



# LF abrdn Investment Fund

LF abrdn Income Focus Fund

INTERIM UNAUDITED REPORT AND FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDED 31 JULY 2022

---



## AUTHORISED CORPORATE DIRECTOR (‘ACD’)

---

### LINK FUND SOLUTIONS LIMITED

Head Office:  
6th Floor  
65 Gresham Street  
London EC2V 7NQ  
Telephone: 0345 922 0044  
Email: [investorservices@linkgroup.co.uk](mailto:investorservices@linkgroup.co.uk)  
(Authorised and regulated by  
the Financial Conduct Authority)

## DIRECTORS OF THE ACD

---

C. Addenbrooke (retired 2 February 2022)  
N. Boyling  
B. Hammond  
K.J. Midl  
A.G. Reid  
A.J. Stuart  
E.E. Tracey

## INVESTMENT MANAGER

---

### ABRDN INVESTMENT MANAGEMENT LIMITED

1 George Street  
Edinburgh EH2 2LL  
(Authorised and regulated by  
the Financial Conduct Authority)

## DEPOSITARY

---

### NORTHERN TRUST INVESTOR SERVICES LIMITED

50 Bank Street  
Canary Wharf  
London E14 5NT  
(Authorised and regulated by  
the Financial Conduct Authority)

## REGISTRAR AND ADMINISTRATOR

---

### NORTHERN TRUST GLOBAL SERVICES SE UK BRANCH

50 Bank Street  
Canary Wharf  
London E14 5NT  
Telephone Number: 0333 300 0381  
Fax Number: 0207 6433776  
(Authorised by the Prudential Regulation  
Authority and regulated by the Financial  
Conduct Authority and the Prudential Regulation Authority)

## INDEPENDENT AUDITOR

---

### GRANT THORNTON UK LLP

30 Finsbury Square  
London EC2A 1AG

## CONTENTS

### LF ABRDN INVESTMENT FUND

ACD's Report .....	2
Authorised Status .....	2
ACD's Statement .....	2
Important Information .....	2
Securities Financing Transactions .....	2
Director's Statement .....	3

### LF ABRDN INCOME FOCUS FUND

ACD's Report .....	4
Important Information .....	4
Investment Objective and Policy .....	4
Benchmarks .....	4
Investment Manager's Report .....	5
Fund Information .....	7
Portfolio Statement .....	17
Summary of Material Portfolio Changes .....	21

### INTERIM FINANCIAL STATEMENTS (UNAUDITED)

Statement of Total Return .....	22
Statement of Change in Net Assets Attributable to Shareholders .....	22
Balance Sheet .....	23
Notes to the Financial Statements .....	24
General Information .....	25

## ACD'S REPORT

for the half year ended 31 July 2022

### Authorised Status

LF abrdn Investment Fund ('the Company') is an investment company with variable capital incorporated in England and Wales under registered number IC001074 and authorised by the Financial Conduct Authority ('FCA') with effect from 7 October 2016. The Company has an unlimited duration.

The Company and its sub-fund is a UK UCITS scheme and the base currency of the Company and its sub-fund is pounds sterling.

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

### ACD's Statement

#### ECONOMIC UNCERTAINTY

The outbreak of COVID-19 in March 2019 caused significant disruption to business and economic activity, which was reflected in the fluctuations seen in the global stock markets for an extended period. However, after various national governments provided financial support and stimulus to their economies, combined with the development of effective vaccines to immunise populations, society and businesses are learning to operate in the post COVID-19 world which led to a recovery in asset prices.

In the first quarter of 2022, the geopolitical situation came into sharp focus, culminating in February 2022 with Russia's incursion into Ukraine. The consequences of this combined with other factors has led to significant disruption to the global supply chains and soaring commodity prices, leading to a significant increase in inflation in many countries. To curb the increase in global inflation, many nations' central banks have been increasing interest rates, a process which it is expected to continue until inflation is brought under control. What is not clear at this time is whether the combination of high inflation and increasing interest rates will culminate in a global recession.

### Important Information

The following changes became effective from 12 July 2022:

- The Company name changed from LF ASI Investment Fund to LF abrdn Investment Fund.
- The Sub-fund name changed from LF ASI Income Focus Fund to LF abrdn Income Focus Fund.

### 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.

### LINK FUND SOLUTIONS LIMITED

ACD of LF abrdn Investment Fund  
28 September 2022

## DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the FCA.

**N. BOYLING**

**LINK FUND SOLUTIONS LIMITED**

ACD of LF abrdn Investment Fund

*28 September 2022*

## **LF ABRDN INCOME FOCUS FUND ACD'S REPORT**

for the half year ended 31 July 2022

### **Important Information**

Refer to the 'Important Information' section for the Company on page 2.

### **Investment Objective and Policy**

The aim of the LF abrdn Income Focus Fund ('the Fund') is to provide a high level of income (\*) together with capital growth.

The Fund invests predominantly in the shares of organisations listed in the UK and overseas, with a focus on income generating securities.

The Fund will be invested in a concentrated portfolio of securities.

The Fund is not restricted by reference to any geographical region, sector or market capitalisation.

The Fund may also invest in other transferable securities, money market instruments, warrants, collective investment schemes and deposits. Derivatives may be used for investment purposes (gaining both long and short exposure to the underlying assets) and for efficient portfolio management.

\* The fund manager will aim to achieve a yield higher than the average yield of the FTSE All Share Index over a 3 year rolling period. Investors should be aware that there is no guarantee that any specific level of dividend or yield will be achieved over any given time period.

### **Benchmarks**

The Fund's comparator benchmarks are the FTSE All Share Total Return Index and the IA UK Equity Income Sector.

The Fund's performance may be compared against the following benchmarks: The FTSE All Share Total Return Index is representative of the universe of assets in which the Fund may invest and may assist investors in evaluating the Fund's performance against UK equity returns. The Fund also uses the IA UK Equity Income Sector as a comparator as investors may find it useful to compare the performance of the Fund with the performance of a group of the Fund's peers. 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. The ACD believes that these are appropriate comparator benchmarks for the Fund given the investment objective and policy of the Fund. The Fund is not constrained by the benchmarks and may take positions that differ significantly from the benchmarks.

### **LINK FUND SOLUTIONS LIMITED**

ACD of LF abrdn Income Focus Fund  
28 September 2022

## LF ABRDN INCOME FOCUS FUND

### ACD'S REPORT *continued*

### INVESTMENT MANAGER'S REPORT

for the half year ended 31 July 2022

#### Market Review

UK equities delivered a flat total return over the 6 month period, although this masked significant variation between large cap equities and mid and small-cap equities as the Russian invasion of Ukraine affected sectors in different ways. Consumer and industrial sectors dropped sharply, while defensives sectors rallied. Resource stocks benefited from surging commodity prices, adding to existing inflationary pressures caused by the tightness of labour markets and the global supply-chain bottlenecks in the aftermath of COVID-19 lockdowns. The UK Consumer Price Inflation rate hit 10.1% in July 2022, the highest level since 1982. The Bank of England responded by hiking its base rate four times during the period, from 0.25% to 1.25%.

The resilience of the UK equity market is largely explained by the sector composition of the UK market, with only limited exposure to domestic sectors that are sensitive to slowing economic growth. Recession fears grew throughout the period as the rising cost of living crimped household disposable income, while political uncertainty flared up due to Boris Johnson resigning as prime minister, triggering a leadership contest in the Conservative Party. Resultant weakness in Sterling against the US dollar further accentuated the performance gap between domestic and overseas sectors.

#### Activity

This is a diversified portfolio of high conviction income stocks trading at attractive valuations. We use our extensive research capability to identify businesses whose strong market position should enable them to deliver capital and dividend growth over the medium term.

Over the period we made a number of changes to the portfolio that mainly reflected changes in our conviction levels on individual stocks. We initiated new positions in stocks where we see attractive prospects, underpinning income generation. We started a new holding in **Euromoney** where we saw an improving earnings outlook as their events division recovers post-COVID, strong pricing power with products embedded in customer workflows and a resilient net cash balance sheet

Within the mining sector, we added to our holdings in **Anglo American** and **Glencore** where we see an attractive commodity mix underpinning cash flows and dividends. We took some profits in **Rio Tinto** and **BHP** which generate a significant proportion of their earnings from iron ore, making them heavily dependent on the Chinese construction sector.

We also sold out of **Bodycote** where we see some earnings risk due to weakening aviation and automotive demand, rising cost inflation and supply chain bottlenecks

#### Performance

The Fund outperformed the FTSE All Share Total Return Index by around 2 percentage points over the 6 month period in total return terms.

The key drivers of performance relative to the FTSE All Share Total Return Index over the period can be summarised as follows:

The Fund's performance benefited from our exposure to resource stocks **Diversified Energy** and **Glencore** and power generation stocks **Drax** and **SSE**. Fears over energy security, resulting from the Russia-Ukraine war, led to rising commodity and power prices. It is gratifying that Diversified Energy, Glencore and Drax are all relatively recent purchases, underlining the benefit of our careful stock selection.

## LF ABRDN INCOME FOCUS FUND

### ACD'S REPORT *continued*

### INVESTMENT MANAGER'S REPORT *continued*

for the half year ended 31 July 2022

#### Performance *continued*

Performance also benefited from our holdings in defensive stocks **Convatec** and **RELX** and our holding in **Euromoney** which received a take-over bid. We do not see this as an isolated incident, with potential for corporate bidders to step in if institutional shareholders did not take advantage of these valuation opportunities.

The largest detractor to performance was **Direct Line** which was unable to raise pricing sufficiently to offset rising claims inflation. **Ashmore** continued to suffer from weakening investor sentiment towards its major asset class, Emerging Markets debt. **Close Brothers** performed poorly as lower dealing volumes caused a reduction in earnings in its Winterflood division.

Paper and packaging companies **DS Smith** and **Mondi** detracted from performance on fears of slowing demand and rising input costs.

#### Outlook

The Russia-Ukraine war is causing significant volatility in global markets, reverberating onto UK equities, as reflected in the significant divergence in performance across sectors.

Our primary focus remains at the stock level, but we are also conscious of the macro environment in which we are picking stocks. The backdrop of increased inflation will pose challenges to many companies, while providing opportunities for others. This requires us to assess which companies are best placed to deliver strong cash flows, underpinning their dividends. Inflation is a function of higher input prices, such as rising oil prices and commodity prices, higher interest rates and higher wages. We believe that our portfolio is well positioned for this emergent landscape, seeing many companies that are capable of thriving in this environment.

We will remain focused on identifying stocks whose robust earnings and dividend growth potential has not been properly reflected in their valuations. Remaining consistent in this approach, we are confident that this is a diversified portfolio of well-managed businesses with the potential to deliver attractive returns in the years ahead.

#### ABRDN INVESTMENT MANAGEMENT LIMITED

Investment Manager

26 August 2022



## LF ABRDN INCOME FOCUS FUND

### ACD'S REPORT *continued*

#### FUND INFORMATION

for the half year ended 31 July 2022

#### Risk and Reward Profile



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

The Fund has been classed as 6 because its volatility has been measured as above average to high.

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

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

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

**Counterparty Risk:** As the Fund may enter into derivative agreements there is a risk that other parties may fail to meet their obligations. This may lead to delays in receiving amounts due to the Fund, receiving less than is due or receiving nothing.

**Financial Techniques Impact:** The Fund invests in derivatives. A relatively small movement in the value of the derivative's underlying investment may have a much larger impact, positive or negative, on the value of the Fund than if the Fund were to hold the underlying investment itself. Derivatives are also used to reduce risk by hedging against movements in the value of investments held by the Fund.

**Concentration Risk:** The Fund will be invested in a concentrated number of stocks, which increases the possibility of the Fund being more volatile over certain time periods than if it were invested in a more diversified portfolio.

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

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

## LF ABRDN INCOME FOCUS FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

for the half year ended 31 July 2022

#### Comparative Tables

Information for 31 July 2022 relates to the 6 months period ending 31 July 2022. The operating charges relate to the expenses incurred on an ex post basis over the period ending 31 July 2022, expressed as an annualised percentage of the average net asset value.

A Sterling Accumulation shares

CHANGE IN NET ASSETS PER SHARE	31.07.22 pence per share	31.01.22 pence per share	31.01.21 pence per share	31.01.20 pence per share
Opening net asset value per share	68.83	60.61	72.23	88.00
Return before operating charges*	1.49	8.90	(11.27)	(14.97)
Operating charges	(0.34)	(0.68)	(0.35)	(0.80)
Return after operating charges	1.15	8.22	(11.62)	(15.77)
Distributions	(1.87)	(2.94)	(1.70)	(5.26)
Retained distributions on accumulation shares	1.87	2.94	1.70	5.26
Closing net asset value per share	69.98	68.83	60.61	72.23
* after direct transaction costs of: <sup>1</sup>	0.01	0.05	0.03	0.12
<b>PERFORMANCE</b>				
Return after charges	1.67%	13.56%	(16.09)%	(17.92)%
<b>OTHER INFORMATION</b>				
Closing net asset value (£'000)	317	657	670	1,039
Closing number of shares	453,194	953,194	1,105,108	1,438,723
Operating charges <sup>2</sup>	1.00%	1.00%	0.62%	1.01%
Direct transaction costs <sup>1</sup>	0.01%	0.08%	0.05%	0.15%
<b>PRICES</b>				
Highest share price	70.91	71.46	74.02	91.84
Lowest share price	62.11	61.40	44.46	69.22

<sup>1</sup> Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

<sup>2</sup> The ACD waived their fees for the period 20 December 2019 to 31 May 2020. The depositary and the Investment Manager waived their fees for the period 31 December 2019 to 31 May 2020. The resulting savings to the Fund will offset some of the costs associated with the reposition of the portfolio. With effect from 1 June 2020, the full Periodic Charge will be payable by the Fund.

## LF ABRDN INCOME FOCUS FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

for the half year ended 31 July 2022

#### Comparative Tables *continued*

A Sterling Income shares

CHANGE IN NET ASSETS PER SHARE	31.07.22 pence per share	31.01.22 pence per share	31.01.21 pence per share	31.01.20 pence per share
Opening net asset value per share	54.21	49.85	61.26	79.91
Return before operating charges*	1.17	7.29	(9.70)	(13.27)
Operating charges	(0.26)	(0.55)	(0.28)	(0.72)
Return after operating charges	0.91	6.74	(9.98)	(13.99)
Distributions on income shares	(1.47)	(2.38)	(1.43)	(4.66)
Closing net asset value per share	53.65	54.21	49.85	61.26
* after direct transaction costs of: <sup>1</sup>	0.01	0.04	0.03	0.11
<b>PERFORMANCE</b>				
Return after charges	1.68%	13.52%	(16.29)%	(17.51)%
<b>OTHER INFORMATION</b>				
Closing net asset value (£'000)	134	135	124	273
Closing number of shares	249,597	249,597	249,597	445,518
Operating charges <sup>2</sup>	1.00%	1.00%	0.59%	1.01%
Direct transaction costs <sup>1</sup>	0.01%	0.08%	0.05%	0.15%
<b>PRICES</b>				
Highest share price	55.85	57.48	62.77	83.40
Lowest share price	48.92	50.50	37.71	60.42

<sup>1</sup> Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

<sup>2</sup> The ACD waived their fees for the period 20 December 2019 to 31 May 2020. The depositary and the Investment Manager waived their fees for the period 31 December 2019 to 31 May 2020. The resulting savings to the Fund will offset some of the costs associated with the reposition of the portfolio. With effect from 1 June 2020, the full Periodic Charge will be payable by the Fund.

## LF ABRDN INCOME FOCUS FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

for the half year ended 31 July 2022

#### Comparative Tables *continued*

C Sterling Accumulation shares

CHANGE IN NET ASSETS PER SHARE	31.07.22 pence per share	31.01.22 pence per share	31.01.21 pence per share	31.01.20 pence per share
Opening net asset value per share	69.59	61.13	72.72	88.39
Return before operating charges*	1.51	8.97	(11.32)	(15.05)
Operating charges	(0.26)	(0.51)	(0.27)	(0.62)
Return after operating charges	1.25	8.46	(11.59)	(15.67)
Distributions	(1.90)	(2.97)	(1.71)	(5.28)
Retained distributions on accumulation shares	1.90	2.97	1.71	5.28
Closing net asset value per share	70.84	69.59	61.13	72.72
* after direct transaction costs of: <sup>1</sup>	0.01	0.05	0.03	0.12
<b>PERFORMANCE</b>				
Return after charges	1.80%	13.84%	(15.94)%	(17.73)%
<b>OTHER INFORMATION</b>				
Closing net asset value (£'000)	17,388	18,054	19,476	31,853
Closing number of shares	24,544,440	25,943,878	31,859,388	43,801,869
Operating charges <sup>2</sup>	0.75%	0.75%	0.46%	0.76%
Direct transaction costs <sup>1</sup>	0.01%	0.08%	0.05%	0.15%
<b>PRICES</b>				
Highest share price	71.76	72.18	74.53	92.27
Lowest share price	62.81	61.92	44.77	69.65

<sup>1</sup> Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

<sup>2</sup> The ACD waived their fees for the period 20 December 2019 to 31 May 2020. The depositary and the Investment Manager waived their fees for the period 31 December 2019 to 31 May 2020. The resulting savings to the Fund will offset some of the costs associated with the reposition of the portfolio. With effect from 1 June 2020, the full Periodic Charge will be payable by the Fund.

## LF ABRDN INCOME FOCUS FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

for the half year ended 31 July 2022

#### Comparative Tables *continued*

C Sterling Income shares

CHANGE IN NET ASSETS PER SHARE	31.07.22 pence per share	31.01.22 pence per share	31.01.21 pence per share	31.01.20 pence per share
Opening net asset value per share	54.81	50.28	61.69	80.27
Return before operating charges*	1.20	7.36	(9.75)	(13.35)
Operating charges	(0.20)	(0.42)	(0.22)	(0.55)
Return after operating charges	1.00	6.94	(9.97)	(13.90)
Distributions on income shares	(1.49)	(2.41)	(1.44)	(4.68)
Closing net asset value per share	54.32	54.81	50.28	61.69
* after direct transaction costs of: <sup>1</sup>	0.01	0.04	0.03	0.11
<b>PERFORMANCE</b>				
Return after charges	1.82%	13.80%	(16.16)%	(17.32)%
<b>OTHER INFORMATION</b>				
Closing net asset value (£'000)	14,445	15,633	17,147	27,061
Closing number of shares	26,595,071	28,519,735	34,105,618	43,868,725
Operating charges <sup>2</sup>	0.75%	0.75%	0.46%	0.76%
Direct transaction costs <sup>1</sup>	0.01%	0.08%	0.05%	0.15%
<b>PRICES</b>				
Highest share price	56.48	58.06	63.21	83.79
Lowest share price	49.48	50.93	37.97	60.80

<sup>1</sup> Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

<sup>2</sup> The ACD waived their fees for the period 20 December 2019 to 31 May 2020. The depositary and the Investment Manager waived their fees for the period 31 December 2019 to 31 May 2020. The resulting savings to the Fund will offset some of the costs associated with the reposition of the portfolio. With effect from 1 June 2020, the full Periodic Charge will be payable by the Fund.

## LF ABRDN INCOME FOCUS FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

for the half year ended 31 July 2022

#### Comparative Tables *continued*

X Sterling Accumulation shares

CHANGE IN NET ASSETS PER SHARE	31.07.22 pence per share	31.01.22 pence per share	31.01.21 pence per share	31.01.20 pence per share
Opening net asset value per share	67.36	59.62	71.25	87.21
Return before operating charges*	1.46	8.74	(11.15)	(14.75)
Operating charges	(0.50)	(1.00)	(0.48)	(1.21)
Return after operating charges	0.96	7.74	(11.63)	(15.96)
Distributions	(1.83)	(2.89)	(1.68)	(5.20)
Retained distributions on accumulation shares	1.83	2.89	1.68	5.20
Closing net asset value per share	68.32	67.36	59.62	71.25
* after direct transaction costs of: <sup>1</sup>	0.01	0.05	0.03	0.12
<b>PERFORMANCE</b>				
Return after charges	1.43%	12.98%	(16.32)%	(18.30)%
<b>OTHER INFORMATION</b>				
Closing net asset value (£'000)	23	39	46	111
Closing number of shares	33,570	58,590	77,859	156,188
Operating charges <sup>2</sup>	1.50%	1.50%	0.85%	1.51%
Direct transaction costs <sup>1</sup>	0.01%	0.08%	0.05%	0.15%
<b>PRICES</b>				
Highest share price	69.39	70.08	73.01	90.98
Lowest share price	60.76	60.39	43.86	68.36

<sup>1</sup> Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

<sup>2</sup> The ACD waived their fees for the period 20 December 2019 to 31 May 2020. The depositary and the Investment Manager waived their fees for the period 31 December 2019 to 31 May 2020. The resulting savings to the Fund will offset some of the costs associated with the reposition of the portfolio. With effect from 1 June 2020, the full Periodic Charge will be payable by the Fund.

**LF ABRDN INCOME FOCUS FUND****ACD'S REPORT** *continued***FUND INFORMATION** *continued*

for the half year ended 31 July 2022

**Comparative Tables** *continued*

X Sterling Income shares

CHANGE IN NET ASSETS PER SHARE	31.07.22 pence per share	31.01.22 pence per share	31.01.21 pence per share	31.01.20 pence per share
Opening net asset value per share	53.02	49.00	60.42	79.19
Return before operating charges*	1.14	7.17	(9.55)	(13.10)
Operating charges	(0.39)	(0.81)	(0.46)	(1.06)
Return after operating charges	0.75	6.36	(10.01)	(14.16)
Distributions on income shares	(1.43)	(2.34)	(1.41)	(4.61)
Closing net asset value per share	52.34	53.02	49.00	60.42
* after direct transaction costs of: <sup>1</sup>	0.01	0.04	0.02	0.11
<b>PERFORMANCE</b>				
Return after charges	1.41%	12.98%	(16.57)%	(17.88)%
<b>OTHER INFORMATION</b>				
Closing net asset value (£'000)	17	17	18	22
Closing number of shares	33,174	32,598	36,231	36,329
Operating charges <sup>2,3</sup>	1.50%	1.50%	0.97%	1.51%
Direct transaction costs <sup>1</sup>	0.01%	0.08%	0.05%	0.15%
<b>PRICES</b>				
Highest share price	54.62	56.33	61.91	82.61
Lowest share price	47.82	49.64	37.19	59.63

<sup>1</sup> Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

<sup>2</sup> The ACD waived their fees for the period 20 December 2019 to 31 May 2020. The depositary and the Investment Manager waived their fees for the period 31 December 2019 to 31 May 2020. The resulting savings to the Fund will offset some of the costs associated with the reposition of the portfolio. With effect from 1 June 2020, the full Periodic Charge will be payable by the Fund.

## LF ABRDN INCOME FOCUS FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

for the half year ended 31 July 2022

#### Comparative Tables *continued*

Z Sterling Accumulation shares

CHANGE IN NET ASSETS PER SHARE	31.07.22 pence per share	31.01.22 pence per share	31.01.21 pence per share	31.01.20 pence per share
Opening net asset value per share	69.89	61.34	72.92	88.56
Return before operating charges*	1.52	9.00	(11.34)	(15.11)
Operating charges	(0.22)	(0.45)	(0.24)	(0.53)
Return after operating charges	1.30	8.55	(11.58)	(15.64)
Distributions	(1.90)	(2.98)	(1.72)	(5.30)
Retained distributions on accumulation shares	1.90	2.98	1.72	5.30
Closing net asset value per share	71.19	69.89	61.34	72.92
* after direct transaction costs of: <sup>1</sup>	0.01	0.05	0.03	0.12
<b>PERFORMANCE</b>				
Return after charges	1.86%	13.94%	(15.88)%	(17.66)%
<b>OTHER INFORMATION</b>				
Closing net asset value (£'000)	74,122	76,659	77,988	113,714
Closing number of shares	104,116,112	109,676,967	127,146,138	155,941,350
Operating charges <sup>2</sup>	0.65%	0.65%	0.41%	0.66%
Direct transaction costs <sup>1</sup>	0.01%	0.08%	0.05%	0.15%
<b>PRICES</b>				
Highest share price	72.10	72.46	74.73	92.45
Lowest share price	63.10	62.13	44.89	69.83

<sup>1</sup> Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

<sup>2</sup> The ACD waived their fees for the period 20 December 2019 to 31 May 2020. The depositary and the Investment Manager waived their fees for the period 31 December 2019 to 31 May 2020. The resulting savings to the Fund will offset some of the costs associated with the reposition of the portfolio. With effect from 1 June 2020, the full Periodic Charge will be payable by the Fund.



## LF ABRDN INCOME FOCUS FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

for the half year ended 31 July 2022

#### Comparative Tables *continued*

Z Sterling Income shares

CHANGE IN NET ASSETS PER SHARE	31.07.22 pence per share	31.01.22 pence per share	31.01.21 pence per share	31.01.20 pence per share
Opening net asset value per share	55.04	50.43	61.83	80.39
Return before operating charges*	1.18	7.39	(9.76)	(13.38)
Operating charges	(0.17)	(0.36)	(0.20)	(0.48)
Return after operating charges	1.01	7.03	(9.96)	(13.86)
Distributions on income shares	(1.49)	(2.42)	(1.44)	(4.70)
Closing net asset value per share	54.56	55.04	50.43	61.83
* after direct transaction costs of: <sup>1</sup>	0.01	0.04	0.03	0.11
<b>PERFORMANCE</b>				
Return after charges	1.84%	13.94%	(16.11)%	(17.24)%
<b>OTHER INFORMATION</b>				
Closing net asset value (£'000)	42,820	45,472	48,037	72,828
Closing number of shares	78,476,955	82,622,175	95,254,214	117,778,776
Operating charges <sup>2</sup>	0.65%	0.65%	0.41%	0.66%
Direct transaction costs <sup>1</sup>	0.01%	0.08%	0.05%	0.15%
<b>PRICES</b>				
Highest share price	56.71	58.27	63.36	83.93
Lowest share price	49.68	51.09	38.06	60.94

<sup>1</sup> Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

<sup>2</sup> The ACD waived their fees for the period 20 December 2019 to 31 May 2020. The depositary and the Investment Manager waived their fees for the period 31 December 2019 to 31 May 2020. The resulting savings to the Fund will offset some of the costs associated with the reposition of the portfolio. With effect from 1 June 2020, the full Periodic Charge will be payable by the Fund.

## LF ABRDN INCOME FOCUS FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

for the half year ended 31 July 2022

#### Fund Performance to 31 July 2022 (%)

	6 months	1 year	3 years	Since launch <sup>1</sup>
LF abrdn Income Focus Fund	1.58	0.84	(8.34)	(29.92)
FTSE All Share Total Return Index <sup>2</sup>	(0.08)	5.51	9.89	21.48
IA UK Equity Income Sector <sup>2</sup>	(1.79)	2.39	10.39	15.18

<sup>1</sup> Launch date 20 March 2017

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

The performance of the Fund is based on the published price per C Sterling 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 Tables 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.

#### Distributions

Share Class	First Interim 31.04.2022 pence per share	Second Interim 31.07.2022 pence per share
A Sterling Accumulation shares	1.3306	0.5416
A Sterling Income shares	1.0497	0.4184
C Sterling Accumulation shares	1.3478	0.5481
C Sterling Income shares	1.0617	0.4235
X Sterling Accumulation shares	1.3031	0.5291
X Sterling Income shares	1.0258	0.4085
Z Sterling Accumulation shares	1.3540	0.5506
Z Sterling Income shares	1.0661	0.4254

#### 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 necessarily 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 ABRDN INCOME FOCUS FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT

as at 31 July 2022

Holding	Portfolio of investments	Value £'000	31.07.22 %
	UNITED KINGDOM – 92.28% (31.01.22 – 91.94%)		
	TELECOMMUNICATIONS – 1.14% (31.01.22 – 1.17%)		
	Telecommunication Service Providers – 1.14% (31.01.22 – 1.17%)		
1,402,406	Vodafone	1,694	1.14
	HEALTH CARE – 9.03% (31.01.22 – 6.71%)		
	Medical Equipment & Services – 3.57% (31.01.22 – 2.58%)		
2,335,072	ConvaTec	5,328	3.57
	Pharmaceuticals & Biotechnology – 5.46% (31.01.22 – 4.13%)		
75,182	AstraZeneca	8,150	5.46
	FINANCIALS – 22.30% (31.01.22 – 24.49%)		
	Banks – 7.81% (31.01.22 – 8.05%)		
549,138	Close Brothers	6,095	4.08
985,216	Standard Chartered	5,559	3.73
		11,654	7.81
	Investment Banking & Brokerage Services – 12.30% (31.01.22 – 13.35%)		
1,218,977	Ashmore	2,628	1.76
418,334	Bridgepoint	1,067	0.71
140,238	Intermediate Capital	2,132	1.43
2,620,492	M&G	5,587	3.74
1,320,745	OSB	6,954	4.66
		18,368	12.30
	Non-life Insurance – 2.19% (31.01.22 – 3.09%)		
1,586,866	Direct Line Insurance	3,269	2.19
	REAL ESTATE – 1.77% (31.01.22 – 1.50%)		
	Real Estate Investment Trusts – 1.77% (31.01.22 – 1.50%)		
226,603	Unite	2,640	1.77

## LF ABRDN INCOME FOCUS FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT *continued*

as at 31 July 2022

Holding	Portfolio of investments	Value £'000	31.07.22 %
	CONSUMER DISCRETIONARY – 16.46% (31.01.22 – 17.08%)		
	Household Goods & Home Construction – 6.63% (31.01.22 – 7.42%)		
128,945	Bellway	3,149	2.11
638,696	Countryside Partnership	1,853	1.24
531,153	Vistry	4,892	3.28
		<u>9,894</u>	<u>6.63</u>
	Media – 5.16% (31.01.22 – 4.86%)		
317,513	RELX	7,703	5.16
	Retailers – 4.67% (31.01.22 – 4.80%)		
829,837	Inchcape	6,971	4.67
	CONSUMER STAPLES – 7.74% (31.01.22 – 7.17%)		
	Beverages – 3.62% (31.01.22 – 3.31%)		
139,085	Diageo	5,399	3.62
	Tobacco – 4.12% (31.01.22 – 3.86%)		
191,287	British American Tobacco	6,160	4.12
	INDUSTRIALS – 7.83% (31.01.22 – 9.04%)		
	General Industrials – 2.90% (31.01.22 – 3.56%)		
1,486,516	DS Smith	4,329	2.90
	Industrial Engineering – 3.70% (31.01.22 – 5.48%)		
330,339	Weir	5,515	3.70
	Industrial Support Services – 1.23% (31.01.22 – 0.00%)		
126,980	Euromoney Institutional Investor	1,841	1.23
	BASIC MATERIALS – 7.65% (31.01.22 – 8.10%)		
	Industrial Materials – 3.20% (31.01.22 – 3.62%)		
308,423	Mondi	4,778	3.20
	Industrial Metals & Mining – 1.84% (31.01.22 – 0.86%)		
93,043	Anglo American	2,744	1.84

## LF ABRDN INCOME FOCUS FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT *continued*

as at 31 July 2022

Holding	Portfolio of investments	Value £'000	31.07.22 %
	Precious Metals & Mining – 2.61% (31.01.22 – 3.62%)		
79,021	Rio Tinto	3,891	2.61
	ENERGY – 8.87% (31.01.22 – 8.09%)		
	Oil, Gas & Coal – 8.87% (31.01.22 – 8.09%)		
1,859,171	BP	7,436	4.98
4,691,601	Diversified Energy	5,803	3.89
		<u>13,239</u>	<u>8.87</u>
	UTILITIES – 9.49% (31.01.22 – 8.59%)		
	Electricity – 6.85% (31.01.22 – 6.19%)		
553,567	Drax	4,340	2.91
333,043	SSE	5,888	3.94
		<u>10,228</u>	<u>6.85</u>
	Gas, Water & Multi-utilities – 2.64% (31.01.22 – 2.40%)		
348,124	National Grid	3,939	2.64
	CHANNEL ISLANDS – 3.86% (31.01.22 – 2.92%)		
	FINANCIALS – 0.00% (31.01.22 – 0.00%)		
	Non-equity Investment Instruments – 0.00% (31.01.22 – 0.00%)		
	BASIC MATERIALS – 3.86% (31.01.22 – 2.92%)		
	Industrial Metals & Mining – 3.86% (31.01.22 – 2.92%)		
1,250,864	Glencore	5,766	3.86
	PACIFIC – 0.00% (31.01.22 – 1.17%)		
	BASIC MATERIALS – 0.00% (31.01.22 – 1.17%)		
	Precious Metals & Mining – 0.00% (31.01.22 – 1.17%)		

## LF ABRDN INCOME FOCUS FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT *continued*

as at 31 July 2022

Holding	Portfolio of investments	Value £'000	31.07.22 %
	CONTINENTAL EUROPE – 2.86% (31.01.22 – 3.30%)		
	LUXEMBOURG – 0.00% (31.01.22 – 0.00%)		
	FINANCIALS – 0.00% (31.01.22 – 0.00%)		
	Non-equity Investment Instruments – 0.00% (31.01.22 – 0.00%)		
	SWITZERLAND – 2.86% (31.01.22 – 3.30%)		
	CONSUMER STAPLES – 2.86% (31.01.22 – 3.30%)		
	Beverages – 2.86% (31.01.22 – 3.30%)		
212,040	Coca-Cola HBC	4,266	2.86
	NORTH AMERICA – 1.14% (31.01.22 – 1.06%)		
	BERMUDA – 1.14% (31.01.22 – 1.06%)		
	FINANCIALS – 1.14% (31.01.22 – 1.06%)		
	Non-life Insurance – 1.14% (31.01.22 – 1.06%)		
191,089	Hiscox	1,706	1.14
	Portfolio of investments	149,472	100.14
	Net other liabilities	(206)	(0.14)
	Net assets	149,266	100.00

The investments are ordinary shares listed on a regulated market.

## LF ABRDN INCOME FOCUS FUND

### ACD'S REPORT *continued*

### SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 31 July 2022

Total purchases for the half year £'000	3,881	Total sales for the half year £'000	11,091
Purchases	Cost £'000	Sales	Proceeds £'000
Anglo American	1,706	Bodycote	2,710
Euromoney Institutional Investor	1,337	BHP	1,854
BP	302	Rio Tinto	1,645
Glencore	258	Drax	1,177
Hiscox	205	Diversified Energy	965
ConvaTec	73	OSB	931
		Countryside Partnership	546
		Inchcape	539
		RELX	407
		Standard Chartered	317

In addition to the above, purchases totalling £9,817,000 and sales totalling £9,817,000 were made in short term investments during the half year.

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

**LF abrdn INCOME FOCUS FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**STATEMENT OF TOTAL RETURN**

for the half year ended 31 July 2022

	£'000	31.07.22 £'000	£'000	31.07.21 £'000
Income				
Net capital (losses)/gains		(958)		19,708
Revenue	4,203		3,949	
Expenses	(501)		(572)	
Interest payable and similar charges	(2)		(2)	
Net revenue before taxation	3,700		3,375	
Taxation	(55)		(35)	
Net revenue after taxation		3,645		3,340
Total return before distributions		2,687		23,048
Distributions		(4,139)		(3,894)
Change in net assets attributable to shareholders from investment activities		(1,452)		19,154

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

for the half year ended 31 July 2022

	£'000	31.07.22 £'000	£'000	31.07.21 £'000
Opening net assets attributable to shareholders		156,666		163,506
Amounts receivable on issue of shares	755		1,625	
Amounts payable on redemption of shares	(9,207)		(15,551)	
		(8,452)		(13,926)
Dilution adjustment		8		14
Change in net assets attributable to shareholders from investment activities		(1,452)		19,154
Retained distribution on accumulation shares		2,496		2,294
Closing net assets attributable to shareholders		149,266		171,042

The above statement shows the comparative closing net assets at 31 July 2021 whereas the current accounting period commenced 1 February 2022.



**LF ABRDN INCOME FOCUS FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**BALANCE SHEET**

as at 31 July 2022

	31.07.22 £'000	31.01.22 £'000
<b>ASSETS</b>		
Fixed assets		
Investments	149,472	157,270
Current assets		
Debtors	715	254
Cash and bank balances	<u>247</u>	<u>–</u>
<b>Total assets</b>	<u>150,434</u>	<u>157,524</u>
<b>LIABILITIES</b>		
Creditors		
Bank overdrafts	–	(161)
Distribution payable	(448)	(308)
Other creditors	<u>(720)</u>	<u>(389)</u>
<b>Total liabilities</b>	<u>(1,168)</u>	<u>(858)</u>
<b>Net assets attributable to shareholders</b>	<u>149,266</u>	<u>156,666</u>

**LF ABRDN INCOME FOCUS FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**NOTES TO THE FINANCIAL STATEMENTS**

for the half year ended 31 July 2022

**1. Accounting Policies**

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 January 2022 and are described in those annual financial statements.

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

These financial statements are prepared on a going concern basis. The ACD has made an assessment of the Fund's ability to continue as a going concern, and is satisfied it has the resources to continue in business for the foreseeable future and is not aware of any material uncertainties that may cast significant doubt on this assessment. This assessment is made as at the date of issue of these financial statements, covering the subsequent 12 months, and considers liquidity, declines in global capital markets, known redemption levels, expense projections, key service provider's operational resilience, and the impact of COVID-19. The ACD also considered the Fund's continued ability to meet ongoing costs, and is satisfied it has the resources to meet these costs and to continue in business.

**2. Subsequent Events**

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

Share Class	31.07.22	26.09.22	% Movement
A Sterling Accumulation shares	69.78	64.56	(7.48)
A Sterling Income shares	53.92	49.49	(8.22)
C Sterling Accumulation shares	70.65	65.39	(7.45)
C Sterling Income shares	54.59	50.13	(8.17)
X Sterling Accumulation shares	68.13	62.98	(7.56)
X Sterling Income shares	52.60	48.25	(8.27)
Z Sterling Accumulation shares	70.99	65.72	(7.42)
Z Sterling Income shares	54.83	50.37	(8.13)

The decrease in the prices is primarily due to unfavourable market conditions. These accounts were approved on 28 September 2022.

## GENERAL INFORMATION

### Share Capital

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000.

### Structure of the Company

The Company is structured as an umbrella Company, in that different sub-funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new sub-fund or class, a revised Prospectus will be prepared setting out the relevant details on 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 only sub-fund currently available is:

LF abrdn Income Focus Fund

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

### Classes of Shares

The Instrument of Incorporation allows income and accumulation shares to be issued.

Holders of income shares are entitled to be paid the distributable income attributed to such shares on any relevant interim and annual allocation dates.

Holders of accumulation shares are not entitled to be paid the income attributed to such shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant sub-fund on the relevant income allocation dates. This is reflected in the price of an accumulation share.

### Valuation Point

The current valuation point of the Fund is 12.00 noon (London time) on each business day. Valuations may be made at other times with the Depositary's approval.

### Buying and Selling Shares

The ACD will accept orders to buy or sell shares on normal business days between 9.00am and 5.00pm (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 3733, Royal Wootton Bassett, Swindon SN4 4BG or by telephone on 0333 300 0381.

### Prices

The prices of all shares are published on every dealing day on the website of the ACD: [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk). Prices can also be obtained by telephoning the Administrator on 0333 300 0381 during their normal business hours.

## **GENERAL INFORMATION** *continued*

### **Other Information**

The Instrument of Incorporation, Prospectus, Key Investor Information Documents and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on the ACD's website, [www.linkfundsolutions.co.uk](http://www.linkfundsolutions.co.uk).

Shareholders who have any complaints about the operation of the Fund should contact the Administrator in writing. 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 who do not want to receive such details should write to the ACD requesting their removal from any such mailing list. 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.

# LINKGroup



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



0345 922 0044



[linkfundsolutions.co.uk](http://linkfundsolutions.co.uk)