14.49
	TOTAL BOND PORTFOLIOS	<u>78,032</u>	<u>69.03</u>

LF PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	FUTURES – 0.38% (31.10.19 – 0.03%)		
32	EURO STOXX 50 Index Futures June 2020	151	0.13
27	FTSE 100 Index Futures June 2020	160	0.14
5	S&P 500 E Mini Index Futures June 2020	21	0.02
21	US Treasury Note 10 Year Futures June 2020	105	0.09
	TOTAL FUTURES	437	0.38
	Portfolio of investments	103,252	91.34
	Net other assets	9,793	8.66
	Net assets	113,045	100.00

The investments are collective investment schemes unless stated otherwise.

¹ Related party holding.

² Delisted security.

LF PRUDENTIAL RISK MANAGED ACTIVE 1

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 April 2020

Total purchases for the half year £'000	15,330	Total sales for the half year £'000	4,985
Major purchases	Cost £'000	Major sales	Proceeds £'000
US Treasury Note 10 Year Futures March 2020	2,811	US Treasury Note 10 Year Futures March 2020	2,870
US Treasury Note 10 Year Futures June 2020	2,765	US Treasury Note 10 Year Futures December 2019	2,718
M&G Global High Yield Bond	2,717	Eastspring US Corporate Bond	1,397
Royal London Corporate Bond	2,173	FTSE 100 Index Futures March 2020	1,356
M&G European Credit Investment	2,049	EURO STOXX 50 Index Futures December 2019	1,330
M&G Strategic Corporate Bond	2,039	EURO STOXX 50 Index Futures March 2020	695
Eastspring US Corporate Bond	1,999	US Treasury Note 10 Year Futures June 2020	672
FTSE 100 Index Futures March 2020	1,675	M&G European Credit Investment	653
FTSE 100 Index Futures June 2020	1,626	Royal London Corporate Bond	615
EURO STOXX 50 Index Futures March 2020	1,010	M&G Global High Yield Bond	608

In addition to the above, purchases totalling £1,195,542,000 and sales totalling £1,195,048,000 were made in short term investments during the half year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

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

**LF PRUDENTIAL RISK MANAGED ACTIVE 1
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN**

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Income:				
Net capital (losses)/gains		(4,593)		2,346
Revenue	1,116		1,680	
Expenses	(252)		(273)	
Interest payable and similar charges	(1)		–	
Net revenue before taxation	863		1,407	
Taxation	(2)		(27)	
Net revenue after taxation		861		1,380
Total return before distributions		(3,732)		3,726
Distributions ¹		39		4
Change in net assets attributable to shareholders from investment activities		(3,693)		3,730

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Opening net assets attributable to shareholders		105,571		92,445
Amounts receivable on issue of shares	16,814		9,246	
Amounts payable on redemption of shares	(5,647)		(6,959)	
		11,167		2,287
Change in net assets attributable to shareholders from investment activities		(3,693)		3,730
Closing net assets attributable to shareholders		113,045		98,462

The above statements show the comparative closing net assets at 30 April 2019 whereas the current accounting period commenced 1 November 2019.

¹ The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

LF PRUDENTIAL RISK MANAGED ACTIVE 1
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

BALANCE SHEET

as at 30 April 2020

	30.04.20 £'000	31.10.19 £'000
ASSETS		
Fixed assets		
Investments	103,252	96,513
Current assets		
Debtors	530	3,807
Cash and bank balances	9,597	8,872
Total assets	<u>113,379</u>	<u>109,192</u>
LIABILITIES		
Investment liabilities	–	(3)
Provisions for liabilities	(2)	(18)
Creditors		
Bank overdrafts	(202)	(7)
Distribution payable	–	(636)
Other creditors	(130)	(2,957)
Total liabilities	<u>(334)</u>	<u>(3,621)</u>
Net assets attributable to shareholders	<u>113,045</u>	<u>105,571</u>

LF PRUDENTIAL RISK MANAGED ACTIVE 1
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 April 2020

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2019 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.

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

2. Subsequent Events

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a pandemic. As a result, global markets have experienced a period of volatility which has impacted the performance of the Fund since the balance sheet date. The length of time the volatility remains will largely depend on the scale and duration of the outbreak. The spread and impact of COVID-19 is considered as a non-adjusting event after the reporting period.

LF PRUDENTIAL RISK MANAGED ACTIVE 2 ACD'S REPORT

for the half year ended 30 April 2020

Investment Objective and Policy

The LF Prudential Risk Managed Active 2 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 10%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 10%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in actively managed collective investment schemes. The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

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

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

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

LF PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT *continued*

Benchmark

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

The Fund's performance may be compared against the IA Mixed Investment 20-60% shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Risk Managed Active 2

2 July 2020

LF PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the half year ended 30 April 2020

Between 1 November 2019 and 30 April 2020 (the period in review) share classes R (Acc) -4.95%¹, P (Acc) -4.90%¹ and A (Acc) -4.93%¹ produced returns that were ahead of the -5.69%¹ sector average for the IA Mixed Investment 20-60% Shares¹.

Market Overview

Early on in 2020 and before the gravity of the coronavirus situation became apparent, developed market equities were broadly flat, and Asia and emerging markets slightly down.

Towards the end of February, the reality hit that a potential human tragedy was unfolding which would dramatically affect economic activity. Sentiment plummeted across markets as investors rushed to sell financial assets. The speed of the sell-off was notable, albeit off the back of strong performance in 2019, which had been driven by the hope of economic activity improving. What took several months during the Global Financial Crisis ('GFC') happened in a matter of weeks this time round.

Equity markets became highly sensitive to case news. There were rallies on the back of a fall in new cases in Italy and falls when US cases took a marked upward step. US cases of COVID-19 rose from 150 to over 100,000 between 4 March and 27 March. In February alone, there were over 18 days where the S&P 500 was either up or down by more than 3%.

Corporate bond markets were also volatile as secondary markets and liquidity evaporated. Spreads on 1-year investment grade bonds jumped nearly 300bps in US and around 200bps in the UK and Europe. The moves in high yield were amplified with 1-year US high yield bonds spiking over 700bps and in the UK and Europe between 560/600bps. The US high yield segment was harder hit than Europe due to its larger weighting to energy companies, particularly shale producers.

Initial fears of a credit crunch have died down. The sheer scale and speed of central bank action has been unprecedented. The various bond buying programs have helped credit markets recover from their mid-March nadirs.

Foreign exchange markets were not spared the panic seen elsewhere and there was a lot of demand for the US dollar as investors rushed to US assets as safe havens. Sterling was particularly challenged.

Although COVID-19 continued to spread globally in April, some countries saw the rate of daily new infection rates start to fall. Governments now must grapple with the consequences of reopening their economies and balancing the difficult trade-off between economic risks and health risks.

The S&P 500 Index returned 12.8% in April recovering 50% of this year's decline, volatility fell, developed stock markets outperformed emerging markets, growth stocks outperformed value and fixed income markets rallied. The FTSE All-Share Index underperformed most equity markets, due to the energy sector exposure and ended April up 4.9%. The main catalyst of the April rebound was the significant stimulus measures introduced by governments and central banks to contain the damage caused by the shutdown. Improving virus related data was also supportive.

¹ Source: FE Analytics.

LF PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

There were still negative headlines as the WTI crude oil price reached negative territory for the first time in history amid rising inventories from falling demand, and a global storage space shortage.

Positioning

At the end of April, the portfolio manager had moved to a small overweight position across global equities from neutral. Relative calm had returned to market and they were all still well below their peaks. An underweight in global high yield was gradually moved to a neutral position as the portfolio manager felt that this was an asset class that had been over-sold. UK and European investment grade bonds remaining a small underweight. An overweight cash position from March was therefore reduced.

Outlook

The global economy is in the most severe contraction since the Great Depression. The International Monetary Fund's latest forecast say the US, Eurozone and Japan economies will register contractions of nearly 6%, 7% and 5% this year, respectively. The damage could have been worse without the unprecedented fiscal and monetary stimulus. Most survey measures have reached historical lows as would be expected and some consequences from lockdown have yet to be fully visible in low frequency data.

The virus statistics are key from here. Markets have been bombarded with more stimulus than during the GFC, but then much of the macro-economic data and economist projections are also worse than at that time. With statistics improving in several European countries there is now a focus on predicting the speed of reopening and thus the likely shape and timing of the potential recovery.

There is no question that, whilst there is 'light at the end of the tunnel' we are some way from returning to normal and for many companies the pandemic will change what 'normal' is forever. The lockdown has had many negative consequences but has also brought into even sharper focus issues like carbon emissions and climate change which can only be a good thing for the environment. Many businesses will have seen their carbon emissions fall even sharper than equity markets in March.

The portfolio manager remains fully focused on adhering to the long-standing investment philosophy and processes that have worked well for many years. The team has no greater insight into the future than anyone else but has concentrated on what can be controlled, which is how they invest both now and in the future.

M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

27 May 2020

LF PRUDENTIAL RISK MANAGED ACTIVE 2

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

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

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

The Fund targets a risk level of 2 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

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

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

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

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

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

Derivative Risk: A derivative may not perform as expected and may create losses greater than its cost.

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.

LF PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables

Information for 30 April 2020 relates to the 6 month period ending 30 April 2020, 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 6 month period ending 30 April 2020, expressed as an annualised percentage of the average net asset value.

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

'A' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	148.46	141.84	145.92	138.53
Return before operating charges*	(6.23)	10.63	0.34	12.15
Operating charges	(0.61)	(1.74)	(3.23)	(3.10)
Return after operating charges	(6.84)	8.89	(2.89)	9.05
Distributions	–	(2.27)	(1.19)	(1.66)
Closing net asset value per share	141.62	148.46	141.84	145.92
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(4.61)%	6.27%	(1.98)%	6.53%
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OTHER INFORMATION

Closing net asset value (£'000)	1,202	1,375	1,594	1,800
Closing number of shares	848,822	926,273	1,123,463	1,233,396
Operating charges	0.84%	1.19%	2.22%	2.16%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	153.29	152.33	148.53	147.94
Lowest share price	128.87	137.88	142.24	135.81

LF PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	166.17	156.38	159.53	149.76
Return before operating charges*	(6.96)	11.67	0.38	13.12
Operating charges	(0.69)	(1.88)	(3.53)	(3.35)
Return after operating charges	(7.65)	9.79	(3.15)	9.77
Distributions	–	(2.50)	(1.30)	(1.79)
Retained distributions on accumulation shares	–	2.50	1.30	1.79
Closing net asset value per share	158.52	166.17	156.38	159.53
* after direct transaction costs of:	–	0.01	0.01	–

PERFORMANCE

Return after charges	(4.60)%	6.26%	(1.97)%	6.52%
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OTHER INFORMATION

Closing net asset value (£'000)	9,475	10,449	12,753	14,129
Closing number of shares	5,977,168	6,288,183	8,155,311	8,856,794
Operating charges	0.84%	1.17%	2.22%	2.16%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	171.55	167.91	162.36	159.90
Lowest share price	144.25	152.04	155.50	146.81

LF PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'C' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	149.10	142.44	146.57	139.11
Return before operating charges*	(6.38)	10.39	(0.01)	11.86
Operating charges	(0.07)	(0.45)	(1.48)	(1.36)
Return after operating charges	(6.45)	9.94	(1.49)	10.50
Distributions	–	(3.28)	(2.64)	(3.04)
Closing net asset value per share	142.65	149.10	142.44	146.57
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(4.33)%	6.98%	(1.01)%	7.55%
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OTHER INFORMATION

Closing net asset value (£'000)	65,865	72,063	47,382	53,899
Closing number of shares	46,171,844	48,331,331	33,265,271	36,772,617
Operating charges	0.10%	0.31%	1.00%	0.94%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	154.22	153.76	150.19	149.95
Lowest share price	129.73	138.66	144.25	136.51

LF PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'P' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	120.79	115.40	118.75	112.71
Return before operating charges*	(5.10)	8.57	0.09	9.72
Operating charges	(0.35)	(0.99)	(1.75)	(1.65)
Return after operating charges	(5.45)	7.58	(1.66)	8.07
Distributions	–	(2.19)	(1.69)	(2.03)
Closing net asset value per share	115.34	120.79	115.40	118.75
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(4.51)%	6.57%	(1.40)%	7.16%
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OTHER INFORMATION

Closing net asset value (£'000)	6,386	5,893	5,566	5,555
Closing number of shares	5,536,716	4,878,345	4,822,795	4,678,096
Operating charges	0.59%	0.83%	1.47%	1.41%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	124.91	124.34	121.45	121.18
Lowest share price	104.93	112.28	116.43	110.56

LF PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'P' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	134.04	125.77	127.54	119.02
Return before operating charges*	(5.66)	9.33	0.11	10.26
Operating charges	(0.38)	(1.06)	(1.88)	(1.74)
Return after operating charges	(6.04)	8.27	(1.77)	8.52
Distributions	–	(2.39)	(1.82)	(2.15)
Retained distributions on accumulation shares	–	2.39	1.82	2.15
Closing net asset value per share	128.00	134.04	125.77	127.54
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(4.51)%	6.58%	(1.39)%	7.16%
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OTHER INFORMATION

Closing net asset value (£'000)	135,055	115,411	95,727	96,346
Closing number of shares	105,515,142	86,102,231	76,115,053	75,541,300
Operating charges	0.58%	0.82%	1.47%	1.41%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	138.56	135.46	130.39	127.92
Lowest share price	116.44	122.40	125.06	116.75

LF PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'R' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	149.44	140.50	142.76	133.49
Return before operating charges*	(6.26)	10.52	0.21	11.57
Operating charges	(0.62)	(1.58)	(2.47)	(2.30)
Return after operating charges	(6.88)	8.94	(2.26)	9.27
Distributions	–	(2.38)	(1.74)	(2.14)
Retained distributions on accumulation shares	–	2.38	1.74	2.14
Closing net asset value per share	142.56	149.44	140.50	142.76
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(4.60)%	6.36%	(1.58)%	6.94%
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OTHER INFORMATION

Closing net asset value (£'000)	23,989	21,604	15,939	15,619
Closing number of shares	16,827,236	14,456,888	11,344,755	10,940,272
Operating charges	0.84%	1.09%	1.72%	1.66%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	154.31	151.03	145.65	143.12
Lowest share price	129.72	136.69	139.71	130.92

LF PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 30 April 2020 (%)

	6 months	1 year	3 years	5 years
LF Prudential Risk Managed Active 2	(4.90)	(2.57)	2.89	13.81

The performance of the Fund is based on the published price per 'P' 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 RISK MANAGED ACTIVE 2

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	EQUITY PORTFOLIOS – 25.80% (31.10.19 – 24.52%)		
	CONTINENTAL EUROPE – 3.89% (31.10.19 – 2.77%)		
546,348	LF Prudential European QIS ¹	4,681	1.93
266,969	M&G European Select ¹	4,747	1.96
	TOTAL CONTINENTAL EUROPE	<u>9,428</u>	<u>3.89</u>
	UNITED KINGDOM – 8.82% (31.10.19 – 8.61%)		
2,585,831	LF Prudential UK Growth QIS ¹	7,994	3.30
2,399,431	M&G Recovery ¹	5,514	2.28
489,133	M&G UK Select ¹	7,833	3.24
	TOTAL UNITED KINGDOM	<u>21,341</u>	<u>8.82</u>
	ASIA EX JAPAN – 5.00% (31.10.19 – 5.13%)		
1,225,167	Eastspring Developed and Emerging Asia Equity	12,095	5.00
	TOTAL ASIA EX JAPAN	<u>12,095</u>	<u>5.00</u>
	JAPAN – 2.33% (31.10.19 – 2.30%)		
759,929	Eastspring Japan Equity	5,642	2.33
	TOTAL JAPAN	<u>5,642</u>	<u>2.33</u>
	NORTH AMERICA – 3.64% (31.10.19 – 3.54%)		
418,393	LF Prudential North American QIS ¹	4,536	1.87
167,488	M&G North American Value ¹	4,289	1.77
	TOTAL NORTH AMERICA	<u>8,825</u>	<u>3.64</u>
	EMERGING MARKETS – 2.12% (31.10.19 – 2.17%)		
513,070	Eastspring Emerging Asia Equity	5,125	2.12
	TOTAL EMERGING MARKETS	<u>5,125</u>	<u>2.12</u>
	TOTAL EQUITY PORTFOLIOS	<u>62,456</u>	<u>25.80</u>

LF PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	EQUITY INVESTMENT INSTRUMENTS – 4.19% (31.10.19 – 4.10%)		
753,379	BBGI	1,204	0.50
1,186,056	BioPharma Credit	908	0.38
474,050	Blue Capital Alternative Income ²	30	0.01
76,500	Boussard & Gavaudan	1,048	0.43
629,385	DP Aircraft I	101	0.04
201,960	HarbourVest Global Private Equity	2,904	1.20
471,887	HgCapital	1,057	0.44
389,093	NB Distressed Debt Investment	174	0.07
629,796	NextEnergy Solar	708	0.29
541,689	Renewables Infrastructure	667	0.28
1,335,200	SDCL Energy Efficiency Income	1,335	0.55
	TOTAL EQUITY INVESTMENT INSTRUMENTS	10,136	4.19
	PROPERTY PORTFOLIOS – 3.81% (31.10.19 – 4.24%)		
6,582,799	Legal & General UK Property	6,016	2.49
321,725	M&G Property Portfolio ¹	3,199	1.32
	TOTAL PROPERTY PORTFOLIOS	9,215	3.81
	BOND PORTFOLIOS – 57.17% (31.10.19 – 55.32%)		
202,168	Eastspring Asian Bond	2,170	0.90
694,074	Eastspring Asian Local Bond	6,385	2.64
2,811,397	Eastspring US Corporate Bond	32,286	13.34
165,721	M&G European Credit Investment ¹	17,943	7.42
1,628,943	M&G Global Convertibles ¹	3,638	1.50
11,078,434	M&G Global High Yield Bond ¹	13,931	5.76
17,143,574	M&G Short Dated Corporate Bond ¹	4,332	1.79
23,673,880	M&G Strategic Corporate Bond ¹	28,607	11.82
27,651,301	Royal London Corporate Bond	29,034	12.00
	TOTAL BOND PORTFOLIOS	138,326	57.17

LF PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	FUTURES – 0.42% (31.10.19 – 0.07%)		
65	EURO STOXX 50 Index Futures June 2020	271	0.11
56	FTSE 100 Index Futures June 2020	401	0.17
18	S&P 500 E Mini Index Futures June 2020	148	0.06
38	US Treasury Note 10 Year Futures June 2020	191	0.08
	TOTAL FUTURES	1,011	0.42
	Portfolio of investments	221,144	91.39
	Net other assets	20,828	8.61
	Net assets	241,972	100.00

The investments are collective investment schemes unless stated otherwise.

¹ Related party holding.

² Delisted security.

LF PRUDENTIAL RISK MANAGED ACTIVE 2

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 April 2020

Total purchases for the half year £'000	40,168	Total sales for the half year £'000	8,611
	Cost £'000		Proceeds £'000
Major purchases		Major sales	
M&G Global High Yield Bond	5,910	US Treasury Note 10 Year Futures March 2020	5,227
US Treasury Note 10 Year Futures March 2020	5,123	US Treasury Note 10 Year Futures December 2019	4,832
US Treasury Note 10 Year Futures June 2020	5,121	FTSE 100 Index Futures December 2019	4,557
FTSE 100 Index Futures March 2020	4,939	EURO STOXX 50 Index Futures December 2019	4,501
M&G European Credit Investment	3,809	FTSE 100 Index Futures March 2020	3,803
FTSE 100 Index Futures June 2020	3,730	Eastspring US Corporate Bond	2,904
Royal London Corporate Bond	3,678	S&P 500 E Mini Index Futures March 2020	2,424
Eastspring US Corporate Bond	3,572	S&P 500 E Mini Index Futures December 2019	2,374
M&G European Select	3,173	EURO STOXX 50 Index Futures March 2020	2,035
M&G Strategic Corporate Bond	3,056	US Treasury Note 10 Year Futures June 2020	1,324

In addition to the above, purchases totalling £2,946,539,000 and sales totalling £2,940,306,000 were made in short term investments during the year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

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

**LF PRUDENTIAL RISK MANAGED ACTIVE 2
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN**

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Income:				
Net capital (losses)/gains		(12,988)		4,692
Revenue	2,589		3,207	
Expenses	(468)		(504)	
Interest payable and similar charges	(1)		(1)	
Net revenue before taxation	2,120		2,702	
Taxation	(207)		(391)	
Net revenue after taxation		1,913		2,311
Total return before distributions		(11,075)		7,003
Distributions ¹		91		(34)
Change in net assets attributable to shareholders from investment activities		(10,984)		6,969

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Opening net assets attributable to shareholders		226,795		178,961
Amounts receivable on issue of shares	35,274		8,976	
Amounts payable on redemption of shares	(9,113)		(14,919)	
		26,161		(5,943)
Change in net assets attributable to shareholders from investment activities		(10,984)		6,969
Closing net assets attributable to shareholders		241,972		179,987

The above statements show the comparative closing net assets at 30 April 2019 whereas the current accounting period commenced 1 November 2019.

¹ The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

LF PRUDENTIAL RISK MANAGED ACTIVE 2
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

BALANCE SHEET

as at 30 April 2020

	30.04.20 £'000	31.10.19 £'000
ASSETS		
Fixed assets		
Investments	221,144	200,142
Current assets		
Debtors	847	1,356
Cash and bank balances	20,907	28,471
Total assets	<u>242,898</u>	<u>229,969</u>
LIABILITIES		
Investment liabilities	–	(2)
Provisions for liabilities	(7)	(54)
Creditors		
Distribution payable	–	(1,712)
Other creditors	(919)	(1,406)
Total liabilities	<u>(926)</u>	<u>(3,174)</u>
Net assets attributable to shareholders	<u>241,972</u>	<u>226,795</u>

LF PRUDENTIAL RISK MANAGED ACTIVE 2
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 April 2020

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2019 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.

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

2. Subsequent Events

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a pandemic. As a result, global markets have experienced a period of volatility which has impacted the performance of the Fund since the balance sheet date. The length of time the volatility remains will largely depend on the scale and duration of the outbreak. The spread and impact of COVID-19 is considered as a non-adjusting event after the reporting period.

LF PRUDENTIAL RISK MANAGED ACTIVE 3 ACD'S REPORT

for the half year ended 30 April 2020

Investment Objective and Policy

The LF Prudential Risk Managed Active 3 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 12%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 12%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in actively managed collective investment schemes. The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will be balanced between lower risk assets, such as fixed income assets and cash, and higher risk assets, such as equities. From time to time, however, the Fund may have a higher exposure to either higher risk or lower risk assets with the aim of meeting the Fund's objective. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

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

LF PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT *continued*

Benchmark

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

The Fund's performance may be compared against the IA Mixed Investment 20-60% shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Risk Managed Active 3

2 July 2020

LF PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the half year ended 30 April 2020

Between 1 November 2019 and 30 April 2020 (the period in review) share classes R (Acc) -6.32%¹, A (Acc) -6.31%¹ and P (Acc) -6.21%¹ produced returns behind the -5.69%¹ sector average for IA Mixed Investment 20-60% Shares¹.

Market Overview

Early on in 2020 and before the gravity of the coronavirus situation became apparent, developed market equities were broadly flat, and Asia and emerging markets slightly down.

Towards the end of February, the reality hit that a potential human tragedy was unfolding which would dramatically affect economic activity. Sentiment plummeted across markets as investors rushed to sell financial assets. The speed of the sell-off was notable, albeit off the back of strong performance in 2019, which had been driven by the hope of economic activity improving. What took several months during the Global Financial Crisis ('GFC') happened in a matter of weeks this time round.

Equity markets became highly sensitive to case news. There were rallies on the back of a fall in new cases in Italy and falls when US cases took a marked upward step. US cases of COVID-19 rose from 150 to over 100,000 between 4 March and 27 March. In February alone, there were over 18 days where the S&P 500 was either up or down by more than 3%.

Corporate bond markets were also volatile as secondary markets and liquidity evaporated. Spreads on 1-year investment grade bonds jumped nearly 300bps in US and around 200bps in the UK and Europe. The moves in high yield were amplified with 1-year US high yield bonds spiking over 700bps and in the UK and Europe between 560/600bps. The US high yield segment was harder hit than Europe due to its larger weighting to energy companies, particularly shale producers.

Initial fears of a credit crunch have died down. The sheer scale and speed of central bank action has been unprecedented. The various bond buying programs have helped credit markets recover from their mid-March nadirs.

Foreign exchange markets were not spared the panic seen elsewhere and there was a lot of demand for the US dollar as investors rushed to US assets as safe havens. Sterling was particularly challenged.

Although COVID-19 continued to spread globally in April, some countries saw the rate of daily new infection rates start to fall. Governments now must grapple with the consequences of reopening their economies and balancing the difficult trade-off between economic risks and health risks.

The S&P 500 Index returned 12.8% in April recovering 50% of this year's decline, volatility fell, developed stock markets outperformed emerging markets, growth stocks outperformed value and fixed income markets rallied. The FTSE All-Share Index underperformed most equity markets, due to the energy sector exposure and ended April up 4.9%. The main catalyst of the April rebound was the significant stimulus measures introduced by governments and central banks to contain the damage caused by the shutdown. Improving virus related data was also supportive.

¹ Source: FE Analytics.

LF PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

There were still negative headlines as the WTI crude oil price reached negative territory for the first time in history amid rising inventories from falling demand, and a global storage space shortage.

Positioning

At the end of April, the portfolio manager had moved to a small overweight position across global equities from neutral. Relative calm had returned to market and they were all still well below their peaks. An underweight in global high yield was gradually moved to a neutral position as the portfolio manager felt that this was an asset class that had been over-sold. UK and European investment grade bonds remaining a small underweight. An overweight cash position from March was therefore reduced.

Outlook

The global economy is in the most severe contraction since the Great Depression. The International Monetary Fund's latest forecast say the US, Eurozone and Japan economies will register contractions of nearly 6%, 7% and 5% this year, respectively. The damage could have been worse without the unprecedented fiscal and monetary stimulus. Most survey measures have reached historical lows as would be expected and some consequences from lockdown have yet to be fully visible in low frequency data.

The virus statistics are key from here. Markets have been bombarded with more stimulus than during the GFC, but then much of the macro-economic data and economist projections are also worse than at that time. With statistics improving in several European countries there is now a focus on predicting the speed of reopening and thus the likely shape and timing of the potential recovery.

There is no question that, whilst there is 'light at the end of the tunnel' we are some way from returning to normal and for many companies the pandemic will change what 'normal' is forever. The lockdown has had many negative consequences but has also brought into even sharper focus issues like carbon emissions and climate change which can only be a good thing for the environment. Many businesses will have seen their carbon emissions fall even sharper than equity markets in March.

The portfolio manager remains fully focused on adhering to the long-standing investment philosophy and processes that have worked well for many years. The team has no greater insight into the future than anyone else but has concentrated on what can be controlled, which is how they invest both now and in the future.

M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

27 May 2020

LF PRUDENTIAL RISK MANAGED ACTIVE 3

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

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

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

The Fund targets a risk level of 3 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

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

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

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

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

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

Derivative Risk: A derivative may not perform as expected and may create losses greater than its cost.

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.

LF PRUDENTIAL RISK MANAGED ACTIVE 3**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables**

Information for 30 April 2020 relates to the 6 month period ending 30 April 2020, 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 6 month period ending 30 April 2020, expressed as an annualised percentage of the average net asset value.

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

'A' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	158.05	151.15	155.47	145.57
Return before operating charges*	(8.82)	11.07	0.36	14.73
Operating charges	(0.62)	(1.90)	(3.57)	(3.42)
Return after operating charges	(9.44)	9.17	(3.21)	11.31
Distributions	–	(2.27)	(1.11)	(1.41)
Closing net asset value per share	148.61	158.05	151.15	155.47
* after direct transaction costs of:	0.01	–	0.01	0.04

PERFORMANCE

Return after charges	(5.97)%	6.06%	(2.06)%	7.77%
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OTHER INFORMATION

Closing net asset value (£'000)	1,350	1,543	1,831	3,568
Closing number of shares	908,715	976,520	1,211,022	2,294,898
Operating charges	0.80%	1.22%	2.28%	2.26%
Direct transaction costs	–	–	–	0.03%

PRICES

Highest share price	164.21	163.10	159.40	157.26
Lowest share price	134.07	146.97	151.05	142.42

LF PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	174.50	164.52	167.97	155.87
Return before operating charges*	(9.74)	12.05	0.40	15.77
Operating charges	(0.68)	(2.07)	(3.85)	(3.67)
Return after operating charges	(10.42)	9.98	(3.45)	12.10
Distributions	–	(2.47)	(1.21)	(1.51)
Retained distributions on accumulation shares	–	2.47	1.21	1.51
Closing net asset value per share	164.08	174.50	164.52	167.97
* after direct transaction costs of:	0.01	0.01	0.01	0.04

PERFORMANCE

Return after charges	(5.97)%	6.07%	(2.05)%	7.76%
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OTHER INFORMATION

Closing net asset value (£'000)	10,357	10,992	12,119	15,226
Closing number of shares	6,312,216	6,299,239	7,366,825	9,064,829
Operating charges	0.80%	1.22%	2.28%	2.26%
Direct transaction costs	–	–	–	0.03%

PRICES

Highest share price	181.23	177.45	172.16	168.33
Lowest share price	147.96	159.93	163.20	152.50

LF PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'C' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	158.66	151.71	156.09	146.10
Return before operating charges*	(8.99)	10.89	(0.05)	14.49
Operating charges	(0.05)	(0.58)	(1.67)	(1.59)
Return after operating charges	(9.04)	10.31	(1.72)	12.90
Distributions	–	(3.36)	(2.66)	(2.91)
Closing net asset value per share	149.62	158.66	151.71	156.09
* after direct transaction costs of:	0.01	0.01	0.01	0.04

PERFORMANCE

Return after charges	(5.70)%	6.79%	(1.10)%	8.83%
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OTHER INFORMATION

Closing net asset value (£'000)	86,544	94,549	74,027	83,905
Closing number of shares	57,843,675	59,593,138	48,794,905	53,755,204
Operating charges	0.06%	0.37%	1.06%	1.04%
Direct transaction costs	–	–	–	0.03%

PRICES

Highest share price	165.05	164.55	161.32	159.37
Lowest share price	134.89	147.72	153.13	143.08

LF PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'P' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	124.01	118.58	121.99	114.20
Return before operating charges*	(6.97)	8.62	0.09	11.41
Operating charges	(0.33)	(1.04)	(1.88)	(1.80)
Return after operating charges	(7.30)	7.58	(1.79)	9.61
Distributions	–	(2.15)	(1.62)	(1.82)
Closing net asset value per share	116.71	124.01	118.58	121.99
* after direct transaction costs of:	–	–	0.01	0.03

PERFORMANCE

Return after charges	(5.89)%	6.39%	(1.47)%	8.42%
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OTHER INFORMATION

Closing net asset value (£'000)	9,274	9,460	7,266	7,521
Closing number of shares	7,945,711	7,628,716	6,127,224	6,165,273
Operating charges	0.55%	0.85%	1.53%	1.51%
Direct transaction costs	–	–	–	0.03%

PRICES

Highest share price	129.06	128.42	125.86	124.27
Lowest share price	105.43	115.49	119.24	111.79

LF PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'P' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	136.42	128.23	130.14	120.03
Return before operating charges*	(7.64)	9.33	0.10	12.00
Operating charges	(0.37)	(1.14)	(2.01)	(1.89)
Return after operating charges	(8.01)	8.19	(1.91)	10.11
Distributions	–	(2.32)	(1.73)	(1.92)
Retained distributions on accumulation shares	–	2.32	1.73	1.92
Closing net asset value per share	128.41	136.42	128.23	130.14
* after direct transaction costs of:	–	–	0.01	0.03

PERFORMANCE

Return after charges	(5.87)%	6.39%	(1.47)%	8.42%
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OTHER INFORMATION

Closing net asset value (£'000)	181,745	165,983	121,388	124,066
Closing number of shares	141,540,056	121,667,901	94,664,765	95,333,063
Operating charges	0.55%	0.86%	1.53%	1.51%
Direct transaction costs	–	–	–	0.03%

PRICES

Highest share price	141.93	138.83	134.22	130.58
Lowest share price	115.93	124.91	127.20	117.50

LF PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'R' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	155.28	146.25	148.72	137.45
Return before operating charges*	(8.66)	10.69	0.19	13.79
Operating charges	(0.61)	(1.66)	(2.66)	(2.52)
Return after operating charges	(9.27)	9.03	(2.47)	11.27
Distributions	–	(2.35)	(1.67)	(1.90)
Retained distributions on accumulation shares	–	2.35	1.67	1.90
Closing net asset value per share	146.01	155.28	146.25	148.72
* after direct transaction costs of:	0.01	–	0.01	0.04

PERFORMANCE

Return after charges	(5.97)%	6.17%	(1.66)%	8.20%
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OTHER INFORMATION

Closing net asset value (£'000)	21,506	18,384	12,151	11,318
Closing number of shares	14,729,197	11,839,111	8,308,515	7,609,979
Operating charges	0.80%	1.10%	1.78%	1.76%
Direct transaction costs	–	–	–	0.03%

PRICES

Highest share price	161.34	157.96	153.00	149.09
Lowest share price	131.73	142.32	145.08	134.52

LF PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 30 April 2020 (%)

	6 months	1 year	3 years	5 years
LF Prudential Risk Managed Active 3	(6.21)	(4.77)	2.49	13.35

The performance of the Fund is based on the published price per 'P' 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 RISK MANAGED ACTIVE 3

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	EQUITY PORTFOLIOS – 36.45% (31.10.19 – 36.95%)		
	CONTINENTAL EUROPE – 5.56% (31.10.19 – 5.10%)		
1,002,018	LF Prudential European QIS ¹	8,585	2.76
490,387	M&G European Select ¹	8,719	2.80
	TOTAL CONTINENTAL EUROPE	17,304	5.56
	UNITED KINGDOM – 12.91% (31.10.19 – 13.24%)		
4,833,077	LF Prudential UK Growth QIS ¹	14,942	4.81
4,509,760	M&G Recovery ¹	10,364	3.33
926,463	M&G UK Select ¹	14,837	4.77
	TOTAL UNITED KINGDOM	40,143	12.91
	ASIA EX JAPAN – 6.93% (31.10.19 – 7.12%)		
2,180,666	Eastspring Developed and Emerging Asia Equity	21,528	6.93
	TOTAL ASIA EX JAPAN	21,528	6.93
	JAPAN – 3.16% (31.10.19 – 3.14%)		
1,320,862	Eastspring Japan Equity	9,807	3.16
	TOTAL JAPAN	9,807	3.16
	NORTH AMERICA – 4.98% (31.10.19 – 5.37%)		
754,024	LF Prudential North American QIS ¹	8,174	2.63
284,707	M&G North American Value ¹	7,290	2.35
	TOTAL NORTH AMERICA	15,464	4.98
	EMERGING MARKETS – 2.91% (31.10.19 – 2.98%)		
904,457	Eastspring Emerging Asia Equity	9,034	2.91
	TOTAL EMERGING MARKETS	9,034	2.91
	TOTAL EQUITY PORTFOLIOS	113,280	36.45

LF PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	EQUITY INVESTMENT INSTRUMENTS – 4.91% (31.10.19 – 5.16%)		
1,133,941	BBGI	1,812	0.58
1,783,997	BioPharma Credit	1,366	0.44
819,485	Blue Capital Alternative Income ²	52	0.02
115,000	Boussard & Gavaudan	1,575	0.51
1,087,483	DP Aircraft I	174	0.06
303,534	HarbourVest Global Private Equity	4,365	1.40
709,714	HgCapital Trust	1,590	0.51
584,058	NB Distressed Debt Investment	261	0.08
947,233	NextEnergy Solar	1,065	0.34
814,733	Renewables Infrastructure	1,004	0.32
2,007,000	SDCL Energy Efficiency Income	2,007	0.65
	TOTAL EQUITY INVESTMENT INSTRUMENTS	15,271	4.91
	PROPERTY PORTFOLIOS – 4.89% (31.10.19 – 5.25%)		
11,561,951	Legal & General UK Property	10,566	3.40
464,278	M&G Property Portfolio ¹	4,616	1.49
	TOTAL PROPERTY PORTFOLIOS	15,182	4.89
	BOND PORTFOLIOS – 45.18% (31.10.19 – 43.10%)		
206,140	Eastspring Asian Bond	2,212	0.71
729,457	Eastspring Asian Local Bond	6,710	2.16
2,825,805	Eastspring US Corporate Bond	32,452	10.44
160,467	M&G European Credit Investment ¹	17,374	5.59
1,706,930	M&G Global Convertibles ¹	3,812	1.23
14,201,130	M&G Global High Yield Bond ¹	17,858	5.75
11,706,770	M&G Short Dated Corporate Bond ¹	2,958	0.95
23,291,019	M&G Strategic Corporate Bond ¹	28,145	9.06
27,512,389	Royal London Corporate Bond Fund	28,888	9.29
	TOTAL BOND PORTFOLIOS	140,409	45.18

LF PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	DERIVATIVES – 0.44% (31.10.19 – 0.04%)		
97	EURO STOXX 50 Index Futures June 2020	352	0.11
67	FTSE 100 Index Futures June 2020	502	0.16
30	S&P 500 E Mini Index Futures June 2020	327	0.11
39	US Treasury Note 10 Year Futures June 2020	196	0.06
	TOTAL DERIVATIVES	1,377	0.44
	Portfolio of investments	285,519	91.87
	Net other assets	25,257	8.13
	Net assets	310,776	100.00

The investments are collective investment schemes unless stated otherwise.

¹ Related party holding.

² Delisted security.

LF PRUDENTIAL RISK MANAGED ACTIVE 3

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 April 2020

Total purchases for the half year £'000	44,135	Total sales for the half year £'000	13,749
	Cost £'000		Proceeds £'000
Major purchases		Major sales	
FTSE 100 Index Futures March 2020	8,995	FTSE 100 Index Futures March 2020	6,596
M&G Global High Yield Bond	7,255	US Treasury Note 10 Year Futures March 2020	5,534
FTSE 100 Index Futures June 2020	7,030	US Treasury Note 10 Year Futures December 2019	5,134
US Treasury Note 10 Year Futures June 2020	5,428	EURO STOXX 50 Index Futures December 2019	4,717
US Treasury Note 10 Year Futures March 2020	5,423	FTSE 100 Index Futures June 2020	3,784
S&P 500 E Mini Futures June 2020	4,344	Eastspring US Corporate Bond	3,532
M&G European Credit Investment	4,337	EURO STOXX 50 Index Futures March 2020	3,229
Eastspring Developed and Emerging Asia Equity	3,995	FTSE 100 Index Futures December 2019	3,146
EURO STOXX 50 Index Futures March 2020	3,911	S&P 500 E Mini Futures March 2020	2,564
Royal London Corporate Bond Fund	3,859	M&G Global High Yield Bond	1,941

In addition to the above, purchases totalling £3,501,468,000 and sales totalling £3,476,119,000 were made in short term investments during the half year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

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

**LF PRUDENTIAL RISK MANAGED ACTIVE 3
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN**

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Income:				
Net capital (losses)/gains		(22,054)		7,351
Revenue	3,770		4,125	
Expenses	(590)		(600)	
Interest payable and similar charges	(3)		–	
Net revenue before taxation	3,177		3,525	
Taxation	(216)		(452)	
Net revenue after taxation		2,961		3,073
Total return before distributions		(19,093)		10,424
Distributions ¹		111		37
Change in net assets attributable to shareholders from investment activities		(18,982)		10,461

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Opening net assets attributable to shareholders		300,911		228,782
Amounts receivable on issue of shares	37,658		14,146	
Amounts payable on redemption of shares	(8,811)		(11,215)	
		28,847		2,931
Change in net assets attributable to shareholders from investment activities		(18,982)		10,461
Closing net assets attributable to shareholders		310,776		242,174

The above statements show the comparative closing net assets at 30 April 2019 whereas the current accounting period commenced 1 November 2019.

¹ The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

LF PRUDENTIAL RISK MANAGED ACTIVE 3
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

BALANCE SHEET

as at 30 April 2020

	30.04.20 £'000	31.10.19 £'000
ASSETS		
Fixed assets		
Investments	285,519	272,319
Current assets		
Debtors	1,459	11,376
Cash and bank balances	26,372	50,158
Total assets	<u>313,350</u>	<u>333,853</u>
LIABILITIES		
Investment liabilities	–	(2)
Provisions for liabilities	(10)	(99)
Creditors		
Bank overdrafts	(808)	–
Distribution payable	–	(2,187)
Other creditors	(1,756)	(30,654)
Total liabilities	<u>(2,574)</u>	<u>(32,942)</u>
Net assets attributable to shareholders	<u>310,776</u>	<u>300,911</u>

LF PRUDENTIAL RISK MANAGED ACTIVE 3
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 April 2020

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2019 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.

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

2. Subsequent Events

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a pandemic. As a result, global markets have experienced a period of volatility which has impacted the performance of the Fund since the balance sheet date. The length of time the volatility remains will largely depend on the scale and duration of the outbreak. The spread and impact of COVID-19 is considered as a non-adjusting event after the reporting period.

LF PRUDENTIAL RISK MANAGED ACTIVE 4 ACD'S REPORT

for the half year ended 30 April 2020

Investment Objective and Policy

The LF Prudential Risk Managed Active 4 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 14.5%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 14.5%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in actively managed collective investment schemes. The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will have a bias towards higher risk assets, such as equities. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

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

LF PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT *continued*

Benchmark

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

The Fund's performance may be compared against the IA Mixed Investment 40-85% shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Risk Managed Active 4

2 July 2020

LF PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the half year ended 30 April 2020

Between 1 November 2019 and 30 April 2020 (the period in review) share classes R (Acc) -7.64%¹, P (Acc) -7.47%¹ and A (Acc) -7.70%¹ produced returns behind the -5.86%¹ sector average for IA Mixed Investment 40-85% Shares¹.

Market Overview

Early on in 2020 and before the gravity of the coronavirus situation became apparent, developed market equities were broadly flat, and Asia and emerging markets slightly down.

Towards the end of February, the reality hit that a potential human tragedy was unfolding which would dramatically affect economic activity. Sentiment plummeted across markets as investors rushed to sell financial assets. The speed of the sell-off was notable, albeit off the back of strong performance in 2019, which had been driven by the hope of economic activity improving. What took several months during the Global Financial Crisis ('GFC') happened in a matter of weeks this time round.

Equity markets became highly sensitive to case news. There were rallies on the back of a fall in new cases in Italy and falls when US cases took a marked upward step. US cases of COVID-19 rose from 150 to over 100,000 between 4 March and 27 March. In February alone, there were over 18 days where the S&P 500 was either up or down by more than 3%.

Corporate bond markets were also volatile as secondary markets and liquidity evaporated. Spreads on 1-year investment grade bonds jumped nearly 300bps in US and around 200bps in the UK and Europe. The moves in high yield were amplified with 1-year US high yield bonds spiking over 700bps and in the UK and Europe between 560/600bps. The US high yield segment was harder hit than Europe due to its larger weighting to energy companies, particularly shale producers.

Initial fears of a credit crunch have died down. The sheer scale and speed of central bank action has been unprecedented. The various bond buying programs have helped credit markets recover from their mid-March nadirs.

Foreign exchange markets were not spared the panic seen elsewhere and there was a lot of demand for the US dollar as investors rushed to US assets as safe havens. Sterling was particularly challenged.

Although COVID-19 continued to spread globally in April, some countries saw the rate of daily new infection rates start to fall. Governments now must grapple with the consequences of reopening their economies and balancing the difficult trade-off between economic risks and health risks.

The S&P 500 Index returned 12.8% in April recovering 50% of this year's decline, volatility fell, developed stock markets outperformed emerging markets, growth stocks outperformed value and fixed income markets rallied. The FTSE All-Share Index underperformed most equity markets, due to the energy sector exposure and ended April up 4.9%. The main catalyst of the April rebound was the significant stimulus measures introduced by governments and central banks to contain the damage caused by the shutdown. Improving virus related data was also supportive.

¹ Source: FE Analytics.

LF PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

There were still negative headlines as the WTI crude oil price reached negative territory for the first time in history amid rising inventories from falling demand, and a global storage space shortage.

Positioning

At the end of April, the portfolio manager had moved to a small overweight position across global equities from neutral. Relative calm had returned to market and they were all still well below their peaks. An underweight in global high yield was gradually moved to a neutral position as the portfolio manager felt that this was an asset class that had been over-sold. UK and European investment grade bonds remaining a small underweight. An overweight cash position from March was therefore reduced.

Outlook

The global economy is in the most severe contraction since the Great Depression. The International Monetary Fund's latest forecast say the US, Eurozone and Japan economies will register contractions of nearly 6%, 7% and 5% this year, respectively. The damage could have been worse without the unprecedented fiscal and monetary stimulus. Most survey measures have reached historical lows as would be expected and some consequences from lockdown have yet to be fully visible in low frequency data.

The virus statistics are key from here. Markets have been bombarded with more stimulus than during the GFC, but then much of the macro-economic data and economist projections are also worse than at that time. With statistics improving in several European countries there is now a focus on predicting the speed of reopening and thus the likely shape and timing of the potential recovery.

There is no question that, whilst there is 'light at the end of the tunnel' we are some way from returning to normal and for many companies the pandemic will change what 'normal' is forever. The lockdown has had many negative consequences but has also brought into even sharper focus issues like carbon emissions and climate change which can only be a good thing for the environment. Many businesses will have seen their carbon emissions fall even sharper than equity markets in March.

The portfolio manager remains fully focused on adhering to the long-standing investment philosophy and processes that have worked well for many years. The team has no greater insight into the future than anyone else but has concentrated on what can be controlled, which is how they invest both now and in the future.

M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

27 May 2020

LF PRUDENTIAL RISK MANAGED ACTIVE 4 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 Fund has been classed as 4 because its volatility has been measured as average.

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

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

The Fund targets a risk level of 4 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

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

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

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

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

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

Derivative Risk: A derivative may not perform as expected and may create losses greater than its cost.

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.

LF PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables

Information for 30 April 2020 relates to the 6 month period ending 30 April 2020, 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 6 month period ending 30 April 2020, expressed as an annualised percentage of the average net asset value.

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

'A' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	170.37	163.16	168.05	155.54
Return before operating charges*	(11.87)	11.53	0.11	17.54
Operating charges	(0.67)	(2.05)	(3.87)	(3.73)
Return after operating charges	(12.54)	9.48	(3.76)	13.81
Distributions	–	(2.27)	(1.13)	(1.30)
Closing net asset value per share	157.83	170.37	163.16	168.05
* after direct transaction costs of:	–	0.01	0.01	–

PERFORMANCE

Return after charges	(7.36)%	5.81%	(2.24)%	8.88%
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OTHER INFORMATION

Closing net asset value (£'000)	881	1,100	1,156	1,053
Closing number of shares	558,440	645,831	708,803	626,738
Operating charges	0.80%	1.22%	2.29%	2.30%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	178.28	176.88	174.00	170.18
Lowest share price	140.36	157.31	162.50	151.66

LF PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	183.56	173.48	177.44	162.97
Return before operating charges*	(12.79)	12.28	0.14	18.39
Operating charges	(0.72)	(2.20)	(4.10)	(3.92)
Return after operating charges	(13.51)	10.08	(3.96)	14.47
Distributions	–	(2.41)	(1.19)	(1.36)
Retained distributions on accumulation shares	–	2.41	1.19	1.36
Closing net asset value per share	170.05	183.56	173.48	177.44
* after direct transaction costs of:	–	0.01	0.01	–

PERFORMANCE

Return after charges	(7.36)%	5.81%	(2.23)%	8.88%
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OTHER INFORMATION

Closing net asset value (£'000)	12,872	15,451	18,585	22,222
Closing number of shares	7,569,163	8,417,774	10,713,213	12,523,549
Operating charges	0.80%	1.23%	2.29%	2.30%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	192.02	188.02	183.67	178.27
Lowest share price	151.23	167.29	171.58	158.90

LF PRUDENTIAL RISK MANAGED ACTIVE 4
ACD'S REPORT *continued*
FUND INFORMATION *continued*

Comparative Tables *continued*

'C' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	170.98	163.72	168.69	156.06
Return before operating charges*	(12.05)	11.32	(0.34)	17.31
Operating charges	(0.05)	(0.63)	(1.83)	(1.77)
Return after operating charges	(12.10)	10.69	(2.17)	15.54
Distributions	–	(3.43)	(2.80)	(2.91)
Closing net asset value per share	158.88	170.98	163.72	168.69
* after direct transaction costs of:	–	0.01	0.01	–

PERFORMANCE

Return after charges	(7.08)%	6.53%	(1.29)%	9.96%
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OTHER INFORMATION

Closing net asset value (£'000)	74,119	81,228	83,337	92,352
Closing number of shares	46,651,883	47,506,878	50,903,425	54,746,557
Operating charges	0.06%	0.37%	1.07%	1.08%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	179.15	178.42	175.97	172.35
Lowest share price	141.18	158.09	164.70	152.32

LF PRUDENTIAL RISK MANAGED ACTIVE 4
ACD'S REPORT *continued*
FUND INFORMATION *continued*

Comparative Tables *continued*

'P' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	129.34	123.84	127.59	118.05
Return before operating charges*	(9.05)	8.70	(0.13)	13.19
Operating charges	(0.35)	(1.10)	(1.99)	(1.92)
Return after operating charges	(9.40)	7.60	(2.12)	11.27
Distributions	–	(2.10)	(1.63)	(1.73)
Closing net asset value per share	119.94	129.34	123.84	127.59
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(7.27)%	6.14%	(1.66)%	9.55%
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OTHER INFORMATION

Closing net asset value (£'000)	6,534	7,291	6,133	6,567
Closing number of shares	5,447,919	5,636,978	4,952,105	5,146,294
Operating charges	0.55%	0.86%	1.54%	1.55%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	135.59	134.78	132.91	130.11
Lowest share price	106.62	119.52	124.11	115.18

LF PRUDENTIAL RISK MANAGED ACTIVE 4
ACD'S REPORT *continued*
FUND INFORMATION *continued*

Comparative Tables *continued*

'P' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	140.60	132.46	134.70	122.97
Return before operating charges*	(9.83)	9.32	(0.14)	13.73
Operating charges	(0.38)	(1.18)	(2.10)	(2.00)
Return after operating charges	(10.21)	8.14	(2.24)	11.73
Distributions	–	(2.24)	(1.72)	(1.81)
Retained distributions on accumulation shares	–	2.24	1.72	1.81
Closing net asset value per share	130.39	140.60	132.46	134.70
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(7.26)%	6.15%	(1.66)%	9.54%
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OTHER INFORMATION

Closing net asset value (£'000)	143,347	142,604	129,978	122,155
Closing number of shares	109,938,163	101,426,763	98,125,280	90,684,203
Operating charges	0.55%	0.86%	1.54%	1.55%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	147.35	144.13	140.28	135.49
Lowest share price	115.91	127.88	131.03	119.97

LF PRUDENTIAL RISK MANAGED ACTIVE 4
ACD'S REPORT *continued*
FUND INFORMATION *continued*

Comparative Tables *continued*

'R' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	163.45	154.31	157.23	143.83
Return before operating charges*	(11.37)	10.91	(0.08)	16.12
Operating charges	(0.64)	(1.77)	(2.84)	(2.72)
Return after operating charges	(12.01)	9.14	(2.92)	13.40
Distributions	–	(2.29)	(1.69)	(1.81)
Retained distributions on accumulation shares	–	2.29	1.69	1.81
Closing net asset value per share	151.44	163.45	154.31	157.23
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(7.35)%	5.92%	(1.86)%	9.32%
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OTHER INFORMATION

Closing net asset value (£'000)	15,072	15,060	13,380	13,257
Closing number of shares	9,952,362	9,213,445	8,670,674	8,431,010
Operating charges	0.80%	1.11%	1.79%	1.80%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	171.08	167.51	163.34	158.02
Lowest share price	134.66	148.92	152.64	140.29

LF PRUDENTIAL RISK MANAGED ACTIVE 4
ACD'S REPORT *continued*
FUND INFORMATION *continued*

Fund Performance to 30 April 2020 (%)

	6 months	1 year	3 years	5 years
LF Prudential Risk Managed Active 4	(7.47)	(6.46)	1.01	13.12

The performance of the Fund is based on the published price per 'P' 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 RISK MANAGED ACTIVE 4

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	EQUITY PORTFOLIOS – 49.61% (31.10.19 – 50.86%)		
	CONTINENTAL EUROPE – 7.78% (31.10.19 – 7.43%)		
1,149,256	LF Prudential European QIS ¹	9,846	3.89
552,691	M&G European Select ¹	9,827	3.89
	TOTAL CONTINENTAL EUROPE	<u>19,673</u>	<u>7.78</u>
	UNITED KINGDOM – 17.58% (31.10.19 – 18.46%)		
5,263,777	LF Prudential UK Growth QIS ¹	16,274	6.44
5,169,229	M&G Recovery ¹	11,879	4.70
1,017,390	M&G UK Select ¹	16,293	6.44
	TOTAL UNITED KINGDOM	<u>44,446</u>	<u>17.58</u>
	ASIA EX JAPAN – 9.09% (31.10.19 – 9.49%)		
2,328,602	Eastspring Developed and Emerging Asia Equity	22,988	9.09
	TOTAL ASIA EX JAPAN	<u>22,988</u>	<u>9.09</u>
	JAPAN – 3.92% (31.10.19 – 4.02%)		
1,334,439	Eastspring Japan Equity	9,908	3.92
	TOTAL JAPAN	<u>9,908</u>	<u>3.92</u>
	NORTH AMERICA – 7.49% (31.10.19 – 7.53%)		
914,444	LF Prudential North American QIS ¹	9,914	3.92
352,118	M&G North American Value ¹	9,016	3.57
	TOTAL NORTH AMERICA	<u>18,930</u>	<u>7.49</u>
	EMERGING MARKETS – 3.75% (31.10.19 – 3.93%)		
949,651	Eastspring Emerging Asia Equity	9,486	3.75
	TOTAL EMERGING MARKETS	<u>9,486</u>	<u>3.75</u>
	TOTAL EQUITY PORTFOLIOS	<u>125,431</u>	<u>49.61</u>

LF PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	EQUITY INVESTMENT INSTRUMENTS – 5.41% (31.10.19 – 6.00%)		
993,133	BBGI	1,587	0.63
1,583,011	BioPharma Credit	1,212	0.48
1,093,355	Blue Capital Alternative Income ²	69	0.03
116,100	Boussard & Gavaudan	1,590	0.63
1,064,459	DP Aircraft I	170	0.07
262,233	HarbourVest Global Private Equity	3,771	1.49
608,688	HgCapital	1,363	0.54
696,757	NB Distressed Debt Investment	312	0.12
852,983	NextEnergy Solar	959	0.38
805,911	Renewables Infrastructure	993	0.39
1,661,800	SDCL Energy Efficiency Income	1,662	0.65
	TOTAL EQUITY INVESTMENT INSTRUMENTS	13,688	5.41
	PROPERTY PORTFOLIOS – 5.79% (31.10.19 – 5.76%)		
12,319,313	Legal & General UK Property	11,258	4.45
339,635	M&G Property Portfolio ¹	3,377	1.34
	TOTAL PROPERTY PORTFOLIOS	14,635	5.79
	BOND PORTFOLIOS – 32.69% (31.10.19 – 30.89%)		
125,298	Eastspring Asian Bond	1,344	0.53
459,949	Eastspring Asian Local Bond	4,231	1.67
1,659,127	Eastspring US Corporate Bond	19,053	7.54
89,312	M&G European Credit Investment ¹	9,670	3.83
1,032,820	M&G Global Convertibles ¹	2,307	0.91
10,382,512	M&G Global High Yield Bond ¹	13,056	5.16
13,943,698	M&G Strategic Corporate Bond ¹	16,850	6.66
15,393,840	Royal London Corporate Bond	16,164	6.39
	TOTAL BOND PORTFOLIOS	82,675	32.69

LF PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	FUTURES – 0.32% (31.10.19 – 0.04%)		
53	EURO STOXX 50 Index Futures June 2020	249	0.10
51	FTSE 100 Index Futures June 2020	371	0.15
9	S&P 500 E Mini Index Futures June 2020	38	0.02
24	US Treasury Note 10 Year Futures June 2020	120	0.05
	TOTAL FUTURES	778	0.32
	Portfolio of investments	237,207	93.82
	Net other assets	15,618	6.18
	Net assets	252,825	100.00

The investments are collective investment schemes unless stated otherwise.

¹ Related party holding.

² Delisted security.

LF PRUDENTIAL RISK MANAGED ACTIVE 4

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 April 2020

Total purchases for the half year £'000	28,396	Total sales for the half year £'000	17,828
Major purchases	Cost £'000	Major sales	Proceeds £'000
M&G Global High Yield Bond	5,359	S&P 500 E Mini Futures December 2019	3,862
FTSE 100 Index Futures March 2020	4,994	FTSE 100 Index Futures March 2020	3,618
FTSE 100 Index Futures June 2020	4,745	Eastspring Developed and Emerging Asia Equity	3,427
Eastspring Developed and Emerging Asia Equity	4,183	US 10 Year T-Note Futures December 2019	3,422
US 10 Year T-Note Futures June 2020	3,323	US 10 Year T-Note Futures June 2020	3,382
US 10 Year T-Note Futures March 2020	3,277	Eastspring US Corporate Bond	3,278
M&G European Credit Investment	3,105	FTSE 100 Index Futures June 2020	2,256
M&G European Select	2,883	M&G Global High Yield Bond	2,037
EURO STOXX 50 Index Futures March 2020	2,238	M&G European Credit Investment	1,964
S&P 500 E Mini Futures June 2020	2,203	EURO STOXX 50 Index Futures March 2020	1,711

In addition to the above, purchases totalling £2,343,008,000 and sales totalling £2,328,366,000 were made in short term investments during the half year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

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

**LF PRUDENTIAL RISK MANAGED ACTIVE 4
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN**

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Income:				
Net capital (losses)/gains		(22,709)		8,974
Revenue	3,426		4,421	
Expenses	(503)		(663)	
Interest payable and similar charges	(1)		(1)	
Net revenue before taxation	2,922		3,757	
Taxation	(121)		(399)	
Net revenue after taxation		2,801		3,358
Total return before distributions		(19,908)		12,332
Distributions ¹		24		(44)
Change in net assets attributable to shareholders from investment activities		(19,884)		12,288

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Opening net assets attributable to shareholders		262,734		252,569
Amounts receivable on issue of shares	19,168		10,015	
Amounts payable on redemption of shares	(9,194)		(16,153)	
		9,974		(6,138)
Change in net assets attributable to shareholders from investment activities		(19,884)		12,288
Unclaimed distributions		1		–
Closing net assets attributable to shareholders		252,825		258,719

The above statements show the comparative closing net assets at 30 April 2019 whereas the current accounting period commenced 1 November 2019.

¹ The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

LF PRUDENTIAL RISK MANAGED ACTIVE 4
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

BALANCE SHEET

as at 30 April 2020

	30.04.20 £'000	31.10.19 £'000
ASSETS		
Fixed assets		
Investments	237,207	245,779
Current assets		
Debtors	1,250	3,118
Cash and bank balances	16,413	17,474
Total assets	<u>254,870</u>	<u>266,371</u>
LIABILITIES		
Investment liabilities	–	(1)
Provisions for liabilities	(8)	(113)
Creditors		
Bank overdrafts	(450)	(43)
Distribution payable	–	(1,760)
Other creditors	(1,587)	(1,720)
Total liabilities	<u>(2,045)</u>	<u>(3,637)</u>
Net assets attributable to shareholders	<u>252,825</u>	<u>262,734</u>

LF PRUDENTIAL RISK MANAGED ACTIVE 4
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 April 2020

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2019 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.

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

2. Subsequent Events

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a pandemic. As a result, global markets have experienced a period of volatility which has impacted the performance of the Fund since the balance sheet date. The length of time the volatility remains will largely depend on the scale and duration of the outbreak. The spread and impact of COVID-19 is considered as a non-adjusting event after the reporting period.

LF PRUDENTIAL RISK MANAGED ACTIVE 5 ACD'S REPORT

for the half year ended 30 April 2020

Investment Objective and Policy

The LF Prudential Risk Managed Active 5 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit average the volatility per annum over rolling 5 year periods to 17%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 17%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in actively managed collective investment schemes. The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will have a high exposure towards higher risk assets, such as equities. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

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

LF PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT *continued*

Benchmark

The Fund's comparator benchmark is the IA Flexible Investment shares sector.

The Fund's performance may be compared against the IA Flexible Investment shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Risk Managed Active 5

2 July 2020

LF PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the half year ended 30 April 2020

Between 1 November 2019 and 30 April 2020 (the period in review) share classes R (Acc) -9.54%¹, P (Acc) -9.45%¹ and A (Acc) -9.54%¹ produced returns behind the -5.32%¹ sector average for the IA Flexible Investment Shares¹.

Market Overview

Early on in 2020 and before the gravity of the coronavirus situation became apparent, developed market equities were broadly flat, and Asia and emerging markets slightly down.

Towards the end of February, the reality hit that a potential human tragedy was unfolding which would dramatically affect economic activity. Sentiment plummeted across markets as investors rushed to sell financial assets. The speed of the sell-off was notable, albeit off the back of strong performance in 2019, which had been driven by the hope of economic activity improving. What took several months during the Global Financial Crisis ('GFC') happened in a matter of weeks this time round.

Equity markets became highly sensitive to case news. There were rallies on the back of a fall in new cases in Italy and falls when US cases took a marked upward step. US cases of COVID-19 rose from 150 to over 100,000 between 4 March and 27 March. In February alone, there were over 18 days where the S&P 500 was either up or down by more than 3%.

Corporate bond markets were also volatile as secondary markets and liquidity evaporated. Spreads on 1-year investment grade bonds jumped nearly 300bps in US and around 200bps in the UK and Europe. The moves in high yield were amplified with 1-year US high yield bonds spiking over 700bps and in the UK and Europe between 560/600bps. The US high yield segment was harder hit than Europe due to its larger weighting to energy companies, particularly shale producers. Initial fears of a credit crunch have died down. The sheer scale and speed of central bank action has been unprecedented. The various bond buying programs have helped credit markets recover from their mid-March nadirs.

Foreign exchange markets were not spared the panic seen elsewhere and there was a lot of demand for the US dollar as investors rushed to US assets as safe havens. Sterling was particularly challenged.

Although COVID-19 continued to spread globally in April, some countries saw the rate of daily new infection rates start to fall. Governments now must grapple with the consequences of reopening their economies and balancing the difficult trade-off between economic risks and health risks.

The S&P 500 Index returned 12.8% in April recovering 50% of this year's decline, volatility fell, developed stock markets outperformed emerging markets, growth stocks outperformed value and fixed income markets rallied. The FTSE All-Share Index underperformed most equity markets, due to the energy sector exposure and ended April up 4.9%. The main catalyst of the April rebound was the significant stimulus measures introduced by governments and central banks to contain the damage caused by the shutdown. Improving virus related data was also supportive.

¹ Source: FE Analytics.

LF PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

There were still negative headlines as the WTI crude oil price reached negative territory for the first time in history amid rising inventories from falling demand, and a global storage space shortage.

Positioning

At the end of April, the portfolio manager had moved to a small overweight position across global equities from neutral. Relative calm had returned to market and they were all still well below their peaks. An underweight in global high yield was gradually moved to a neutral position as the portfolio manager felt that this was an asset class that had been over-sold. UK and European investment grade bonds remaining a small underweight. An overweight cash position from March was therefore reduced.

Outlook

The global economy is in the most severe contraction since the Great Depression. The International Monetary Fund's latest forecast say the US, Eurozone and Japan economies will register contractions of nearly 6%, 7% and 5% this year, respectively. The damage could have been worse without the unprecedented fiscal and monetary stimulus. Most survey measures have reached historical lows as would be expected and some consequences from lockdown have yet to be fully visible in low frequency data.

The virus statistics are key from here. Markets have been bombarded with more stimulus than during the GFC, but then much of the macro-economic data and economist projections are also worse than at that time. With statistics improving in several European countries there is now a focus on predicting the speed of reopening and thus the likely shape and timing of the potential recovery.

There is no question that, whilst there is 'light at the end of the tunnel' we are some way from returning to normal and for many companies the pandemic will change what 'normal' is forever. The lockdown has had many negative consequences but has also brought into even sharper focus issues like carbon emissions and climate change which can only be a good thing for the environment. Many businesses will have seen their carbon emissions fall even sharper than equity markets in March.

The portfolio manager remains fully focused on adhering to the long-standing investment philosophy and processes that have worked well for many years. The team has no greater insight into the future than anyone else but has concentrated on what can be controlled, which is how they invest both now and in the future.

M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

27 May 2020

LF PRUDENTIAL RISK MANAGED ACTIVE 5

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

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

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

The Fund targets a risk level of 5 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

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

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

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

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

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

Derivative Risk: A derivative may not perform as expected and may create losses greater than its cost.

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.

LF PRUDENTIAL RISK MANAGED ACTIVE 5**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables**

Information for 30 April 2020 relates to the 6 month period ending 30 April 2020, 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 6 month period ending 30 April 2020, expressed as an annualised percentage of the average net asset value.

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

'A' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	185.37	177.55	183.43	167.14
Return before operating charges*	(15.73)	12.33	(0.54)	21.68
Operating charges	(0.73)	(2.29)	(4.32)	(4.14)
Return after operating charges	(16.46)	10.04	(4.86)	17.54
Distributions	–	(2.22)	(1.02)	(1.25)
Closing net asset value per share	168.91	185.37	177.55	183.43
* after direct transaction costs of:	–	–	0.02	–

PERFORMANCE

Return after charges	(8.88)%	5.66%	(2.65)%	10.49%
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OTHER INFORMATION

Closing net asset value (£'000)	171	188	209	276
Closing number of shares	101,188	101,626	117,996	150,778
Operating charges	0.81%	1.25%	2.33%	2.36%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	195.26	193.13	191.08	185.41
Lowest share price	148.14	170.32	176.53	162.51

LF PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	194.90	184.46	189.47	171.48
Return before operating charges*	(16.54)	12.78	(0.56)	22.25
Operating charges	(0.77)	(2.34)	(4.45)	(4.26)
Return after operating charges	(17.31)	10.44	(5.01)	17.99
Distributions	–	(2.31)	(1.05)	(1.28)
Retained distributions on accumulation shares	–	2.31	1.05	1.28
Closing net asset value per share	177.59	194.90	184.46	189.47
* after direct transaction costs of:	–	–	0.02	–

PERFORMANCE

Return after charges	(8.88)%	5.66%	(2.64)%	10.49%
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OTHER INFORMATION

Closing net asset value (£'000)	6,560	7,089	7,253	8,218
Closing number of shares	3,693,620	3,637,237	3,931,963	4,337,284
Operating charges	0.81%	1.23%	2.33%	2.36%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	205.32	200.66	197.41	190.26
Lowest share price	155.76	177.00	182.35	166.73

LF PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'C' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	186.17	178.30	184.27	167.83
Return before operating charges*	(15.93)	12.05	(1.05)	21.45
Operating charges	(0.06)	(0.70)	(2.07)	(2.03)
Return after operating charges	(15.99)	11.35	(3.12)	19.42
Distributions	–	(3.48)	(2.85)	(2.98)
Closing net asset value per share	170.18	186.17	178.30	184.27
* after direct transaction costs of:	–	–	0.02	–

PERFORMANCE

Return after charges	(8.59)%	6.36%	(1.69)%	11.57%
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OTHER INFORMATION

Closing net asset value (£'000)	30,906	31,754	31,578	36,443
Closing number of shares	18,160,360	17,056,931	17,710,403	19,776,735
Operating charges	0.07%	0.38%	1.11%	1.14%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	196.37	194.96	193.42	188.00
Lowest share price	149.13	171.29	178.75	163.34

LF PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'P' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	133.61	127.96	132.23	120.44
Return before operating charges*	(11.38)	8.78	(0.61)	15.50
Operating charges	(0.36)	(1.15)	(2.12)	(2.05)
Return after operating charges	(11.74)	7.63	(2.73)	13.45
Distributions	–	(1.98)	(1.54)	(1.66)
Closing net asset value per share	121.87	133.61	127.96	132.23
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(8.79)%	5.96%	(2.06)%	11.17%
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OTHER INFORMATION

Closing net asset value (£'000)	1,770	1,882	1,686	2,022
Closing number of shares	1,452,671	1,408,274	1,317,815	1,529,334
Operating charges	0.56%	0.87%	1.58%	1.61%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	141.06	139.56	138.65	134.68
Lowest share price	106.83	122.86	128.01	117.18

LF PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'P' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	143.53	135.43	138.29	124.40
Return before operating charges*	(12.21)	9.32	(0.65)	16.01
Operating charges	(0.39)	(1.22)	(2.21)	(2.12)
Return after operating charges	(12.60)	8.10	(2.86)	13.89
Distributions	–	(2.10)	(1.61)	(1.72)
Retained distributions on accumulation shares	–	2.10	1.61	1.72
Closing net asset value per share	130.93	143.53	135.43	138.29
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(8.78)%	5.98%	(2.07)%	11.17%
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OTHER INFORMATION

Closing net asset value (£'000)	63,794	67,590	58,162	51,915
Closing number of shares	48,723,045	47,091,908	42,945,145	37,541,468
Operating charges	0.56%	0.87%	1.58%	1.61%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	151.46	147.69	144.94	139.05
Lowest share price	114.78	130.08	133.87	121.02

LF PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'R' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	171.67	162.31	166.06	149.69
Return before operating charges*	(14.57)	11.24	(0.68)	19.31
Operating charges	(0.67)	(1.88)	(3.07)	(2.94)
Return after operating charges	(15.24)	9.36	(3.75)	16.37
Distributions	–	(2.18)	(1.60)	(1.75)
Retained distributions on accumulation shares	–	2.18	1.60	1.75
Closing net asset value per share	156.43	171.67	162.31	166.06
* after direct transaction costs of:	–	–	0.02	–

PERFORMANCE

Return after charges	(8.88)%	5.77%	(2.26)%	10.94%
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OTHER INFORMATION

Closing net asset value (£'000)	7,350	7,573	6,395	6,164
Closing number of shares	4,698,572	4,411,780	3,940,183	3,711,896
Operating charges	0.81%	1.12%	1.83%	1.86%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	180.90	176.73	173.60	166.80
Lowest share price	137.19	155.85	160.45	145.61

LF PRUDENTIAL RISK MANAGED ACTIVE 5
ACD'S REPORT *continued*
FUND INFORMATION *continued*

Fund Performance to 30 April 2020 (%)

	6 months	1 year	3 years	5 years
LF Prudential Risk Managed Active 5	(9.45)	(9.20)	(0.86)	12.30

The performance of the Fund is based on the published price per 'P' 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 RISK MANAGED ACTIVE 5

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	EQUITY PORTFOLIOS – 61.71% (31.10.19 – 63.20%)		
	CONTINENTAL EUROPE – 9.63% (31.10.19 – 9.61%)		
616,214	LF Prudential European QIS ¹	5,279	4.78
301,858	M&G European Select ¹	5,367	4.85
	TOTAL CONTINENTAL EUROPE	<u>10,646</u>	<u>9.63</u>
	UNITED KINGDOM – 22.01% (31.10.19 – 22.73%)		
2,830,000	LF Prudential UK Growth QIS ¹	8,750	7.91
2,882,246	M&G Recovery ¹	6,624	5.99
560,130	M&G UK Select ¹	8,970	8.11
	TOTAL UNITED KINGDOM	<u>24,344</u>	<u>22.01</u>
	ASIA EX JAPAN – 11.37% (31.10.19 – 11.57%)		
1,272,736	Eastspring Developed and Emerging Asia Equity	12,565	11.37
	TOTAL ASIA EX JAPAN	<u>12,565</u>	<u>11.37</u>
	JAPAN – 4.91% (31.10.19 – 5.07%)		
731,366	Eastspring Japan Equity	5,430	4.91
	TOTAL JAPAN	<u>5,430</u>	<u>4.91</u>
	NORTH AMERICA – 9.14% (31.10.19 – 9.47%)		
481,515	LF Prudential North American QIS ¹	5,220	4.72
190,744	M&G North American Value ¹	4,884	4.42
	TOTAL NORTH AMERICA	<u>10,104</u>	<u>9.14</u>
	EMERGING MARKETS – 4.65% (31.10.19 – 4.75%)		
514,384	Eastspring Emerging Asia Equity	5,138	4.65
	TOTAL EMERGING MARKETS	<u>5,138</u>	<u>4.65</u>
	TOTAL EQUITY PORTFOLIOS	<u>68,227</u>	<u>61.71</u>

LF PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	EQUITY INVESTMENT INSTRUMENTS – 5.91% (31.10.19 – 6.49%)		
475,323	BBGI	760	0.69
747,209	BioPharma Credit	572	0.51
512,705	Blue Capital Alternative Income ²	32	0.03
55,600	Boussard & Gavaudan	761	0.69
539,890	DP Aircraft I	86	0.08
125,361	HarbourVest Global Private Equity	1,803	1.63
291,018	HgCapital	652	0.59
320,276	NB Distressed Debt Investment	143	0.13
407,876	NextEnergy Solar	459	0.41
385,666	Renewables Infrastructure	475	0.43
794,200	SDCL Energy Efficiency Income	794	0.72
	TOTAL EQUITY INVESTMENT INSTRUMENTS	6,537	5.91
	PROPERTY PORTFOLIOS – 6.45% (31.10.19 – 6.36%)		
5,956,235	Legal & General UK Property	5,444	4.92
169,911	M&G Property Portfolio ¹	1,689	1.53
	TOTAL PROPERTY PORTFOLIOS	7,133	6.45
	BOND PORTFOLIOS – 20.69% (31.10.19 – 18.39%)		
37,849	Eastspring Asian Bond	406	0.37
128,019	Eastspring Asian Local Bond	1,178	1.07
451,533	Eastspring US Corporate Bond	5,186	4.69
21,570	M&G European Credit Investment ¹	2,335	2.11
296,570	M&G Global Convertibles ¹	662	0.60
3,426,387	M&G Global High Yield Bond ¹	4,309	3.90
3,683,438	M&G Strategic Corporate Bond ¹	4,451	4.03
4,125,985	Royal London Corporate Bond	4,332	3.92
	TOTAL BOND PORTFOLIOS	22,859	20.69

LF PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	FUTURES – 0.29% (31.10.19 – 0.02%)		
33	EURO STOXX 50 Index Futures June 2020	155	0.14
20	FTSE 100 Index Futures June 2020	112	0.10
6	S&P 500 E Mini Futures June 2020	26	0.02
7	US Treasury Note 10 Year Futures June 2020	35	0.03
	TOTAL FUTURES	328	0.29
	Portfolio of investments	105,084	95.05
	Net other assets	5,467	4.95
	Net assets	110,551	100.00

The investments are collective investment schemes unless stated otherwise.

¹ Related party holding.

² Delisted security.

LF PRUDENTIAL RISK MANAGED ACTIVE 5

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 April 2020

Total purchases for the half year £'000	13,188	Total sales for the half year £'000	7,622
Major purchases	Cost £'000	Major sales	Proceeds £'000
Eastspring Developed and Emerging Asia Equity	2,447	Eastspring Developed and Emerging Asia Equity	1,809
FTSE 100 Index Futures June 2020	2,392	FTSE 100 Index Futures March 2020	1,635
M&G Global High Yield Bond	2,257	FTSE 100 Index Futures June 2020	1,441
FTSE 100 Index Futures March 2020	2,256	EURO STOXX 50 Index Futures December 2019	1,234
EURO STOXX 50 Index Futures March 2020	1,224	Eastspring US Corporate Bond	1,071
S&P 500 E Mini Futures June 2020	1,165	US Treasury Note 10 Year Futures March 2020	1,025
M&G European Select	1,158	US Treasury Note 10 Year Futures December 2019	1,007
LF Prudential UK Growth QIS	1,075	EURO STOXX 50 Index Futures March 2020	903
M&G European Credit Investment	1,050	M&G Global High Yield Bond	842
US Treasury Note 10 Year Futures June 2020	1,024	Royal London Corporate Bond	750

In addition to the above, purchases totalling £803,337,000 and sales totalling £798,106,000 were made in short term investments during the half year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

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

**LF PRUDENTIAL RISK MANAGED ACTIVE 5
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN**

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Income:				
Net capital (losses)/gains		(11,889)		4,690
Revenue	1,577		1,796	
Expenses	(232)		(292)	
Interest payable and similar charges	(1)		–	
Net revenue before taxation	1,344		1,504	
Taxation	(19)		(123)	
Net revenue after taxation		1,325		1,381
Total return before distributions		(10,564)		6,071
Distributions ¹		24		8
Change in net assets attributable to shareholders from investment activities		(10,540)		6,079

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Opening net assets attributable to shareholders		116,076		105,283
Amounts receivable on issue of shares	9,830		8,418	
Amounts payable on redemption of shares	(4,815)		(6,905)	
		5,015		1,513
Change in net assets attributable to shareholders from investment activities		(10,540)		6,079
Closing net assets attributable to shareholders		110,551		112,875

The above statements show the comparative closing net assets at 30 April 2019 whereas the current accounting period commenced 1 November 2019.

¹ The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

LF PRUDENTIAL RISK MANAGED ACTIVE 5
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

BALANCE SHEET

as at 30 April 2020

	30.04.20 £'000	31.10.19 £'000
ASSETS		
Fixed assets		
Investments	105,084	109,648
Current assets		
Debtors	424	849
Cash and bank balances	5,965	6,364
Total assets	<u>111,473</u>	<u>116,861</u>
LIABILITIES		
Provisions for liabilities	(4)	(61)
Creditors		
Bank overdrafts	(175)	(20)
Distribution payable	–	(623)
Other creditors	(743)	(81)
Total liabilities	<u>(922)</u>	<u>(785)</u>
Net assets attributable to shareholders	<u>110,551</u>	<u>116,076</u>

LF PRUDENTIAL RISK MANAGED ACTIVE 5
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 April 2020

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2019 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.

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

2. Subsequent Events

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a pandemic. As a result, global markets have experienced a period of volatility which has impacted the performance of the Fund since the balance sheet date. The length of time the volatility remains will largely depend on the scale and duration of the outbreak. The spread and impact of COVID-19 is considered as a non-adjusting event after the reporting period.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1 ACD'S REPORT

for the half year ended 30 April 2020

Investment Objective and Policy

The LF Prudential Risk Managed Passive Fund 1 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 9%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 9%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in passive collective investment schemes (e.g. funds which track an index). The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will have a high exposure to lower risk assets such as fixed income assets and cash. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

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

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT *continued*

Benchmark

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

The Fund's performance may be compared against the IA Mixed Investment 0-35% shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Risk Managed Passive Fund 1

2 July 2020

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the half year ended 30 April 2020

Between 1 November 2019 and 30 April 2020 (the period in review) share classes R (Acc) -2.65%¹, A (Acc) -2.63%¹ and P (Acc) -2.53%¹ produced returns ahead of the sector average return of -3.01%¹ for IA Mixed Investment 0-35% Shares¹.

Market Overview

Early on in 2020 and before the gravity of the coronavirus situation became apparent, developed market equities were broadly flat, and Asia and emerging markets slightly down.

Towards the end of February, the reality hit that a potential human tragedy was unfolding which would dramatically affect economic activity. Sentiment plummeted across markets as investors rushed to sell financial assets. The speed of the sell-off was notable, albeit off the back of strong performance in 2019, which had been driven by the hope of economic activity improving. What took several months during the Global Financial Crisis ('GFC') happened in a matter of weeks this time round.

Equity markets became highly sensitive to case news. There were rallies on the back of a fall in new cases in Italy and falls when US cases took a marked upward step. US cases of COVID-19 rose from 150 to over 100,000 between 4 March and 27 March. In February alone, there were over 18 days where the S&P 500 was either up or down by more than 3%.

Corporate bond markets were also volatile as secondary markets and liquidity evaporated. Spreads on 1-year investment grade bonds jumped nearly 300bps in US and around 200bps in the UK and Europe. The moves in high yield were amplified with 1-year US high yield bonds spiking over 700bps and in the UK and Europe between 560/600bps. The US high yield segment was harder hit than Europe due to its larger weighting to energy companies, particularly shale producers.

Initial fears of a credit crunch have died down. The sheer scale and speed of central bank action has been unprecedented. The various bond buying programs have helped credit markets recover from their mid-March nadirs.

Foreign exchange markets were not spared the panic seen elsewhere and there was a lot of demand for the US dollar as investors rushed to US assets as safe havens. Sterling was particularly challenged.

Although COVID-19 continued to spread globally in April, some countries saw the rate of daily new infection rates start to fall. Governments now must grapple with the consequences of reopening their economies and balancing the difficult trade-off between economic risks and health risks.

The S&P 500 Index returned 12.8% in April recovering 50% of this year's decline, volatility fell, developed stock markets outperformed emerging markets, growth stocks outperformed value and fixed income markets rallied. The FTSE All-Share Index underperformed most equity markets, due to the energy sector exposure and ended April up 4.9%. The main catalyst of the April rebound was the significant stimulus measures introduced by governments and central banks to contain the damage caused by the shutdown. Improving virus related data was also supportive.

¹ Source: FE Analytics.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

There were still negative headlines as the WTI crude oil price reached negative territory for the first time in history amid rising inventories from falling demand, and a global storage space shortage.

Positioning

At the end of April, the portfolio manager had moved to a small overweight position across global equities from neutral. Relative calm had returned to market and they were all still well below their peaks. An underweight in global high yield was gradually moved to a neutral position as the portfolio manager felt that this was an asset class that had been over-sold. UK and European investment grade bonds remaining a small underweight. An overweight cash position from March was therefore reduced.

Outlook

The global economy is in the most severe contraction since the Great Depression. The International Monetary Fund's latest forecast say the US, Eurozone and Japan economies will register contractions of nearly 6%, 7% and 5% this year, respectively. The damage could have been worse without the unprecedented fiscal and monetary stimulus. Most survey measures have reached historical lows as would be expected and some consequences from lockdown have yet to be fully visible in low frequency data.

The virus statistics are key from here. Markets have been bombarded with more stimulus than during the GFC, but then much of the macro-economic data and economist projections are also worse than at that time. With statistics improving in several European countries there is now a focus on predicting the speed of reopening and thus the likely shape and timing of the potential recovery.

There is no question that, whilst there is 'light at the end of the tunnel' we are some way from returning to normal and for many companies the pandemic will change what 'normal' is forever. The lockdown has had many negative consequences but has also brought into even sharper focus issues like carbon emissions and climate change which can only be a good thing for the environment. Many businesses will have seen their carbon emissions fall even sharper than equity markets in March.

The portfolio manager remains fully focused on adhering to the long-standing investment philosophy and processes that have worked well for many years. The team has no greater insight into the future than anyone else but has concentrated on what can be controlled, which is how they invest both now and in the future.

M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

29 May 2020

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1

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 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.

The Fund targets a risk level of 1 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

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

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

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

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

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

Derivatives Risk: A derivative may not perform as expected and may create losses greater than its cost.

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.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables

Information for 30 April 2020 relates to the 6 month period ending 30 April 2020, 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 6 month period ending 30 April 2020, expressed as an annualised percentage of the average net asset value.

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

'A' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	140.42	135.22	139.33	134.77
Return before operating charges*	(3.28)	8.84	0.37	9.42
Operating charges	(0.37)	(1.07)	(2.23)	(2.21)
Return after operating charges	(3.65)	7.77	(1.86)	7.21
Distributions	–	(2.57)	(2.25)	(2.65)
Closing net asset value per share	136.77	140.42	135.22	139.33
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(2.60)%	5.75%	(1.33)%	5.35%
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OTHER INFORMATION

Closing net asset value (£'000)	179	185	303	314
Closing number of shares	130,734	131,409	224,141	225,437
Operating charges	0.54%	0.77%	1.60%	1.60%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	143.96	146.49	141.28	142.17
Lowest share price	125.95	132.18	136.83	131.68

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	178.90	169.24	171.53	162.81
Return before operating charges*	(4.16)	10.98	0.46	11.39
Operating charges	(0.48)	(1.32)	(2.75)	(2.67)
Return after operating charges	(4.64)	9.66	(2.29)	8.72
Distributions	–	(3.19)	(2.78)	(3.21)
Retained distributions on accumulation shares	–	3.19	2.78	3.21
Closing net asset value per share	174.26	178.90	169.24	171.53
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(2.59)%	5.71%	(1.34)%	5.36%
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OTHER INFORMATION

Closing net asset value (£'000)	7,240	7,638	7,838	8,881
Closing number of shares	4,154,968	4,269,527	4,631,026	5,177,861
Operating charges	0.54%	0.76%	1.60%	1.60%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	183.31	183.26	173.83	171.75
Lowest share price	160.48	165.73	168.45	159.06

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'C' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	140.57	135.37	139.53	134.93
Return before operating charges*	(3.28)	8.81	0.36	9.50
Operating charges	(0.04)	(0.11)	(0.35)	(0.35)
Return after operating charges	(3.32)	8.70	0.01	9.15
Distributions	–	(3.50)	(4.17)	(4.55)
Closing net asset value per share	137.25	140.57	135.37	139.53
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(2.36)%	6.43%	0.01%	6.78%
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OTHER INFORMATION

Closing net asset value (£'000)	144,792	150,260	156,867	171,075
Closing number of shares	105,498,112	106,894,445	115,880,365	122,612,020
Operating charges	0.06%	0.08%	0.25%	0.25%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	144.34	147.47	142.89	144.21
Lowest share price	126.35	132.60	137.93	132.01

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'P' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	113.99	109.78	113.13	109.43
Return before operating charges*	(2.66)	7.13	0.30	7.66
Operating charges	(0.16)	(0.44)	(0.96)	(0.96)
Return after operating charges	(2.82)	6.69	(0.66)	6.70
Distributions	–	(2.48)	(2.69)	(3.00)
Closing net asset value per share	111.17	113.99	109.78	113.13
* after direct transaction costs of:	–	–	–	–

PERFORMANCE

Return after charges	(2.47)%	6.10%	(0.59)%	6.12%
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OTHER INFORMATION

Closing net asset value (£'000)	6,999	6,937	6,393	5,370
Closing number of shares	6,296,200	6,085,800	5,824,023	4,746,330
Operating charges	0.29%	0.39%	0.85%	0.85%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	117.11	119.42	115.35	116.40
Lowest share price	102.36	107.43	111.57	107.00

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'P' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	130.77	123.25	123.99	116.81
Return before operating charges*	(3.06)	8.02	0.31	8.20
Operating charges	(0.19)	(0.50)	(1.05)	(1.02)
Return after operating charges	(3.25)	7.52	(0.74)	7.18
Distributions	–	(2.79)	(2.94)	(3.21)
Retained distributions on accumulation shares	–	2.79	2.94	3.21
Closing net asset value per share	127.52	130.77	123.25	123.99
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(2.49)%	6.10%	(0.60)%	6.15%
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OTHER INFORMATION

Closing net asset value (£'000)	103,171	102,315	111,821	69,303
Closing number of shares	80,902,465	78,241,121	90,726,089	55,893,928
Operating charges	0.29%	0.39%	0.85%	0.85%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	134.26	134.02	126.40	124.22
Lowest share price	117.42	120.85	122.28	114.21

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'R' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	143.45	135.54	136.68	129.10
Return before operating charges*	(3.35)	8.79	0.37	9.04
Operating charges	(0.38)	(0.88)	(1.51)	(1.46)
Return after operating charges	(3.73)	7.91	(1.14)	7.58
Distributions	–	(2.72)	(2.90)	(3.21)
Retained distributions on accumulation shares	–	2.72	2.90	3.21
Closing net asset value per share	139.72	143.45	135.54	136.68
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(2.60)%	5.84%	(0.83)%	5.87%
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OTHER INFORMATION

Closing net asset value (£'000)	20,550	20,852	18,831	17,793
Closing number of shares	14,708,304	14,536,443	13,893,193	13,017,368
Operating charges	0.54%	0.63%	1.10%	1.10%
Direct transaction costs	–	–	–	–

PRICES

Highest share price	147.12	147.04	139.06	136.88
Lowest share price	128.69	132.83	134.67	126.18

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 30 April 2020 (%)

	6 months	1 year	3 years	5 years
LF Prudential Risk Managed Passive Fund 1	(2.53)	(0.23)	6.40	20.41

The performance of the Fund is based on the published price per 'P' 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 RISK MANAGED PASSIVE FUND 1

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	EQUITY PORTFOLIOS – 20.97% (31.10.19 – 22.71%)		
	UNITED KINGDOM – 6.75% (31.10.19 – 8.15%)		
3,454,812	iShares UK Equity Index	5,331	1.89
10,356,585	Legal & General UK Index	13,753	4.86
	TOTAL UNITED KINGDOM	19,084	6.75
	CONTINENTAL EUROPE – 3.05% (31.10.19 – 2.65%)		
3,339,809	Legal & General European Index	8,640	3.05
	TOTAL CONTINENTAL EUROPE	8,640	3.05
	ASIA EX JAPAN – 4.11% (31.10.19 – 4.33%)		
6,991,292	iShares Pacific ex Japan Equity Index	11,627	4.11
	TOTAL ASIA EX JAPAN	11,627	4.11
	JAPAN – 1.83% (31.10.19 – 2.11%)		
2,508,986	iShares Japan Equity Index	5,186	1.83
	TOTAL JAPAN	5,186	1.83
	NORTH AMERICA – 3.49% (31.10.19 – 3.53%)		
3,260,504	iShares US Equity Index	9,866	3.49
	TOTAL NORTH AMERICA	9,866	3.49
	EMERGING MARKETS – 1.74% (31.10.19 – 1.94%)		
3,409,147	iShares Emerging Markets Equity Index	4,913	1.74
	TOTAL EMERGING MARKETS	4,913	1.74
	TOTAL EQUITY PORTFOLIOS	59,316	20.97
	EQUITY INVESTMENT INSTRUMENTS – 2.41% (31.10.19 – 2.91%)		
497,109	BBGI	794	0.28
788,934	BioPharma Credit	604	0.21
460,040	Blue Capital Alternative Income ¹	29	0.01
58,100	Boussard & Gavaudan	796	0.28

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
506,848	DP Aircraft I	81	0.03
131,009	HarbourVest Global Private Equity	1,884	0.67
294,987	HgCapital	661	0.23
345,219	NB Distressed Debt Investment	155	0.06
424,317	NextEnergy Solar	477	0.17
403,400	Renewables Infrastructure	497	0.18
830,400	SDCL Energy Efficiency Income	830	0.29
	TOTAL EQUITY INVESTMENT INSTRUMENTS	6,808	2.41
	BOND PORTFOLIOS – 68.30% (31.10.19 – 66.63%)		
43,818,373	iShares Corporate Bond Index	67,436	23.83
1,961,476	iShares Euro Investment Grade Corporate Bond Index	20,787	7.35
5,641,003	iShares US Corporate Bond Index	52,232	18.46
1,275,640	iShares USD Treasury Bond	6,825	2.41
8,428,446	M&G European Corporate Bond ²	9,383	3.32
6,917,784	M&G Global High Yield Bond ²	8,699	3.07
23,089,244	M&G Strategic Corporate Bond ²	27,901	9.86
	TOTAL BOND PORTFOLIOS	193,263	68.30
	FUTURES – 0.26% (31.10.19 – 0.02%)		
86	EURO STOXX 50 Index Futures June 2020	277	0.10
70	FTSE 100 Index Futures June 2020	412	0.14
11	S&P 500 E Mini Futures June 2020	60	0.02
	TOTAL FUTURES	749	0.26
	Portfolio of investments	260,136	91.94
	Net other assets	22,795	8.06
	Net assets	282,931	100.00

The investments are collective investment schemes unless stated otherwise.

¹ Delisted security.

² Related party holding.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 April 2020

Total purchases for the half year £'000	32,966	Total sales for the half year £'000	32,050
Major purchases	Cost £'000	Major sales	Proceeds £'000
M&G Global High Yield Bond	6,192	iShares US Corporate Bond Index	7,504
FTSE 100 Index Futures June 2020	4,986	iShares Corporate Bond Index	4,965
FTSE 100 Index Futures March 2020	4,901	FTSE 100 Index Futures March 2020	3,963
iShares Euro Investment Grade Corporate Bond Index	4,722	EURO STOXX 50 Index Futures December 2019	3,799
iShares US Corporate Bond Index	4,110	M&G European Corporate Bond	3,726
EURO STOXX 50 Index Futures March 2020	3,624	EURO STOXX 50 Index Futures March 2020	3,183
iShares Corporate Bond Index	3,297	M&G Strategic Corporate Bond	2,976
M&G Strategic Corporate Bond	3,258	M&G Global High Yield Bond	2,501
Legal & General European Index	2,736	Legal & General UK Index	1,897
EURO STOXX 50 Index Futures June 2020	1,941	iShares Japan Equity Index	1,578

In addition to the above, purchases totalling £2,884,928,000 and sales totalling £2,884,358,000 were made in short term investments during the half year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

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

**LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN**

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Income:				
Net capital (losses)/gains		(9,367)		6,277
Revenue	2,241		4,663	
Expenses	(212)		(435)	
Interest payable and similar charges	(6)		(1)	
Net revenue before taxation	2,023		4,227	
Taxation	—		(83)	
Net revenue after taxation		2,023		4,144
Total return before distributions		(7,344)		10,421
Distributions ¹		(17)		(9)
Change in net assets attributable to shareholders from investment activities		(7,361)		10,412

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Opening net assets attributable to shareholders		288,187		302,053
Amounts receivable on issue of shares	17,816		22,598	
Amounts payable on redemption of shares	(15,711)		(27,609)	
		2,105		(5,011)
Change in net assets attributable to shareholders from investment activities		(7,361)		10,412
Closing net assets attributable to shareholders		282,931		307,454

The above statements show the comparative closing net assets at 30 April 2019 whereas the current accounting period commenced 1 November 2019.

¹ The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

BALANCE SHEET

as at 30 April 2020

	30.04.20 £'000	31.10.19 £'000
ASSETS		
Fixed assets		
Investments	260,136	265,911
Current assets		
Debtors	495	2,379
Cash and bank balances	24,087	24,569
Total assets	<u>284,718</u>	<u>292,859</u>
LIABILITIES		
Creditors		
Bank overdrafts	(331)	(30)
Distribution payable	–	(3,897)
Other creditors	(1,456)	(745)
Total liabilities	<u>(1,787)</u>	<u>(4,672)</u>
Net assets attributable to shareholders	<u>282,931</u>	<u>288,187</u>

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 1
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 April 2020

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2019 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.

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

2. Subsequent Events

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a pandemic. As a result, global markets have experienced a period of volatility which has impacted the performance of the Fund since the balance sheet date. The length of time the volatility remains will largely depend on the scale and duration of the outbreak. The spread and impact of COVID-19 is considered as a non-adjusting event after the reporting period.

Since the balance sheet date, the price of each of the Fund's share classes has moved as follows:

Share class	Balance sheet date	29.06.20	Movement
'A' Income shares	136.77	143.97	5.26%
'A' Accumulation shares	174.26	183.45	5.27%
'C' Income shares	137.25	144.58	5.34%
'P' Income shares	111.17	117.07	5.31%
'P' Accumulation shares	127.52	134.31	5.32%
'R' Accumulation shares	139.72	147.09	5.27%

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2 ACD'S REPORT

for the half year ended 30 April 2020

Investment Objective and Policy

The LF Prudential Risk Managed Passive Fund 2 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 10%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 10%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in passive collective investment schemes (e.g. funds which track an index). The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

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

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

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

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT *continued*

Benchmark

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

The Fund's performance may be compared against the IA Mixed Investment 20-60% shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Risk Managed Passive Fund 2

2 July 2020

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the half year ended 30 April 2020

Between 1 November 2019 and 30 April 2020 (the period in review) share classes R (Acc) -3.61%¹, P (Acc) -3.51%¹ and A (Acc) -3.62%¹ produced returns that were ahead of the -5.69%¹ sector average for the IA Mixed Investment 20-60% Shares¹.

Market Overview

Early on in 2020 and before the gravity of the coronavirus situation became apparent, developed market equities were broadly flat, and Asia and emerging markets slightly down.

Towards the end of February, the reality hit that a potential human tragedy was unfolding which would dramatically affect economic activity. Sentiment plummeted across markets as investors rushed to sell financial assets. The speed of the sell-off was notable, albeit off the back of strong performance in 2019, which had been driven by the hope of economic activity improving. What took several months during the Global Financial Crisis ('GFC') happened in a matter of weeks this time round.

Equity markets became highly sensitive to case news. There were rallies on the back of a fall in new cases in Italy and falls when US cases took a marked upward step. US cases of COVID-19 rose from 150 to over 100,000 between 4 March and 27 March. In February alone, there were over 18 days where the S&P 500 was either up or down by more than 3%.

Corporate bond markets were also volatile as secondary markets and liquidity evaporated. Spreads on 1-year investment grade bonds jumped nearly 300bps in US and around 200bps in the UK and Europe. The moves in high yield were amplified with 1-year US high yield bonds spiking over 700bps and in the UK and Europe between 560/600bps. The US high yield segment was harder hit than Europe due to its larger weighting to energy companies, particularly shale producers.

Initial fears of a credit crunch have died down. The sheer scale and speed of central bank action has been unprecedented. The various bond buying programs have helped credit markets recover from their mid-March nadirs.

Foreign exchange markets were not spared the panic seen elsewhere and there was a lot of demand for the US dollar as investors rushed to US assets as safe havens. Sterling was particularly challenged.

Although COVID-19 continued to spread globally in April, some countries saw the rate of daily new infection rates start to fall. Governments now must grapple with the consequences of reopening their economies and balancing the difficult trade-off between economic risks and health risks.

The S&P 500 Index returned 12.8% in April recovering 50% of this year's decline, volatility fell, developed stock markets outperformed emerging markets, growth stocks outperformed value and fixed income markets rallied. The FTSE All-Share Index underperformed most equity markets, due to the energy sector exposure and ended April up 4.9%. The main catalyst of the April rebound was the significant stimulus measures introduced by governments and central banks to contain the damage caused by the shutdown. Improving virus related data was also supportive.

¹ Source: FE Analytics.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

There were still negative headlines as the WTI crude oil price reached negative territory for the first time in history amid rising inventories from falling demand, and a global storage space shortage.

Positioning

At the end of April, the portfolio manager had moved to a small overweight position across global equities from neutral. Relative calm had returned to market and they were all still well below their peaks. An underweight in global high yield was gradually moved to a neutral position as the portfolio manager felt that this was an asset class that had been over-sold. UK and European investment grade bonds remaining a small underweight. An overweight cash position from March was therefore reduced.

Outlook

The global economy is in the most severe contraction since the Great Depression. The International Monetary Fund's latest forecast say the US, Eurozone and Japan economies will register contractions of nearly 6%, 7% and 5% this year, respectively. The damage could have been worse without the unprecedented fiscal and monetary stimulus. Most survey measures have reached historical lows as would be expected and some consequences from lockdown have yet to be fully visible in low frequency data.

The virus statistics are key from here. Markets have been bombarded with more stimulus than during the GFC, but then much of the macro-economic data and economist projections are also worse than at that time. With statistics improving in several European countries there is now a focus on predicting the speed of reopening and thus the likely shape and timing of the potential recovery.

There is no question that, whilst there is 'light at the end of the tunnel' we are some way from returning to normal and for many companies the pandemic will change what 'normal' is forever. The lockdown has had many negative consequences but has also brought into even sharper focus issues like carbon emissions and climate change which can only be a good thing for the environment. Many businesses will have seen their carbon emissions fall even sharper than equity markets in March.

The portfolio manager remains fully focused on adhering to the long-standing investment philosophy and processes that have worked well for many years. The team has no greater insight into the future than anyone else but has concentrated on what can be controlled, which is how they invest both now and in the future.

M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

29 May 2020

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2

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

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

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

The Fund targets a risk level of 2 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

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

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

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

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

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

Derivatives Risk: A derivative may not perform as expected and may create losses greater than its cost.

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.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables

Information for 30 April 2020 relates to the 6 month period ending 30 April 2020, 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 6 month period ending 30 April 2020, expressed as an annualised percentage of the average net asset value.

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

'A' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	117.23	112.15	115.31	110.19
Return before operating charges*	(3.89)	7.71	0.86	9.13
Operating charges	(0.12)	(0.81)	(1.89)	(1.84)
Return after operating charges	(4.01)	6.90	(1.03)	7.29
Distributions	–	(1.82)	(2.13)	(2.17)
Closing net asset value per share	113.22	117.23	112.15	115.31
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(3.42)%	6.16%	(0.89)%	6.62%
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OTHER INFORMATION

Closing net asset value (£'000)	–	–	–	–
Closing number of shares	250	250	250	250
Operating charges	0.55%	0.69%	1.63%	1.62%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	121.45	122.20	118.06	117.86
Lowest share price	103.92	109.17	113.07	107.65

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	125.45	118.02	119.57	112.38
Return before operating charges*	(4.07)	8.28	0.42	9.09
Operating charges	(0.33)	(0.85)	(1.97)	(1.90)
Return after operating charges	(4.40)	7.43	(1.55)	7.19
Distributions	–	(2.00)	(1.66)	(1.91)
Retained distributions on accumulation shares	–	2.00	1.66	1.91
Closing net asset value per share	121.05	125.45	118.02	119.57
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(3.51)%	6.29%	(1.30)%	6.40%
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OTHER INFORMATION

Closing net asset value (£'000)	121	21	5	5
Closing number of shares	100,053	17,023	4,361	4,361
Operating charges	0.55%	0.69%	1.63%	1.62%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	129.59	128.57	121.98	119.94
Lowest share price	110.83	115.05	117.04	109.82

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'C' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 ¹ pence per share
Opening net asset value per share	103.93	99.27	100.00
Return before operating charges*	(3.41)	7.03	0.82
Operating charges	(0.04)	(0.14)	(0.15)
Return after operating charges	(3.45)	6.89	0.67
Distributions	–	(2.23)	(1.40)
Closing net asset value per share	100.48	103.93	99.27
* after direct transaction costs of:	–	–	0.01

PERFORMANCE

Return after charges	(3.32)%	6.94%	0.67%
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OTHER INFORMATION

Closing net asset value (£'000)	3,148	1,022	10
Closing number of shares	3,132,474	983,376	10,071
Operating charges	0.07%	0.14%	0.28% ²
Direct transaction costs	–	–	0.01%

PRICES

Highest share price	107.32	108.56	103.71
Lowest share price	91.84	96.84	100.00

¹ From 17 April 2018.

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

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'P' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	117.64	112.38	115.50	110.26
Return before operating charges*	(3.84)	8.03	0.20	8.58
Operating charges	(0.17)	(0.53)	(1.02)	(0.99)
Return after operating charges	(4.01)	7.50	(0.82)	7.59
Distributions	–	(2.24)	(2.30)	(2.35)
Closing net asset value per share	113.63	117.64	112.38	115.50
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(3.41)%	6.67%	(0.71)%	6.88%
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OTHER INFORMATION

Closing net asset value (£'000)	4,173	3,139	6,684	6,280
Closing number of shares	3,671,968	2,668,501	5,947,803	5,437,561
Operating charges	0.30%	0.45%	0.88%	0.87%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	121.56	122.78	118.29	118.10
Lowest share price	103.99	109.54	113.31	107.75

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'P' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	127.96	119.95	120.79	113.01
Return before operating charges*	(4.16)	8.53	0.22	8.80
Operating charges	(0.19)	(0.52)	(1.06)	(1.02)
Return after operating charges	(4.35)	8.01	(0.84)	7.78
Distributions	–	(2.39)	(2.41)	(2.41)
Retained distributions on accumulation shares	–	2.39	2.41	2.41
Closing net asset value per share	123.61	127.96	119.95	120.79
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(3.40)%	6.68%	(0.70)%	6.88%
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OTHER INFORMATION

Closing net asset value (£'000)	72,628	47,275	14,200	7,408
Closing number of shares	58,758,274	36,944,580	11,838,124	6,132,407
Operating charges	0.30%	0.42%	0.88%	0.87%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	132.21	131.05	123.72	121.05
Lowest share price	113.11	117.04	118.51	110.45

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'R' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	126.86	119.16	120.24	112.72
Return before operating charges*	(4.10)	8.55	0.28	8.82
Operating charges	(0.34)	(0.85)	(1.36)	(1.30)
Return after operating charges	(4.44)	7.70	(1.08)	7.52
Distributions	–	(2.12)	(2.15)	(2.17)
Retained distributions on accumulation shares	–	2.12	2.15	2.17
Closing net asset value per share	122.42	126.86	119.16	120.24
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(3.50)%	6.46%	(0.90)%	6.67%
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OTHER INFORMATION

Closing net asset value (£'000)	21,215	19,020	16,530	14,120
Closing number of shares	17,329,839	14,993,715	13,872,374	11,743,112
Operating charges	0.55%	0.70%	1.13%	1.12%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	131.03	130.00	122.96	120.51
Lowest share price	112.06	116.23	117.87	110.15

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 30 April 2020 (%)

	6 months	1 year	3 years	Since launch ¹
LF Prudential Risk Managed Passive Fund 2	(3.62)	(0.86)	4.94	21.27

¹ 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.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	EQUITY PORTFOLIOS – 28.35% (31.10.19 – 30.15%)		
	CONTINENTAL EUROPE – 3.92% (31.10.19 – 4.12%)		
1,532,430	Legal & General European Index	3,964	3.92
	TOTAL CONTINENTAL EUROPE	3,964	3.92
	UNITED KINGDOM – 9.96% (31.10.19 – 10.59%)		
3,914,749	iShares UK Equity Index	6,040	5.96
3,048,650	Legal & General UK Index	4,049	4.00
	TOTAL UNITED KINGDOM	10,089	9.96
	ASIA EX JAPAN – 5.75% (31.10.19 – 5.88%)		
3,498,343	iShares Pacific ex Japan Equity Index	5,818	5.75
	TOTAL ASIA EX JAPAN	5,818	5.75
	JAPAN – 2.49% (31.10.19 – 2.59%)		
1,222,234	iShares Japan Equity Index	2,526	2.49
	TOTAL JAPAN	2,526	2.49
	NORTH AMERICA – 3.84% (31.10.19 – 4.40%)		
1,285,498	iShares US Equity Index	3,890	3.84
	TOTAL NORTH AMERICA	3,890	3.84
	EMERGING MARKETS – 2.39% (31.10.19 – 2.57%)		
1,681,345	iShares Emerging Markets Equity Index	2,423	2.39
	TOTAL EMERGING MARKETS	2,423	2.39
	TOTAL EQUITY PORTFOLIOS	28,710	28.35
	EQUITY INVESTMENT INSTRUMENTS – 2.91% (31.10.19 – 3.32%)		
215,719	BBGI	345	0.34
301,862	BioPharma Credit	231	0.23
58,845	Blue Capital Alternative Income ¹	4	0.00
26,200	Boussard & Gavaudan	359	0.36

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2**ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
154,902	DP Aircraft I	25	0.02
57,750	HarbourVest Global Private Equity	830	0.82
142,922	HgCapital	320	0.32
60,963	NB Distressed Debt Investment	27	0.03
182,644	NextEnergy Solar	205	0.20
175,217	Renewables Infrastructure	216	0.21
388,840	SDCL Energy Efficiency Income	389	0.38
	TOTAL EQUITY INVESTMENT INSTRUMENTS	2,951	2.91
	BOND PORTFOLIOS – 59.13% (31.10.19 – 56.23%)		
13,297,425	iShares Corporate Bond Index	20,465	20.20
605,966	iShares Euro Investment Grade Corporate Bond Index	6,422	6.34
1,741,315	iShares US Corporate Bond Index	16,123	15.92
390,153	iShares USD Treasury Bond	2,087	2.06
2,412,227	M&G European Corporate Bond ²	2,686	2.65
2,662,940	M&G Global High Yield Bond ²	3,349	3.31
7,246,548	M&G Strategic Corporate Bond ²	8,757	8.65
	TOTAL BOND PORTFOLIOS	59,889	59.13
	FUTURES – 0.56% (31.10.19 – 0.02%)		
55	EURO STOXX 50 Index Futures June 2020	214	0.21
31	FTSE 100 Index Futures June 2020	156	0.15
14	S&P 500 E Mini Index Futures 2020	197	0.20
	TOTAL FUTURES	567	0.56
	Portfolio of investments	92,117	90.95
	Net other assets	9,168	9.05
	Net assets	101,285	100.00

The investments are collective investment schemes unless stated otherwise.

¹ Delisted security.

² Related party holding.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 April 2020

Total purchases for the half year £'000	37,066	Total sales for the half year £'000	5,757
<u>Major purchases</u>	<u>Cost £'000</u>	<u>Major sales</u>	<u>Proceeds £'000</u>
iShares Corporate Bond Index	7,049	FTSE 100 Index Futures March 2020	2,838
iShares US Corporate Bond Index	6,193	iShares USD Treasury Bond	1,992
iShares UK Equity Index	4,039	iShares US Corporate Bond Index	1,666
FTSE 100 Index Futures March 2020	3,525	S&P 500 E Mini Futures March 2020	1,409
iShares Euro Investment Grade Corporate Bond Index	3,103	EURO STOXX 50 Index Futures December 2019	1,361
FTSE 100 Index Futures June 2020	2,848	EURO STOXX 50 Index Futures March 2020	1,345
iShares USD Treasury Bond	2,818	FTSE 100 Index Futures June 2020	1,262
M&G Global High Yield Bond	2,631	FTSE 100 Index Futures December 2019	1,196
M&G Strategic Corporate Bond	2,595	S&P 500 E Mini Futures December 2019	710
iShares Pacific ex Japan Equity Index	2,149	M&G Global High Yield Bond	531

In addition to the above, purchases totalling £1,004,415,000 and sales totalling £1,001,522,000 were made in short term investments during the half year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

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

**LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN**

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Income:				
Net capital (losses)/gains		(3,914)		1,141
Revenue	647		579	
Expenses	(129)		(113)	
Net revenue before taxation	518		466	
Taxation	(56)		(63)	
Net revenue after taxation		462		403
Total return before distributions		(3,452)		1,544
Distributions ¹		61		38
Change in net assets attributable to shareholders from investment activities		(3,391)		1,582

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Opening net assets attributable to shareholders		70,477		37,429
Amounts receivable on issue of shares	35,333		9,052	
Amounts payable on redemption of shares	(1,134)		(1,609)	
		34,199		7,443
Change in net assets attributable to shareholders from investment activities		(3,391)		1,582
Closing net assets attributable to shareholders		101,285		46,454

The above statements show the comparative closing net assets at 30 April 2019 whereas the current accounting period commenced 1 November 2019.

¹ The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

BALANCE SHEET

as at 30 April 2020

	30.04.20 £'000	31.10.19 £'000
ASSETS		
Fixed assets		
Investments	92,117	63,238
Current assets		
Debtors	1,033	7,600
Cash and bank balances	9,503	6,363
Total assets	<u>102,653</u>	<u>77,201</u>
LIABILITIES		
Investment liabilities	–	(4)
Creditors		
Bank overdrafts	(248)	–
Distribution payable	–	(82)
Other creditors	(1,120)	(6,638)
Total liabilities	<u>(1,368)</u>	<u>(6,724)</u>
Net assets attributable to shareholders	<u>101,285</u>	<u>70,477</u>

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 2
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 April 2020

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2019 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.

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

2. Subsequent Events

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a pandemic. As a result, global markets have experienced a period of volatility which has impacted the performance of the Fund since the balance sheet date. The length of time the volatility remains will largely depend on the scale and duration of the outbreak. The spread and impact of COVID-19 is considered as a non-adjusting event after the reporting period.

Since the balance sheet date, the price of each of the Fund's share classes has moved as follows:

Share class	Balance sheet date	29.06.20	Movement
'A' Income shares	113.22	120.29	6.24%
'A' Accumulation shares	121.05	128.17	5.88%
'C' Income shares	100.48	106.33	5.82%
'P' Income shares	113.63	120.33	5.90%
'P' Accumulation shares	123.61	130.88	5.88%
'R' Accumulation shares	122.42	129.60	5.87%

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3 ACD'S REPORT

for the half year ended 30 April 2020

Investment Objective and Policy

The LF Prudential Risk Managed Passive Fund 3 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 12%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 12%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in passive collective investment schemes (e.g. funds which track an index). The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will be balanced between lower risk assets, such as fixed income assets and cash, and higher risk assets, such as equities. From time to time, however, the Fund may have a higher exposure to either higher risk or lower risk assets with the aim of meeting the Fund's objective. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

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

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT *continued*

Benchmark

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

The Fund's performance may be compared against the IA Mixed Investment 20-60% shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Risk Managed Passive Fund 3

2 July 2020

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the half year ended 30 April 2020

Between 1 November 2019 and 30 April 2020 (the period in review) share classes R (Acc) -4.85%¹, P (Acc) -4.76%¹ and A (Acc) -4.85%¹ produced returns ahead of the -5.69%¹ sector average for IA Mixed Investment 20-60% Shares¹.

Market Overview

Early on in 2020 and before the gravity of the coronavirus situation became apparent, developed market equities were broadly flat, and Asia and emerging markets slightly down.

Towards the end of February, the reality hit that a potential human tragedy was unfolding which would dramatically affect economic activity. Sentiment plummeted across markets as investors rushed to sell financial assets. The speed of the sell-off was notable, albeit off the back of strong performance in 2019, which had been driven by the hope of economic activity improving. What took several months during the Global Financial Crisis ('GFC') happened in a matter of weeks this time round.

Equity markets became highly sensitive to case news. There were rallies on the back of a fall in new cases in Italy and falls when US cases took a marked upward step. US cases of COVID-19 rose from 150 to over 100,000 between 4 March and 27 March. In February alone, there were over 18 days where the S&P 500 was either up or down by more than 3%.

Corporate bond markets were also volatile as secondary markets and liquidity evaporated. Spreads on 1-year investment grade bonds jumped nearly 300bps in US and around 200bps in the UK and Europe. The moves in high yield were amplified with 1-year US high yield bonds spiking over 700bps and in the UK and Europe between 560/600bps. The US high yield segment was harder hit than Europe due to its larger weighting to energy companies, particularly shale producers.

Initial fears of a credit crunch have died down. The sheer scale and speed of central bank action has been unprecedented. The various bond buying programs have helped credit markets recover from their mid-March nadirs.

Foreign exchange markets were not spared the panic seen elsewhere and there was a lot of demand for the US dollar as investors rushed to US assets as safe havens. Sterling was particularly challenged.

Although COVID-19 continued to spread globally in April, some countries saw the rate of daily new infection rates start to fall. Governments now must grapple with the consequences of reopening their economies and balancing the difficult trade-off between economic risks and health risks.

The S&P 500 Index returned 12.8% in April recovering 50% of this year's decline, volatility fell, developed stock markets outperformed emerging markets, growth stocks outperformed value and fixed income markets rallied. The FTSE All-Share Index underperformed most equity markets, due to the energy sector exposure and ended April up 4.9%. The main catalyst of the April rebound was the significant stimulus measures introduced by governments and central banks to contain the damage caused by the shutdown. Improving virus related data was also supportive.

¹ Source: FE Analytics.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

There were still negative headlines as the WTI crude oil price reached negative territory for the first time in history amid rising inventories from falling demand, and a global storage space shortage.

Positioning

At the end of April, the portfolio manager had moved to a small overweight position across global equities from neutral. Relative calm had returned to market and they were all still well below their peaks. An underweight in global high yield was gradually moved to a neutral position as the portfolio manager felt that this was an asset class that had been over-sold. UK and European investment grade bonds remaining a small underweight. An overweight cash position from March was therefore reduced.

Outlook

The global economy is in the most severe contraction since the Great Depression. The International Monetary Fund's latest forecast say the US, Eurozone and Japan economies will register contractions of nearly 6%, 7% and 5% this year, respectively. The damage could have been worse without the unprecedented fiscal and monetary stimulus. Most survey measures have reached historical lows as would be expected and some consequences from lockdown have yet to be fully visible in low frequency data.

The virus statistics are key from here. Markets have been bombarded with more stimulus than during the GFC, but then much of the macro-economic data and economist projections are also worse than at that time. With statistics improving in several European countries there is now a focus on predicting the speed of reopening and thus the likely shape and timing of the potential recovery.

There is no question that, whilst there is 'light at the end of the tunnel' we are some way from returning to normal and for many companies the pandemic will change what 'normal' is forever. The lockdown has had many negative consequences but has also brought into even sharper focus issues like carbon emissions and climate change which can only be a good thing for the environment. Many businesses will have seen their carbon emissions fall even sharper than equity markets in March.

The portfolio manager remains fully focused on adhering to the long-standing investment philosophy and processes that have worked well for many years. The team has no greater insight into the future than anyone else but has concentrated on what can be controlled, which is how they invest both now and in the future.

M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

29 May 2020

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3

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

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

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

The Fund targets a risk level of 3 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

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

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

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

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

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

Derivative Risk: A derivative may not perform as expected and may create losses greater than its cost.

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.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables

Information for 30 April 2020 relates to the 6 month period ending 30 April 2020, 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 6 month period ending 30 April 2020, expressed as an annualised percentage of the average net asset value.

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

'A' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	143.53	137.36	141.31	133.58
Return before operating charges*	(6.11)	9.97	0.68	12.31
Operating charges	(0.38)	(1.16)	(2.32)	(2.27)
Return after operating charges	(6.49)	8.81	(1.64)	10.04
Distributions	–	(2.64)	(2.31)	(2.31)
Closing net asset value per share	137.04	143.53	137.36	141.31
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(4.52)%	6.42%	(1.16)%	7.52%
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OTHER INFORMATION

Closing net asset value (£'000)	279	204	272	332
Closing number of shares	203,571	142,571	198,000	235,096
Operating charges	0.54%	0.82%	1.63%	1.64%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	149.37	150.37	145.36	144.06
Lowest share price	123.87	133.37	137.67	130.41

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	179.39	168.56	170.67	158.74
Return before operating charges*	(7.63)	12.19	0.68	14.63
Operating charges	(0.48)	(1.36)	(2.79)	(2.70)
Return after operating charges	(8.11)	10.83	(2.11)	11.93
Distributions	–	(3.24)	(2.66)	(2.75)
Retained distributions on accumulation shares	–	3.24	2.66	2.75
Closing net asset value per share	171.28	179.39	168.56	170.67
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(4.52)%	6.43%	(1.24)%	7.52%
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OTHER INFORMATION

Closing net asset value (£'000)	9,349	10,185	9,892	10,601
Closing number of shares	5,457,997	5,677,611	5,868,494	6,211,459
Operating charges	0.54%	0.78%	1.63%	1.64%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	186.56	184.41	175.43	171.06
Lowest share price	154.69	163.69	166.27	154.98

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'C' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	143.16	137.00	140.98	133.22
Return before operating charges*	(6.16)	9.72	0.17	11.98
Operating charges	(0.04)	(0.16)	(0.40)	(0.40)
Return after operating charges	(6.20)	9.56	(0.23)	11.58
Distributions	–	(3.40)	(3.75)	(3.82)
Closing net asset value per share	136.96	143.16	137.00	140.98
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(4.33)%	6.98%	(0.16)%	8.69%
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OTHER INFORMATION

Closing net asset value (£'000)	70,165	69,291	66,770	68,019
Closing number of shares	51,231,544	48,399,611	48,737,926	48,248,285
Operating charges	0.06%	0.11%	0.28%	0.29%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	149.17	150.67	146.28	145.23
Lowest share price	123.78	133.28	137.94	130.19

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'P' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	121.08	115.88	119.23	112.69
Return before operating charges*	(5.19)	8.27	0.30	10.24
Operating charges	(0.17)	(0.49)	(1.06)	(1.04)
Return after operating charges	(5.36)	7.78	(0.76)	9.20
Distributions	–	(2.58)	(2.59)	(2.66)
Closing net asset value per share	115.72	121.08	115.88	119.23
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(4.43)%	6.71%	(0.64)%	8.16%
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OTHER INFORMATION

Closing net asset value (£'000)	10,988	8,296	5,362	4,681
Closing number of shares	9,495,218	6,851,594	4,627,027	3,925,710
Operating charges	0.29%	0.41%	0.88%	0.89%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	126.20	127.28	123.35	122.37
Lowest share price	104.70	112.74	116.44	110.07

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'P' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	138.66	129.90	130.73	120.86
Return before operating charges*	(5.94)	9.31	0.33	10.99
Operating charges	(0.20)	(0.55)	(1.16)	(1.12)
Return after operating charges	(6.14)	8.76	(0.83)	9.87
Distributions	–	(2.89)	(2.84)	(2.86)
Retained distributions on accumulation shares	–	2.89	2.84	2.86
Closing net asset value per share	132.52	138.66	129.90	130.73
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(4.43)%	6.74%	(0.63)%	8.17%
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OTHER INFORMATION

Closing net asset value (£'000)	173,655	139,149	74,306	53,898
Closing number of shares	131,044,219	100,354,859	57,202,108	41,227,361
Operating charges	0.29%	0.41%	0.88%	0.89%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	144.42	142.62	135.17	131.17
Lowest share price	119.81	126.42	127.68	118.06

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'R' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	159.80	150.01	151.28	140.14
Return before operating charges*	(6.81)	10.83	0.45	12.80
Operating charges	(0.42)	(1.04)	(1.72)	(1.66)
Return after operating charges	(7.23)	9.79	(1.27)	11.14
Distributions	–	(3.02)	(2.97)	(3.02)
Retained distributions on accumulation shares	–	3.02	2.97	3.02
Closing net asset value per share	152.57	159.80	150.01	151.28
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(4.52)%	6.53%	(0.84)%	7.95%
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OTHER INFORMATION

Closing net asset value (£'000)	30,197	27,543	24,266	19,926
Closing number of shares	19,792,028	17,236,484	16,175,576	13,171,964
Operating charges	0.54%	0.67%	1.13%	1.14%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	166.25	164.33	156.06	151.68
Lowest share price	137.86	145.84	147.62	136.87

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 30 April 2020 (%)

	6 months	1 year	3 years	5 years
LF Prudential Risk Managed Passive Fund 3	(4.76)	(2.10)	5.93	19.91

The performance of the Fund is based on the published price per 'P' 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 RISK MANAGED PASSIVE FUND 3

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	EQUITY PORTFOLIOS – 39.68% (31.10.19 – 41.55%)		
	CONTINENTAL EUROPE – 5.91% (31.10.19 – 5.89%)		
6,732,262	Legal & General European Index	17,416	5.91
	TOTAL CONTINENTAL EUROPE	17,416	5.91
	UNITED KINGDOM – 13.99% (31.10.19 – 14.55%)		
10,512,478	iShares UK Equity Index	16,221	5.51
18,808,157	Legal & General UK Index	24,977	8.48
	TOTAL UNITED KINGDOM	41,198	13.99
	ASIA EX JAPAN – 7.90% (31.10.19 – 7.92%)		
13,989,482	iShares Pacific ex Japan Equity Index	23,265	7.90
	TOTAL ASIA EX JAPAN	23,265	7.90
	JAPAN – 3.29% (31.10.19 – 3.54%)		
4,706,534	iShares Japan Equity Index	9,728	3.29
	TOTAL JAPAN	9,728	3.29
	NORTH AMERICA – 5.45% (31.10.19 – 6.24%)		
5,310,740	iShares US Equity Index	16,070	5.45
	TOTAL NORTH AMERICA	16,070	5.45
	EMERGING MARKETS – 3.14% (31.10.19 – 3.41%)		
6,425,882	iShares Emerging Markets Equity Index	9,260	3.14
	TOTAL EMERGING MARKETS	9,260	3.14
	TOTAL EQUITY PORTFOLIOS	116,937	39.68
	EQUITY INVESTMENT INSTRUMENTS – 3.39% (31.10.19 – 3.78%)		
744,175	BBGI	1,189	0.40
1,168,599	BioPharma Credit	895	0.31
546,860	Blue Capital Alternative Income ¹	35	0.01
76,100	Boussard & Gavaudan	1,042	0.35

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
652,954	DP Aircraft I	104	0.04
199,749	HarbourVest Global Private Equity	2,872	0.97
464,943	HgCapital	1,041	0.35
338,872	NB Distressed Debt Investment	152	0.05
620,561	NextEnergy Solar	698	0.24
533,790	Renewables Infrastructure	658	0.22
1,320,800	SDCL Energy Efficiency Income	1,321	0.45
	TOTAL EQUITY INVESTMENT INSTRUMENTS	<u>10,007</u>	<u>3.39</u>
	BOND PORTFOLIOS – 48.62% (31.10.19 – 46.50%)		
31,386,273	iShares Corporate Bond Index	48,303	16.39
1,353,923	iShares Euro Investment Grade Corporate Bond Index	14,348	4.88
4,138,176	iShares US Corporate Bond Index	38,317	13.00
946,324	iShares USD Treasury Bond	5,063	1.72
6,182,364	M&G European Corporate Bond ²	6,883	2.34
7,751,241	M&G Global High Yield Bond ²	9,747	3.31
17,009,846	M&G Strategic Corporate Bond ²	20,555	6.98
	TOTAL BOND PORTFOLIOS	<u>143,216</u>	<u>48.62</u>
	DERIVATIVES – 0.55% (31.10.19 – (0.04)%)		
137	EURO STOXX 50 Index Futures June 2020	578	0.20
81	FTSE 100 Index Futures June 2020	435	0.15
40	S&P 500 E Mini Index Futures June 2020	602	0.20
	TOTAL DERIVATIVES	<u>1,615</u>	<u>0.55</u>
	Portfolio of investments	271,775	92.24
	Net other assets	<u>22,858</u>	<u>7.76</u>
	Net assets	<u>294,633</u>	<u>100.00</u>

The investments are collective investment schemes unless stated otherwise.

¹ Delisted security.

² Related party holding.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 April 2020

Total purchases for the half year £'000	66,079	Total sales for the half year £'000	17,205
Major purchases	Cost £'000	Major sales	Proceeds £'000
FTSE 100 Index Futures March 2020	12,006	FTSE 100 Index Futures March 2020	9,577
iShares Corporate Bond Index	11,090	iShares US Corporate Bond Index	6,537
iShares US Corporate Bond Index	10,341	FTSE 100 Index Futures June 2020	4,909
iShares UK Equity Index	10,302	EURO STOXX 50 Index Futures December 2019	4,622
FTSE 100 Index Futures June 2020	8,953	FTSE 100 Index Futures December 2019	4,614
M&G Global High Yield Bond	6,567	EURO STOXX 50 Index Futures March 2020	3,850
iShares Euro Investment Grade Corporate Bond Index	5,818	S&P 500 E Mini Futures March 2020	2,959
iShares Pacific ex Japan Equity Index	5,536	iShares Corporate Bond Index	2,632
EURO STOXX 50 Index Futures March 2020	4,624	S&P 500 E Mini Futures December 2019	1,538
Legal & General European Index	4,474	M&G Global High Yield Bond	1,497

In addition to the above, purchases totalling £2,786,102,000 and sales totalling £2,762,814,000 were made in short term investments during the half year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

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

**LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN**

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Income:				
Net capital (losses)/gains		(15,700)		5,668
Revenue	2,300		2,660	
Expenses	(303)		(357)	
Interest payable and similar charges	(4)		(1)	
Net revenue before taxation	1,993		2,302	
Taxation	(162)		(262)	
Net revenue after taxation		1,831		2,040
Total return before distributions		(13,869)		7,708
Distributions ¹		84		43
Change in net assets attributable to shareholders from investment activities		(13,785)		7,751

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Opening net assets attributable to shareholders		254,668		180,868
Amounts receivable on issue of shares	60,056		23,826	
Amounts payable on redemption of shares	(6,306)		(12,671)	
		53,750		11,155
Change in net assets attributable to shareholders from investment activities		(13,785)		7,751
Closing net assets attributable to shareholders		294,633		199,774

The above statements show the comparative closing net assets at 30 April 2019 whereas the current accounting period commenced 1 November 2019.

¹ The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

BALANCE SHEET

as at 30 April 2020

	30.04.20 £'000	31.10.19 £'000
ASSETS		
Fixed assets		
Investments	271,775	233,867
Current assets		
Debtors	1,756	2,446
Cash and bank balances	24,127	21,879
Total assets	<u>297,658</u>	<u>258,192</u>
LIABILITIES		
Investment liabilities	–	(113)
Creditors		
Bank overdrafts	(711)	–
Distribution payable	–	(1,827)
Other creditors	(2,314)	(1,584)
Total liabilities	<u>(3,025)</u>	<u>(3,524)</u>
Net assets attributable to shareholders	<u>294,633</u>	<u>254,668</u>

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 3
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 April 2020

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2019 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.

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

2. Subsequent Events

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a pandemic. As a result, global markets have experienced a period of volatility which has impacted the performance of the Fund since the balance sheet date. The length of time the volatility remains will largely depend on the scale and duration of the outbreak. The spread and impact of COVID-19 is considered as a non-adjusting event after the reporting period.

Since the balance sheet date, the price of each of the Fund's share classes has moved as follows:

Share class	Balance sheet date	29.06.20	Movement
'A' Income shares	137.04	145.48	6.16%
'A' Income shares	171.28	181.70	6.08%
'C' Income shares	136.96	145.53	6.26%
'P' Income shares	115.72	123.02	6.31%
'P' Accumulation shares	132.52	140.78	6.23%
'R' Accumulation shares	152.57	161.92	6.13%

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4 ACD'S REPORT

for the half year ended 30 April 2020

Investment Objective and Policy

The LF Prudential Risk Managed Passive Fund 4 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 14.5%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 14.5%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in passive collective investment schemes (e.g. funds which track an index). The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will have a bias towards higher risk assets, such as equities. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

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

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT *continued*

Benchmark

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

The Fund's performance may be compared against the IA Mixed Investment 40-85% shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Risk Managed Passive Fund 4

2 July 2020

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the half year ended 30 April 2020

Between 1 November 2019 and 30 April 2020 (the period in review) share classes R (Acc) -6.30%¹, P (Acc) -6.21%¹ and A (Acc) -6.31%¹ produced returns behind the -5.86%¹ sector average for IA Mixed Investment 40-85% Shares¹.

Market Overview

Early on in 2020 and before the gravity of the coronavirus situation became apparent, developed market equities were broadly flat, and Asia and emerging markets slightly down.

Towards the end of February, the reality hit that a potential human tragedy was unfolding which would dramatically affect economic activity. Sentiment plummeted across markets as investors rushed to sell financial assets. The speed of the sell-off was notable, albeit off the back of strong performance in 2019, which had been driven by the hope of economic activity improving. What took several months during the Global Financial Crisis ('GFC') happened in a matter of weeks this time round.

Equity markets became highly sensitive to case news. There were rallies on the back of a fall in new cases in Italy and falls when US cases took a marked upward step. US cases of COVID-19 rose from 150 to over 100,000 between 4 March and 27 March. In February alone, there were over 18 days where the S&P 500 was either up or down by more than 3%.

Corporate bond markets were also volatile as secondary markets and liquidity evaporated. Spreads on 1-year investment grade bonds jumped nearly 300bps in US and around 200bps in the UK and Europe. The moves in high yield were amplified with 1-year US high yield bonds spiking over 700bps and in the UK and Europe between 560/600bps. The US high yield segment was harder hit than Europe due to its larger weighting to energy companies, particularly shale producers.

Initial fears of a credit crunch have died down. The sheer scale and speed of central bank action has been unprecedented. The various bond buying programs have helped credit markets recover from their mid-March nadirs.

Foreign exchange markets were not spared the panic seen elsewhere and there was a lot of demand for the US dollar as investors rushed to US assets as safe havens. Sterling was particularly challenged.

Although COVID-19 continued to spread globally in April, some countries saw the rate of daily new infection rates start to fall. Governments now must grapple with the consequences of reopening their economies and balancing the difficult trade-off between economic risks and health risks.

The S&P 500 Index returned 12.8% in April recovering 50% of this year's decline, volatility fell, developed stock markets outperformed emerging markets, growth stocks outperformed value and fixed income markets rallied. The FTSE All-Share Index underperformed most equity markets, due to the energy sector exposure and ended April up 4.9%. The main catalyst of the April rebound was the significant stimulus measures introduced by governments and central banks to contain the damage caused by the shutdown. Improving virus related data was also supportive.

¹ Source: FE Analytics.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

There were still negative headlines as the WTI crude oil price reached negative territory for the first time in history amid rising inventories from falling demand, and a global storage space shortage.

Positioning

At the end of April, the portfolio manager had moved to a small overweight position across global equities from neutral. Relative calm had returned to market and they were all still well below their peaks. An underweight in global high yield was gradually moved to a neutral position as the portfolio manager felt that this was an asset class that had been over-sold. UK and European investment grade bonds remaining a small underweight. An overweight cash position from March was therefore reduced.

Outlook

The global economy is in the most severe contraction since the Great Depression. The International Monetary Fund's latest forecast say the US, Eurozone and Japan economies will register contractions of nearly 6%, 7% and 5% this year, respectively. The damage could have been worse without the unprecedented fiscal and monetary stimulus. Most survey measures have reached historical lows as would be expected and some consequences from lockdown have yet to be fully visible in low frequency data.

The virus statistics are key from here. Markets have been bombarded with more stimulus than during the GFC, but then much of the macro-economic data and economist projections are also worse than at that time. With statistics improving in several European countries there is now a focus on predicting the speed of reopening and thus the likely shape and timing of the potential recovery.

There is no question that, whilst there is 'light at the end of the tunnel' we are some way from returning to normal and for many companies the pandemic will change what 'normal' is forever. The lockdown has had many negative consequences but has also brought into even sharper focus issues like carbon emissions and climate change which can only be a good thing for the environment. Many businesses will have seen their carbon emissions fall even sharper than equity markets in March.

The portfolio manager remains fully focused on adhering to the long-standing investment philosophy and processes that have worked well for many years. The team has no greater insight into the future than anyone else but has concentrated on what can be controlled, which is how they invest both now and in the future.

M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

29 May 2020

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4

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

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

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

The Fund targets a risk level of 4 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

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

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

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

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

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

Derivatives Risk: A derivative may not perform as expected and may create losses greater than its cost.

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.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables

Information for 30 April 2020 relates to the 6 month period ending 30 April 2020, 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 6 month period ending 30 April 2020, expressed as an annualised percentage of the average net asset value.

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

'A' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	123.81	117.40	120.41	112.55
Return before operating charges*	(6.94)	9.45	0.71	11.53
Operating charges	(0.33)	(0.93)	(1.98)	(1.97)
Return after operating charges	(7.27)	8.52	(1.27)	9.56
Distributions	–	(2.11)	(1.74)	(1.70)
Closing net asset value per share	116.54	123.81	117.40	120.41
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(5.87)%	7.26%	(1.06)%	8.49%
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OTHER INFORMATION

Closing net asset value (£'000)	–	1	5	4
Closing number of shares	250	250	3,656	3,656
Operating charges	0.54%	0.76%	1.64%	1.65%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	129.78	129.87	125.08	122.69
Lowest share price	104.16	113.66	117.09	109.40

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	132.23	123.26	124.58	114.82
Return before operating charges*	(7.52)	9.94	0.72	11.72
Operating charges	(0.34)	(0.97)	(2.04)	(1.96)
Return after operating charges	(7.86)	8.97	(1.32)	9.76
Distributions	–	(2.29)	(1.83)	(1.75)
Retained distributions on accumulation shares	–	2.29	1.83	1.75
Closing net asset value per share	124.37	132.23	123.26	124.58
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(5.94)%	7.28%	(1.06)%	8.50%
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OTHER INFORMATION

Closing net asset value (£'000)	114	52	22	2
Closing number of shares	91,426	39,319	18,044	1,463
Operating charges	0.54%	0.76%	1.64%	1.65%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	138.59	136.31	129.38	125.14
Lowest share price	111.20	119.40	121.10	111.61

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'C' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 ¹ pence per share
Opening net asset value per share	105.20	99.79	100.00
Return before operating charges*	(6.01)	7.95	1.58
Operating charges	(0.03)	(0.14)	(0.16)
Return after operating charges	(6.04)	7.81	1.42
Distributions	–	(2.40)	(1.63)
Closing net asset value per share	99.16	105.20	99.79
* after direct transaction costs of:	–	–	0.01

PERFORMANCE

Return after charges	(5.74)%	7.83%	1.42%
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OTHER INFORMATION

Closing net asset value (£'000)	1,661	1,763	10
Closing number of shares	1,675,711	1,675,970	9,917
Operating charges	0.07%	0.13%	0.29% ²
Direct transaction costs	–	–	0.01%

PRICES

Highest share price	110.14	110.60	105.96
Lowest share price	88.40	96.54	100.00

¹ From 17 April 2018.

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

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4**ACD'S REPORT** *continued***FUND INFORMATION** *continued***Comparative Tables** *continued***'P' INCOME SHARES**

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	123.94	117.58	120.62	112.68
Return before operating charges*	(7.05)	9.44	0.52	11.41
Operating charges	(0.18)	(0.54)	(1.08)	(1.06)
Return after operating charges	(7.23)	8.90	(0.56)	10.35
Distributions	–	(2.54)	(2.48)	(2.41)
Closing net asset value per share	116.71	123.94	117.58	120.62
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(5.83)%	7.57%	(0.47)%	9.19%
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OTHER INFORMATION

Closing net asset value (£'000)	1,976	3,498	6,620	6,401
Closing number of shares	1,693,250	2,822,255	5,630,948	5,306,724
Operating charges	0.29%	0.44%	0.89%	0.90%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	129.96	130.32	125.84	123.55
Lowest share price	104.31	113.91	117.54	109.60

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'P' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	135.26	125.72	126.31	115.69
Return before operating charges*	(7.71)	10.09	0.54	11.71
Operating charges	(0.19)	(0.55)	(1.13)	(1.09)
Return after operating charges	(7.90)	9.54	(0.59)	10.62
Distributions	–	(2.72)	(2.60)	(2.47)
Retained distributions on accumulation shares	–	2.72	2.60	2.47
Closing net asset value per share	127.36	135.26	125.72	126.31
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(5.84)%	7.59%	(0.47)%	9.18%
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OTHER INFORMATION

Closing net asset value (£'000)	60,297	48,039	22,534	12,491
Closing number of shares	47,345,173	35,515,269	17,923,911	9,888,775
Operating charges	0.29%	0.42%	0.89%	0.90%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	141.79	139.32	131.74	126.82
Lowest share price	113.80	121.86	123.05	112.52

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'R' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	134.10	124.89	125.73	115.39
Return before operating charges*	(7.61)	10.09	0.60	11.73
Operating charges	(0.35)	(0.88)	(1.44)	(1.39)
Return after operating charges	(7.96)	9.21	(0.84)	10.34
Distributions	–	(2.44)	(2.33)	(2.22)
Retained distributions on accumulation shares	–	2.44	2.33	2.22
Closing net asset value per share	126.14	134.10	124.89	125.73
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(5.94)%	7.37%	(0.67)%	8.96%
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OTHER INFORMATION

Closing net asset value (£'000)	10,974	10,100	7,750	4,360
Closing number of shares	8,699,786	7,532,741	6,205,444	3,467,456
Operating charges	0.54%	0.68%	1.14%	1.15%
Direct transaction costs	–	–	0.01%	–

PRICES

Highest share price	140.53	138.22	130.95	126.26
Lowest share price	112.75	121.04	122.40	112.21

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 30 April 2020 (%)

	6 months	1 year	3 years	Since launch ¹
LF Prudential Risk Managed Passive Fund 4	(6.31)	(3.76)	4.18	24.52

¹ 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.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	EQUITY PORTFOLIOS – 51.04% (31.10.19 – 54.23%)		
	CONTINENTAL EUROPE – 7.53% (31.10.19 – 8.03%)		
2,183,959	Legal & General European Index	5,650	7.53
	TOTAL CONTINENTAL EUROPE	5,650	7.53
	UNITED KINGDOM – 18.17% (31.10.19 – 19.50%)		
4,158,623	iShares UK Equity Index	6,417	8.55
5,434,164	Legal & General UK Index	7,216	9.62
	TOTAL UNITED KINGDOM	13,633	18.17
	ASIA EX JAPAN – 9.96% (31.10.19 – 10.14%)		
4,492,265	iShares Pacific ex Japan Equity Index	7,471	9.96
	TOTAL ASIA EX JAPAN	7,471	9.96
	JAPAN – 4.20% (31.10.19 – 4.31%)		
1,525,069	iShares Japan Equity Index	3,152	4.20
	TOTAL JAPAN	3,152	4.20
	NORTH AMERICA – 7.18% (31.10.19 – 8.02%)		
1,779,536	iShares US Equity Index	5,385	7.18
	TOTAL NORTH AMERICA	5,385	7.18
	EMERGING MARKETS – 4.00% (31.10.19 – 4.22%)		
2,081,396	iShares Emerging Markets Equity Index	2,999	4.00
	TOTAL EMERGING MARKETS	2,999	4.00
	TOTAL EQUITY PORTFOLIOS	38,290	51.04
	EQUITY INVESTMENT INSTRUMENTS – 3.59% (31.10.19 – 4.22%)		
199,720	BBGI	319	0.42
321,882	BioPharma Credit	247	0.33
84,660	Blue Capital Alternative Income ¹	5	0.01
20,200	Boussard & Gavaudan	277	0.37

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
182,515	DP Aircraft I	29	0.04
54,108	HarbourVest Global Private Equity	778	1.04
124,913	HgCapital	280	0.37
85,473	NB Distressed Debt Investment	38	0.05
166,749	NextEnergy Solar	187	0.25
143,350	Renewables Infrastructure	177	0.23
358,000	SDCL Energy Efficiency Income	358	0.48
	TOTAL EQUITY INVESTMENT INSTRUMENTS	2,695	3.59
	BOND PORTFOLIOS – 37.55% (31.10.19 – 35.22%)		
6,049,786	iShares Corporate Bond Index	9,311	12.41
267,911	iShares Euro Investment Grade Corporate Bond Index	2,839	3.79
813,442	iShares US Corporate Bond Index	7,532	10.04
182,622	iShares USD Treasury Bond	977	1.30
1,064,915	M&G European Corporate Bond ²	1,186	1.58
1,791,749	M&G Global High Yield Bond ²	2,253	3.00
3,369,896	M&G Strategic Corporate Bond ²	4,072	5.43
	TOTAL BOND PORTFOLIOS	28,170	37.55
	FUTURES – 0.53% (31.10.19 – 0.04%)		
47	EURO STOXX 50 Index Futures June 2020	160	0.21
22	FTSE 100 Index Futures June 2020	105	0.14
10	S&P 500 E Mini Futures June 2020	132	0.18
	TOTAL FUTURES	397	0.53
	Portfolio of investments	69,552	92.71
	Net other assets	5,470	7.29
	Net assets	75,022	100.00

The investments are collective investment schemes unless stated otherwise.

¹ Delisted security.

² Related party holding.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 April 2020

Total purchases for the half year £'000	18,085	Total sales for the half year £'000	4,277
Major purchases	Cost £'000	Major sales	Proceeds £'000
iShares UK Equity Index	3,400	FTSE 100 Index Futures March 2020	2,272
FTSE 100 Index Futures March 2020	2,804	iShares US Corporate Bond Index	1,373
iShares Corporate Bond Index	2,524	FTSE 100 Index Futures June 2020	1,110
iShares US Corporate Bond Index	2,243	EURO STOXX 50 Index Futures March 2020	1,079
FTSE 100 Index Futures June 2020	2,222	S&P 500 E Mini Futures March 2020	888
iShares Pacific ex Japan Equity Index	1,778	iShares Corporate Bond Index	813
M&G Global High Yield Bond	1,634	EURO STOXX 50 Index Futures December 2019	791
iShares Euro Investment Grade Corporate Bond Index	1,386	FTSE 100 Index Futures December 2019	450
EURO STOXX 50 Index Futures March 2020	1,355	M&G Global High Yield Bond	376
S&P 500 E Mini Futures June 2020	1,326	S&P 500 E Mini Futures December 2019	358

In addition to the above, purchases totalling £579,339,000 and sales totalling £574,134,000 were made in short term investments during the year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

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

**LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN**

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Income:				
Net capital (losses)/gains		(4,996)		1,641
Revenue	582		544	
Expenses	(95)		(106)	
Interest payable and similar charges	–		(1)	
Net revenue before taxation	487		437	
Taxation	(26)		(37)	
Net revenue after taxation		461		400
Total return before distributions		(4,535)		2,041
Distributions ¹		28		44
Change in net assets attributable to shareholders from investment activities		(4,507)		2,085

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Opening net assets attributable to shareholders		63,453		36,941
Amounts receivable on issue of shares	20,973		14,650	
Amounts payable on redemption of shares	(4,897)		(2,113)	
		16,076		12,537
Change in net assets attributable to shareholders from investment activities		(4,507)		2,085
Closing net assets attributable to shareholders		75,022		51,563

The above statements show the comparative closing net assets at 30 April 2019 whereas the current accounting period commenced 1 November 2019.

¹ The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

BALANCE SHEET

as at 30 April 2020

	30.04.20 £'000	31.10.19 £'000
ASSETS		
Fixed assets		
Investments	69,552	59,461
Current assets		
Debtors	709	721
Cash and bank balances	5,596	4,128
Total assets	<u>75,857</u>	<u>64,310</u>
LIABILITIES		
Creditors		
Bank overdrafts	(157)	(4)
Distribution payable	–	(112)
Other creditors	(678)	(741)
Total liabilities	<u>(835)</u>	<u>(857)</u>
Net assets attributable to shareholders	<u>75,022</u>	<u>63,453</u>

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 4
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 April 2020

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2019 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.

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

2. Subsequent Events

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a pandemic. As a result, global markets have experienced a period of volatility which has impacted the performance of the Fund since the balance sheet date. The length of time the volatility remains will largely depend on the scale and duration of the outbreak. The spread and impact of COVID-19 is considered as a non-adjusting event after the reporting period.

Since the balance sheet date, the price of each of the Fund's share classes has moved as follows:

Share class	Balance sheet date	29.06.20	Movement
'A' Income shares	116.54	124.31	6.67%
'A' Accumulation shares	124.37	132.55	6.58%
'C' Income shares	99.16	105.52	6.41%
'P' Income shares	116.71	124.42	6.61%
'P' Accumulation shares	127.36	135.72	6.56%
'R' Accumulation shares	126.14	134.40	6.55%

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5 ACD'S REPORT

for the half year ended 30 April 2020

Investment Objective and Policy

The LF Prudential Risk Managed Passive Fund 5 ('the Fund') aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 17%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 17%. Capital invested is at risk.

The Fund aims to achieve its objective through investing at least 70% in passive collective investment schemes (e.g. funds which track an index). The Fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Fund will have a high exposure towards higher risk assets, such as equities. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

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

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT *continued*

Benchmark

The Fund's comparator benchmark is the IA Flexible Investment shares sector.

The Fund's performance may be compared against the IA Flexible Investment shares sector. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

LINK FUND SOLUTIONS LIMITED

ACD of LF Prudential Risk Managed Passive Fund 5

2 July 2020

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT

for the half year ended 30 April 2020

Between 1 November 2019 and 30 April 2020 (the period in review) share classes R (Acc) -7.45%¹, A (Acc) -7.44%¹ and P (Acc) -7.36%¹ produced returns behind the -5.32%¹ sector average for IA Flexible Investment Shares¹.

Market Overview

Early on in 2020 and before the gravity of the coronavirus situation became apparent, developed market equities were broadly flat, and Asia and emerging markets slightly down.

Towards the end of February, the reality hit that a potential human tragedy was unfolding which would dramatically affect economic activity. Sentiment plummeted across markets as investors rushed to sell financial assets. The speed of the sell-off was notable, albeit off the back of strong performance in 2019, which had been driven by the hope of economic activity improving. What took several months during the Global Financial Crisis ('GFC') happened in a matter of weeks this time round.

Equity markets became highly sensitive to case news. There were rallies on the back of a fall in new cases in Italy and falls when US cases took a marked upward step. US cases of COVID-19 rose from 150 to over 100,000 between 4 March and 27 March. In February alone, there were over 18 days where the S&P 500 was either up or down by more than 3%.

Corporate bond markets were also volatile as secondary markets and liquidity evaporated. Spreads on 1-year investment grade bonds jumped nearly 300bps in US and around 200bps in the UK and Europe. The moves in high yield were amplified with 1-year US high yield bonds spiking over 700bps and in the UK and Europe between 560/600bps. The US high yield segment was harder hit than Europe due to its larger weighting to energy companies, particularly shale producers.

Initial fears of a credit crunch have died down. The sheer scale and speed of central bank action has been unprecedented. The various bond buying programs have helped credit markets recover from their mid-March nadirs.

Foreign exchange markets were not spared the panic seen elsewhere and there was a lot of demand for the US dollar as investors rushed to US assets as safe havens. Sterling was particularly challenged.

Although COVID-19 continued to spread globally in April, some countries saw the rate of daily new infection rates start to fall. Governments now must grapple with the consequences of reopening their economies and balancing the difficult trade-off between economic risks and health risks.

The S&P 500 Index returned 12.8% in April recovering 50% of this year's decline, volatility fell, developed stock markets outperformed emerging markets, growth stocks outperformed value and fixed income markets rallied. The FTSE All-Share Index underperformed most equity markets, due to the energy sector exposure and ended April up 4.9%. The main catalyst of the April rebound was the significant stimulus measures introduced by governments and central banks to contain the damage caused by the shutdown. Improving virus related data was also supportive.

¹ Source: FE Analytics.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT *continued*

PORTFOLIO MANAGER'S REPORT *continued*

There were still negative headlines as the WTI crude oil price reached negative territory for the first time in history amid rising inventories from falling demand, and a global storage space shortage.

Positioning

At the end of April, the portfolio manager had moved to a small overweight position across global equities from neutral. Relative calm had returned to market and they were all still well below their peaks. An underweight in global high yield was gradually moved to a neutral position as the portfolio manager felt that this was an asset class that had been over-sold. UK and European investment grade bonds remaining a small underweight. An overweight cash position from March was therefore reduced.

Outlook

The global economy is in the most severe contraction since the Great Depression. The International Monetary Fund's latest forecast say the US, Eurozone and Japan economies will register contractions of nearly 6%, 7% and 5% this year, respectively. The damage could have been worse without the unprecedented fiscal and monetary stimulus. Most survey measures have reached historical lows as would be expected and some consequences from lockdown have yet to be fully visible in low frequency data.

The virus statistics are key from here. Markets have been bombarded with more stimulus than during the GFC, but then much of the macro-economic data and economist projections are also worse than at that time. With statistics improving in several European countries there is now a focus on predicting the speed of reopening and thus the likely shape and timing of the potential recovery.

There is no question that, whilst there is 'light at the end of the tunnel' we are some way from returning to normal and for many companies the pandemic will change what 'normal' is forever. The lockdown has had many negative consequences but has also brought into even sharper focus issues like carbon emissions and climate change which can only be a good thing for the environment. Many businesses will have seen their carbon emissions fall even sharper than equity markets in March.

The portfolio manager remains fully focused on adhering to the long-standing investment philosophy and processes that have worked well for many years. The team has no greater insight into the future than anyone else but has concentrated on what can be controlled, which is how they invest both now and in the future.

M&G INVESTMENT MANAGEMENT LIMITED

Portfolio Manager

29 May 2020

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5

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 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 a 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.

The Fund targets a risk level of 5 which is a level of risk relative to the 4 other funds in the range. The risk and reward profile scale above is calculated differently. The two measures are not comparable. The lowest number on the scale does not mean that a fund is risk free.

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

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

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

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

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

Derivatives Risk: A derivative may not perform as expected and may create losses greater than its cost.

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.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables

Information for 30 April 2020 relates to the 6 month period ending 30 April 2020, 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 6 month period ending 30 April 2020, expressed as an annualised percentage of the average net asset value.

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

'A' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	128.34	121.63	124.60	114.90
Return before operating charges*	(8.59)	10.00	0.98	13.53
Operating charges	(0.34)	(0.91)	(2.02)	(1.99)
Return after operating charges	(8.93)	9.09	(1.04)	11.54
Distributions	–	(2.38)	(1.93)	(1.84)
Closing net asset value per share	119.41	128.34	121.63	124.60
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(6.96)%	7.48%	(0.84)%	10.04%
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OTHER INFORMATION

Closing net asset value (£'000)	7	6	3	–
Closing number of shares	5,993	4,809	2,431	250
Operating charges	0.54%	0.72%	1.62%	1.65%
Direct transaction costs	–	–	0.01%	0.01%

PRICES

Highest share price	135.60	135.23	130.74	127.11
Lowest share price	105.06	117.14	120.69	111.98

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'A' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	137.21	127.64	128.72	117.03
Return before operating charges*	(9.21)	10.57	1.02	13.73
Operating charges	(0.34)	(1.00)	(2.10)	(2.04)
Return after operating charges	(9.55)	9.57	(1.08)	11.69
Distributions	–	(2.48)	(1.89)	(1.73)
Retained distributions on accumulation shares	–	2.48	1.89	1.73
Closing net asset value per share	127.66	137.21	127.64	128.72
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(6.96)%	7.50%	(0.84)%	9.99%
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OTHER INFORMATION

Closing net asset value (£'000)	60	6	4	3
Closing number of shares	46,881	4,494	3,136	1,770
Operating charges	0.54%	0.75%	1.62%	1.65%
Direct transaction costs	–	–	0.01%	0.01%

PRICES

Highest share price	145.07	142.03	135.15	129.52
Lowest share price	112.34	123.08	124.74	114.13

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'C' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 ¹ pence per share
Opening net asset value per share	105.73	100.18	100.00
Return before operating charges*	(7.13)	8.17	2.06
Operating charges	(0.03)	(0.11)	(0.16)
Return after operating charges	(7.16)	8.06	1.90
Distributions	–	(2.51)	(1.72)
Closing net asset value per share	98.57	105.73	100.18
* after direct transaction costs of:	–	–	0.01

PERFORMANCE

Return after charges	(6.77)%	8.05%	1.90%
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OTHER INFORMATION

Closing net asset value (£'000)	2,536	1,891	10
Closing number of shares	2,572,735	1,787,944	9,829
Operating charges	0.06%	0.11%	0.28% ²
Direct transaction costs	–	–	0.01%

PRICES

Highest share price	111.54	111.60	107.30
Lowest share price	86.70	96.43	99.98

¹ From 17 April 2018.

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

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'P' INCOME SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	128.69	121.93	124.80	114.98
Return before operating charges*	(8.60)	10.01	0.80	13.32
Operating charges	(0.19)	(0.52)	(1.13)	(1.09)
Return after operating charges	(8.79)	9.49	(0.33)	12.23
Distributions	–	(2.73)	(2.54)	(2.41)
Closing net asset value per share	119.90	128.69	121.93	124.80
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(6.83)%	7.78%	(0.27)%	10.64%
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OTHER INFORMATION

Closing net asset value (£'000)	1,296	5,533	6,765	6,538
Closing number of shares	1,080,933	4,299,529	5,548,399	5,238,915
Operating charges	0.29%	0.41%	0.89%	0.90%
Direct transaction costs	–	–	0.01%	0.01%

PRICES

Highest share price	136.06	135.92	131.55	127.91
Lowest share price	105.42	117.59	121.18	112.13

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'P' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	140.47	130.30	130.65	118.10
Return before operating charges*	(9.45)	10.71	0.82	13.68
Operating charges	(0.20)	(0.54)	(1.17)	(1.13)
Return after operating charges	(9.65)	10.17	(0.35)	12.55
Distributions	–	(2.92)	(2.66)	(2.48)
Retained distributions on accumulation shares	–	2.92	2.66	2.48
Closing net asset value per share	130.82	140.47	130.30	130.65
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(6.87)%	7.81%	(0.27)%	10.63%
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OTHER INFORMATION

Closing net asset value (£'000)	45,181	32,770	18,676	11,668
Closing number of shares	34,536,257	23,329,609	14,333,726	8,930,803
Operating charges	0.29%	0.40%	0.89%	0.90%
Direct transaction costs	–	–	0.01%	0.01%

PRICES

Highest share price	148.45	145.21	137.66	131.32
Lowest share price	115.10	125.72	126.81	115.17

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Comparative Tables *continued*

'R' ACCUMULATION SHARES

CHANGE IN NET ASSETS PER SHARE	30.04.20 pence per share	31.10.19 pence per share	31.10.18 pence per share	31.10.17 pence per share
Opening net asset value per share	139.15	129.33	129.94	117.69
Return before operating charges*	(9.32)	10.71	0.88	13.68
Operating charges	(0.37)	(0.89)	(1.49)	(1.43)
Return after operating charges	(9.69)	9.82	(0.61)	12.25
Distributions	–	(2.63)	(2.40)	(2.22)
Retained distributions on accumulation shares	–	2.63	2.40	2.22
Closing net asset value per share	129.46	139.15	129.33	129.94
* after direct transaction costs of:	–	–	0.01	–

PERFORMANCE

Return after charges	(6.96)%	7.59%	(0.47)%	10.41%
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OTHER INFORMATION

Closing net asset value (£'000)	6,688	6,251	4,650	2,104
Closing number of shares	5,166,623	4,491,835	3,595,186	1,619,288
Operating charges	0.54%	0.66%	1.14%	1.15%
Direct transaction costs	–	–	0.01%	0.01%

PRICES

Highest share price	147.01	143.94	136.72	130.63
Lowest share price	113.93	124.76	126.03	114.75

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT *continued*

FUND INFORMATION *continued*

Fund Performance to 30 April 2020 (%)

	6 months	1 year	3 years	Since launch ¹
LF Prudential Risk Managed Passive Fund 5	(7.44)	(4.81)	3.84	27.82

¹ *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.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
	EQUITY PORTFOLIOS – 63.82% (31.10.19 – 65.46%)		
	CONTINENTAL EUROPE – 9.84% (31.10.19 – 9.67%)		
2,121,628	Legal & General European Index	5,489	9.84
	TOTAL CONTINENTAL EUROPE	5,489	9.84
	UNITED KINGDOM – 22.72% (31.10.19 – 23.20%)		
3,501,462	iShares UK Equity Index	5,403	9.69
5,470,240	Legal & General UK Index	7,264	13.03
	TOTAL UNITED KINGDOM	12,667	22.72
	ASIA EX JAPAN – 12.16% (31.10.19 – 12.38%)		
4,076,390	iShares Pacific ex Japan Equity Index	6,779	12.16
	TOTAL ASIA EX JAPAN	6,779	12.16
	JAPAN – 5.09% (31.10.19 – 5.27%)		
1,374,051	iShares Japan Equity Index	2,840	5.09
	TOTAL JAPAN	2,840	5.09
	NORTH AMERICA – 9.13% (31.10.19 – 9.79%)		
1,683,111	iShares US Equity Index	5,093	9.13
	TOTAL NORTH AMERICA	5,093	9.13
	EMERGING MARKETS – 4.88% (31.10.19 – 5.15%)		
1,887,505	iShares Emerging Markets Equity Index	2,720	4.88
	TOTAL EMERGING MARKETS	2,720	4.88
	TOTAL EQUITY PORTFOLIOS	35,588	63.82
	EQUITY INVESTMENT INSTRUMENTS – 3.90% (31.10.19 – 4.38%)		
172,656	BBGI	276	0.49
255,567	BioPharma Credit	196	0.35
80,465	Blue Capital Alternative Income ¹	5	0.01
16,000	Boussard & Gavaudan	219	0.39

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 30 April 2020

Holding	Portfolio of Investments	Value £'000	30.04.20 %
140,205	DP Aircraft I	22	0.04
43,762	HarbourVest Global Private Equity	629	1.13
98,860	HgCapital	222	0.40
73,986	NB Distressed Debt Investment	33	0.06
132,527	NextEnergy Solar	149	0.27
129,411	Renewables Infrastructure	160	0.28
266,300	SDCL Energy Efficiency Income	266	0.48
	TOTAL EQUITY INVESTMENT INSTRUMENTS	2,177	3.90
	BOND PORTFOLIOS – 26.08% (31.10.19 – 23.77%)		
3,078,417	iShares Corporate Bond Index	4,738	8.50
122,714	iShares Euro Investment Grade Corporate Bond Index	1,300	2.33
421,718	iShares US Corporate Bond Index	3,905	7.00
101,500	iShares USD Treasury Bond	543	0.97
595,982	M&G European Corporate Bond ²	664	1.19
1,075,183	M&G Global High Yield Bond ²	1,352	2.43
1,689,339	M&G Strategic Corporate Bond ²	2,041	3.66
	TOTAL BOND PORTFOLIOS	14,543	26.08
	FUTURES – 0.43% (31.10.19 – 0.04%)		
26	EURO STOXX 50 Index Futures June 2020	73	0.13
15	FTSE 100 Index Futures June 2020	69	0.12
7	S&P 500 E Mini Index Futures June 2020	99	0.18
	TOTAL FUTURES	241	0.43
	Portfolio of investments	52,549	94.23
	Net other assets	3,219	5.77
	Net assets	55,768	100.00

The investments are collective investment schemes unless stated otherwise.

¹ Delisted security.

² Related party holding.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 April 2020

Total purchases for the half year £'000	15,202	Total sales for the half year £'000	2,743
Major purchases	Cost £'000	Major sales	Proceeds £'000
iShares UK Equity Index	3,901	FTSE 100 Index Futures March 2020	2,077
FTSE 100 Index Futures March 2020	2,323	EURO STOXX 50 Index Futures March 2020	851
iShares Pacific ex Japan Equity Index	1,916	iShares US Corporate Bond Index	766
Legal & General European Index	1,523	EURO STOXX 50 Index Futures December 2019	760
iShares US Corporate Bond Index	1,237	FTSE 100 Index Futures December 2019	748
FTSE 100 Index Futures June 2020	1,207	S&P 500 E Mini Index Futures March 2020	737
M&G Global High Yield Bond	1,174	EURO STOXX 50 Index Futures June 2020	459
EURO STOXX 50 Index Futures March 2020	1,069	FTSE 100 Index Futures June 2020	440
EURO STOXX 50 Index Futures June 2020	994	S&P 500 E Mini Index Futures December 2019	355
S&P 500 E Mini Index Futures June 2020	917	M&G Global High Yield Bond	349

In addition to the above, purchases totalling £340,810,000 and sales totalling £343,514,000 were made in short term investments during the half year.

Purchases and sales of Futures have been included at the value of their exposure and are not included in the total purchases and sales figures above.

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

**LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
STATEMENT OF TOTAL RETURN**

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Income:				
Net capital (losses)/gains		(4,078)		1,500
Revenue	433		401	
Expenses	(65)		(83)	
Interest payable and similar charges	(1)		(1)	
Net revenue before taxation	367		317	
Taxation	(10)		(16)	
Net revenue after taxation		357		301
Total return before distributions		(3,721)		1,801
Distributions ¹		37		13
Change in net assets attributable to shareholders from investment activities		(3,684)		1,814

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the half year ended 30 April 2020

	£'000	30.04.20 £'000	£'000	30.04.19 £'000
Opening net assets attributable to shareholders		46,457		30,108
Amounts receivable on issue of shares	18,507		8,000	
Amounts payable on redemption of shares	(5,512)		(957)	
		12,995		7,043
Change in net assets attributable to shareholders from investment activities		(3,684)		1,814
Closing net assets attributable to shareholders		55,768		38,965

The above statements show the comparative closing net assets at 30 April 2019 whereas the current accounting period commenced 1 November 2019.

¹ The Fund distributes annually, therefore 'Distributions' consists of equalisation only.

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*

BALANCE SHEET

as at 30 April 2020

	30.04.20 £'000	31.10.19 £'000
ASSETS		
Fixed assets		
Investments	52,549	43,508
Current assets		
Debtors	405	3,443
Cash and bank balances	3,359	3,266
Total assets	<u>56,313</u>	<u>50,217</u>
LIABILITIES		
Creditors		
Bank overdrafts	(182)	–
Distribution payable	–	(162)
Other creditors	(363)	(3,598)
Total liabilities	<u>(545)</u>	<u>(3,760)</u>
Net assets attributable to shareholders	<u>55,768</u>	<u>46,457</u>

LF PRUDENTIAL RISK MANAGED PASSIVE FUND 5
INTERIM FINANCIAL STATEMENTS (UNAUDITED) *continued*
NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the half year ended 30 April 2020

1. Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 October 2019 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.

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

2. Subsequent Events

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak a pandemic. As a result, global markets have experienced a period of volatility which has impacted the performance of the Fund since the balance sheet date. The length of time the volatility remains will largely depend on the scale and duration of the outbreak. The spread and impact of COVID-19 is considered as a non-adjusting event after the reporting period.

Since the balance sheet date, the price of each of the Fund's share classes has moved as follows:

Share class	Balance sheet date	29.06.20	Movement
'A' Income shares	119.41	127.74	6.98%
'A' Accumulation shares	127.66	136.65	7.04%
'C' Income shares	98.57	105.24	6.77%
'P' Income shares	119.90	128.30	7.01%
'P' Accumulation shares	130.82	139.96	6.99%
'R' Accumulation shares	129.46	138.48	6.97%

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 Risk Managed Active 1
- LF Prudential Risk Managed Active 2
- LF Prudential Risk Managed Active 3
- LF Prudential Risk Managed Active 4
- LF Prudential Risk Managed Active 5
- LF Prudential Risk Managed Passive Fund 1
- LF Prudential Risk Managed Passive Fund 2
- LF Prudential Risk Managed Passive Fund 3
- LF Prudential Risk Managed Passive Fund 4
- LF Prudential Risk Managed Passive Fund 5

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 every dealing day 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.

GENERAL INFORMATION *continued*

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.

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

Data Protection Act

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



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