



# LF Lightman Investment Funds

LF Lightman European Fund

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**INTERIM UNAUDITED REPORT AND FINANCIAL STATEMENTS**  
FOR THE HALF YEAR ENDED 30 JUNE 2023



## AUTHORISED CORPORATE DIRECTOR ('ACD')

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### LINK FUND SOLUTIONS LIMITED

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(Authorised and regulated by the Financial Conduct Authority)

## DIRECTORS OF THE ACD

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N. Boyling  
B. Hammond  
K.J. Midl  
A.G. Reid\*  
A.J. Stuart\*  
E.E. Tracey\*

\* Non-Executive Directors of the ACD

## INVESTMENT MANAGER

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### LIGHTMAN INVESTMENT MANAGEMENT LIMITED

130 Wood Street  
London EC2V 6DL  
(Authorised and regulated by the Financial Conduct Authority)

## DEPOSITARY

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### NORTHERN TRUST INVESTOR SERVICES LIMITED

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

## REGISTRAR AND ADMINISTRATOR

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### LINK FUND ADMINISTRATORS LIMITED

Customer Service Centre:  
Central Square  
29 Wellington Street  
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(Authorised and regulated by the Financial Conduct Authority)

## INDEPENDENT AUDITOR

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### ERNST & YOUNG LLP

Atria One  
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## ACD'S REPORT

for the half year ended 30 June 2023

### Authorised Status

LF Lightman Investment Funds ('the Company') is an investment company with variable capital incorporated in England and Wales under registered number IC009571 and authorised by the Financial Conduct Authority ('FCA') with effect from 28 March 2019. 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

#### Proposed Sale of Fund Solutions Business

On 20 April 2023 Link Group announced the sale of the Fund Solutions Business ('FS Business') and that certain subsidiaries of Link Group, including Link Fund Solutions Limited ('LFSL'), entered into sale agreements with entities within the Waystone Group pursuant to which Link Group companies have agreed to sell to the Waystone Group: (i) the business and certain assets of LFSL; (ii) the business and certain assets of Link Fund Manager Solutions (Ireland) Limited ('LFMS(I)L'); and (iii) the entire issued share capital of certain other subsidiaries of Link Group, which together with the business of LFSL and LFMS(I)L comprise the FS Business (other than its Luxembourg and Swiss entities), but excluding Woodford related liabilities and, subject to normalised working capital adjustments, on a debt and cash free basis. The sale is conditional on various matters, including receipt of certain regulatory approvals, notices and consents from the FCA and the Central Bank of Ireland, anti-trust approval from the Competition and Consumer Protection Commission of Ireland and no in-depth investigation of the sale by the UK Competition and Markets Authority. It is possible that Irish foreign investment approval may also be needed depending on whether a foreign investment regime is introduced in Ireland before completion of the sale and the parties agree a filing is required. The sale is also conditional on contracts representing a significant majority of revenue in respect of LFSL's ACD business and LFMS(I)L's business being transferred to the Waystone Group and consent having been received from certain third parties in respect of the transfer of their business to the Waystone Group. The Waystone Group, LFSL and LFMS(I)L have agreed to work to achieve those and other conditions. The sale is not contingent on the Scheme or the Settlement becoming unconditional. The sale is targeted to complete by October 2023.

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

## **ACD'S REPORT** *continued*

for the half year ended 30 June 2023

### **Economic Uncertainty**

Whilst the outbreak of COVID-19 in March 2020 now seems a distant memory, and Russia's incursion into Ukraine in February 2022 remains an unresolved conflict, the consequences of these and other factors continue to be felt in both the domestic and global economy. Significant increases in the prices of energy and commodities have reverberated around the world, leading to many countries seeing inflation rates at levels not seen for many years. To curb the increase in inflation, many nations' central banks have been progressively increasing interest rates, a process which is expected to continue until inflation is brought under control in their respective countries. What is not clear at this time is whether the consequences of these events will culminate in local, or even a global, recession. With this level of economic uncertainty, it is reasonably foreseeable that markets may see further periods of instability and, consequently, volatility in asset pricing.

### **Important Information**

With effect from 9 March 2023, the following changes were made in the LF Lightman European Fund:

- The investment policy was updated; and
- Changes were made to the Depository fee structure.

Full details of the above can be found in the latest Prospectus.

### **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.

### **Task Force on Climate-related Financial Disclosures ('TCFD')**

In accordance with current Financial Conduct Authority rules, the ACD is required to publish its own TCFD report and that of each fund. The LFSL report can be found at <https://www.linkfundsolutions.co.uk/tcf reporting/> and the report of the sub-fund of the Company can be found at <https://www.linkfundsolutions.co.uk/uk/lightman-investment-management-limited/>.

Prior to accessing the report of the sub-fund of the Company there is link to the 'TCFD Reporting guide' which provides an explanation of the TCFD report.

### **LINK FUND SOLUTIONS LIMITED**

ACD of LF Lightman Investment Funds  
30 August 2023

## 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 Lightman Investment Funds

*30 August 2023*

## **LF LIGHTMAN EUROPEAN FUND ACD'S REPORT**

for the half year ended 30 June 2023

### **Important Information**

Refer to the 'Important Information' section for the Company on page 3.

### **Investment Objective and Policy**

The LF Lightman European Fund ('the Fund') aims to provide long term (in excess of 5 years) capital growth.

The Fund will invest at least 80% of its assets directly in the shares of companies that are domiciled or incorporated or listed in Europe (excluding the UK), or who receive a significant portion of their revenues from Europe (excluding the UK).

The Fund may also invest, directly or indirectly, in non-European companies (which may include UK Companies), unlisted companies (both European and non-European) and hold cash and near cash. Indirect exposure will be via collective investment schemes (which may include those managed by the ACD or its associates). Not more than 5% will be invested in UK Companies. UK Companies are those companies that are domiciled, or incorporated or listed in the UK, or who receive a significant portion of their revenues from the UK.

The Fund will have a concentrated portfolio of approximately 40-50 holdings.

The Fund may use derivatives for Efficient Portfolio Management purposes.

Investments in open-ended collective schemes is limited to 10% of the Scheme Property by value.

### **Benchmark**

The Fund's comparator benchmark is the MSCI Europe ex UK Net Return GBP Index.

The Fund's performance may be compared against the MSCI Europe ex UK Net Return GBP Index. The ACD believes that this is an appropriate comparator for the Fund given the investment objective and policy of the Fund. The comparator benchmark has been selected as we consider it assists in evaluating the Fund's performance against the performance of the principle underlying asset class (European equities) the Fund invests in. The Fund is not constrained by the benchmark and may take positions that differ significantly from the benchmark.

### **LINK FUND SOLUTIONS LIMITED**

ACD of LF Lightman European Fund  
30 August 2023

## LF LIGHTMAN EUROPEAN FUND

### ACD'S REPORT *continued*

## INVESTMENT MANAGER'S REPORT

for the half year ended 30 June 2023

The Fund returned -2.91% % in the first half of 2023 compared to the Index return of 8.97 %.

Investors have discounted a large number of positive developments in the first half of 2023. When we disaggregate returns we can see that there is a strong implicit assumption that a fall in inflation will allow for a large fall in interest rates. This forecasted fall in interest rates has allowed investors to lift the multiples of certain stocks more than others in the opening months of 2023. Long duration and growth-style equities were in favour for the first 5 months of the year, compared to shorter duration value-style equities.

We do not believe this trend will last, expecting value equities to reassert their dominance for the remainder of the year in a similar fashion to 2022.

We are not particularly worried about the global economy in the short term, despite the scale of interest rate hikes. Because recession was anticipated 12 months ago, manufacturers have already run down inventory, oil production has already been cut, and investment across the economy has already been curtailed. Recessions occur due to imbalances, with over-investment prior to a turning point amplifying downturns. In this case, underinvestment is more of a problem, rendering this a different economic cycle to those in recent experience.

It is quite possible that we will see a manufacturing recovery in the coming quarters as companies are forced to re-stock and China's reopening broadens out.

But this resilient economic set-up in the short-term can create problems for asset prices. The rally year-to-date has been built on the anticipation of lower interest rates, lower energy prices and plentiful liquidity. But these changes are already priced in, and so each day where interest rates and oil do not decline, amounts to a tightening of financial conditions that can impact asset prices.

European equities have been trading in a range for the last four months and we would expect this range to continue for now.

We prefer low priced equities with strong balance sheets, strong cashflow that operate in supply constrained industries.

Over the course of 2023 we have made some changes to our allocations to the Financials sector. The problems in the US banking sector in Q1 2023 have some relevance for Europe. We anticipate interest rates staying high and not falling. This will lift losses in Sovereign Debt portfolios but also will result in higher loan loss provisions over time.

Large parts of the economy need interest rates to fall. If they do not, we will experience an increase in pressure on the financial system and in markets. Whilst we do not believe this will require rights issues for European banks, we believe it will limit capital returns. Capital return is a central plank of the bull case in European banks, and so this has been sufficient for us to move to an underweight stance.

Our caution on financials is largely built on concerns about the integrity of Sovereign debt markets of the US and UK. We see a mismatch between supply and demand for Government debt. Large issuance is unlikely to be met with sufficient demand at current yield levels. This can push yields higher, irrespective of inflation and growth.

<sup>1</sup> R Acc share price of 146.15 GBp on 30/12/2022 and 141.90 GBp on 30/06/2023. Prices taken from published NAV. Data collected from fund accountant reports.

<sup>2</sup> Using index data of MSCI Europe ex UK GBP net return index of 14927.17 on 30/12/2022 and 16,265.94 on 30/06/2023. Data collected from MSCI website.



## **LF LIGHTMAN EUROPEAN FUND**

### **ACD'S REPORT** *continued*

### **INVESTMENT MANAGER'S REPORT** *continued*

for the half year ended 30 June 2023

Higher yields mean more issuance which can beget higher yields. We believe only a return of spending austerity will bring a sustainable drop in the cost of Government debt.

Whilst the UK and the US are at the epicentre of this problem, we believe spending and sustainability concerns will also permeate EU debt markets to some degree.

With banks extremely cheap, once these debt sustainability concerns are addressed and some loan losses experienced, banks will be able to outperform once again.

We took the money we made from trimming financials and added to the rest of the portfolio, namely adding to Energy, Materials, Industrials, Staples, Healthcare and Telecoms.

We view Energy as an interesting defensive investment, even in the event of recession. We see supply reductions running at least in line with demand declines in a recession, meaning oil ought to be stable, irrespective of the macro-economic picture. Whilst this view was not rewarded in the first 4-5 months of the year, it has started to perform better during late Q2.

We continue to believe the clean energy transition will support the demand for certain basic materials, in particular copper, which remains an overweight in the portfolio.

We see the potential for positive absolute and relative returns for the Fund between now and year end, irrespective of benchmark performance.

### **LIGHTMAN INVESTMENT MANAGEMENT LIMITED**

Investment Manager

28 July 2023

## LF LIGHTMAN EUROPEAN FUND

### ACD'S REPORT *continued*

#### FUND INFORMATION

for the half year ended 30 June 2023

#### Risk and Reward Profile



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

The Fund has been classed as 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.

**Unlisted Securities:** The Fund may invest in unlisted securities which are more difficult to buy or sell, sometimes significantly harder, when compared to larger more established securities and more difficult to value which may cause larger short term swings (both up and down) in the value of the Fund.

**Concentration Risk:** The Fund may hold a small number of investments and/or invest in stocks with a particular industry, sector or geographical focus. The value of the Fund may therefore be subject to large swings (both up and down).

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

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

## LF LIGHTMAN EUROPEAN FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

for the half year ended 30 June 2023

#### Comparative Tables

Information for 30 June 2023 relates to the 6 months period ending 30 June 2023. The operating charges relate to the expenses incurred on an ex post basis over the period ending 30 June 2023, expressed as an annualised percentage of the average net asset value.

#### Class I Accumulation

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 pence per share	31.12.20 pence per share
Opening net asset value per share	146.62	132.44	112.74	105.88
Return before operating charges*	(3.24)	14.98	20.46	7.43
Operating charges	(0.45)	(0.80)	(0.76)	(0.57)
Return after operating charges	(3.69)	14.18	19.70	6.86
Distributions	–	(4.50)	(1.91)	(0.86)
Retained distributions on accumulation shares	–	4.50	1.91	0.86
Closing net asset value per share	142.93	146.62	132.44	112.74
* after direct transaction costs of: <sup>1</sup>	0.23	0.41	0.12	0.06

#### PERFORMANCE

Return after charges	(2.52)%	10.71%	17.47%	6.48%
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#### OTHER INFORMATION

Closing net asset value (£'000)	298,597	290,473	207,488	123,238
Closing number of shares	208,909,309	198,113,625	156,671,076	109,306,861
Operating charges <sup>2</sup>	0.60%	0.60%	0.60%	0.60%
Direct transaction costs <sup>1</sup>	0.16%	0.31%	0.10%	0.06%

#### PRICES

Highest share price	161.80	147.73	135.52	114.55
Lowest share price	138.18	120.78	110.47	66.04

<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 Investment Manager has agreed, on a discretionary basis, to waive portion of their fee to seek to achieve an ongoing charges figure of 0.60%.

## LF LIGHTMAN EUROPEAN FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

for the half year ended 30 June 2023

#### Comparative Tables *continued*

##### Class I Income

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 pence per share	31.12.20 pence per share
Opening net asset value per share	128.98	120.16	103.75	98.20
Return before operating charges*	(2.85)	13.64	18.85	6.90
Operating charges	(0.39)	(0.73)	(0.71)	(0.52)
Return after operating charges	(3.24)	12.91	18.14	6.38
Distributions on income shares	–	(4.09)	(1.73)	(0.83)
Closing net asset value per share	125.74	128.98	120.16	103.75
* after direct transaction costs of: <sup>1</sup>	0.21	0.37	0.11	0.05

##### PERFORMANCE

Return after charges	(2.51)%	10.74%	17.48%	6.50%
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##### OTHER INFORMATION

Closing net asset value (£'000)	249,880	167,920	95,277	27,457
Closing number of shares	198,719,482	130,187,711	79,294,425	26,465,473
Operating charges <sup>2</sup>	0.60%	0.60%	0.60%	0.60%
Direct transaction costs <sup>1</sup>	0.16%	0.31%	0.10%	0.06%

##### PRICES

Highest share price	142.34	134.08	124.72	106.26
Lowest share price	121.56	109.61	101.69	61.26

<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 Investment Manager has agreed, on a discretionary basis, to waive portion of their fee to seek to achieve an ongoing charges figure of 0.60%.

## LF LIGHTMAN EUROPEAN FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

for the half year ended 30 June 2023

#### Comparative Tables *continued*

##### Class R Accumulation

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	31.12.21 pence per share	31.12.20 pence per share
Opening net asset value per share	145.50	131.69	112.31	105.70
Return before operating charges*	(3.21)	14.87	20.40	7.39
Operating charges	(0.59)	(1.06)	(1.02)	(0.78)
Return after operating charges	(3.80)	13.81	19.38	6.61
Distributions	–	(4.22)	(1.74)	(0.64)
Retained distributions on accumulation shares	–	4.22	1.74	0.64
Closing net asset value per share	141.70	145.50	131.69	112.31
* after direct transaction costs of: <sup>1</sup>	0.23	0.41	0.12	0.06
<b>PERFORMANCE</b>				
Return after charges	(2.61)%	10.49%	17.26%	6.25%
<b>OTHER INFORMATION</b>				
Closing net asset value (£'000)	63,640	56,180	22,785	7,215
Closing number of shares	44,910,793	38,611,161	17,301,897	6,424,287
Operating charges <sup>2</sup>	0.80%	0.80%	0.80%	0.80%
Direct transaction costs <sup>1</sup>	0.16%	0.31%	0.10%	0.06%
<b>PRICES</b>				
Highest share price	160.51	146.61	134.92	114.13
Lowest share price	137.01	119.97	110.04	65.90

<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 Investment Manager has agreed, on a discretionary basis, to waive portion of their fee to seek to achieve an ongoing charges figure of 0.80%.

## LF LIGHTMAN EUROPEAN FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

for the half year ended 30 June 2023

#### Comparative Tables *continued*

##### Class R Income

CHANGE IN NET ASSETS PER SHARE	30.06.23 pence per share	31.12.22 pence per share	01.07.21 to 31.12.21 pence per share <sup>1</sup>
Opening net asset value per share	110.35	102.63	92.80
Return before operating charges*	(2.47)	11.60	10.29
Operating charges	(0.44)	(0.83)	(0.41)
Return after operating charges	(2.91)	10.77	9.88
Distributions on income shares	–	(3.05)	(0.05)
Closing net asset value per share	107.44	110.35	102.63
* after direct transaction costs of: <sup>2</sup>	0.18	0.32	0.10

#### PERFORMANCE

Return after charges	(2.64)%	10.49%	10.65%
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#### OTHER INFORMATION

Closing net asset value (£'000)	2,783	1,208	386
Closing number of shares	2,590,290	1,094,217	375,847
Operating charges <sup>3,4</sup>	0.80%	0.80%	0.80%
Direct transaction costs <sup>2</sup>	0.16%	0.31%	0.10%

#### PRICES

Highest share price	121.69	114.27	92.80
Lowest share price	103.88	93.50	104.37

<sup>1</sup> Class R Income share class launched on 1 July 2021.

<sup>2</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>3</sup> The Investment Manager has agreed, on a discretionary basis, to waive portion of their fee to seek to achieve an ongoing charges figure of 0.80%.

<sup>4</sup> Comparative operating charge for the period ended 31 December 2021 is an annualised figure due to the share class launched less than 1 year.

## LF LIGHTMAN EUROPEAN FUND

### ACD'S REPORT *continued*

### FUND INFORMATION *continued*

for the half year ended 30 June 2023

#### Fund Performance to 30 June 2023 (%)

	6 months	1 year	3 years	Since launch <sup>1</sup>
LF Lightman European Fund	(2.91)	10.63	55.37	41.90
MSCI Europe ex UK Net Return GBP Index <sup>2</sup>	8.97	19.00	29.62	40.38

<sup>1</sup> Launch date 29 March 2019.

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

The performance of the Fund is based on the published price per Class R 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.

#### 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 LIGHTMAN EUROPEAN FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT

as at 30 June 2023

Holding	Portfolio of investments	Value £'000	30.06.23 %
1,270,000	UNITED KINGDOM – 3.02% (31.12.22 – 3.53% <sup>1</sup> ) Antofagasta	18,548	3.02
	IRELAND – 0.00% (31.12.22 – 4.56%)		
	PACIFIC – 4.67% (31.12.22 – 5.91%)		
	AUSTRALIA – 4.67% (31.12.22 – 5.91%)		
770,000	BHP Billiton	18,135	2.95
175,800	Rio Tinto	10,555	1.72
		28,690	4.67
	CONTINENTAL EUROPE – 84.48% (31.12.22 – 76.81% <sup>1</sup> )		
	DENMARK – 0.27% (31.12.22 – 6.88%)		
80,000	Vestas Wind Systems	1,668	0.27
	FINLAND – 5.23% (31.12.22 – 6.23%)		
2,089,400	Metso Outotec	19,858	3.23
2,920,000	Outokumpu	12,284	2.00
		32,142	5.23
	FRANCE – 14.59% (31.12.22 – 6.20%)		
48,255	BNP Paribas	2,390	0.39
1,350,000	Carrefour	20,107	3.27
50,100	Michelin	1,163	0.19
126,280	Nexans	8,594	1.40
2,950,000	Orange	27,094	4.40
198,400	Sanofi	16,720	2.72
1,470,000	Vallourec	13,631	2.22
		89,699	14.59
	GERMANY – 14.21% (31.12.22 – 4.65%)		
70,000	Aurubis	4,718	0.77
598,000	Bayer	26,003	4.23
130,000	Commerzbank Aktiengesellschaft	1,132	0.18
415,000	Daimler Truck	11,753	1.91
125,000	Deutsche Boerse	18,140	2.95
160,000	Deutsche Post	6,142	1.00



**LF LIGHTMAN EUROPEAN FUND****ACD'S REPORT** *continued***PORTFOLIO STATEMENT** *continued*

as at 30 June 2023

Holding	Portfolio of investments	Value £'000	30.06.23 %
370,000	Deutsche Telekom	6,343	1.03
960,071	K+S	13,146	2.14
		<u>87,377</u>	<u>14.21</u>
	<b>ITALY – 0.60% (31.12.22 – 0.00%)</b>		
330,000	Eni SpA	3,731	0.60
	<b>NETHERLANDS – 13.42% (31.12.22 – 8.02%<sup>1</sup>)</b>		
100,000	ABN AMRO Bank	1,217	0.20
515,468	CNH Industrial	5,865	0.95
330,553	ING Groep	3,500	0.57
610,000	Koninklijke Ahold Delhaize	16,364	2.66
9,600,000	Koninklijke KPN	26,924	4.38
1,210,000	Shell 'A'	28,655	4.66
		<u>82,525</u>	<u>13.42</u>
	<b>NORWAY – 9.84% (31.12.22 – 5.24%)</b>		
832,554	DNB Bank	12,280	2.00
1,230,000	Equinor	28,213	4.59
1,984,900	Norsk Hydro	9,307	1.51
5,000,000	Var Energi	10,716	1.74
		<u>60,516</u>	<u>9.84</u>
	<b>PORTUGAL – 3.53% (31.12.22 – 2.97%)</b>		
2,365,000	Galp Energia	21,727	3.53
	<b>SPAIN – 7.35% (31.12.22 – 15.92%)</b>		
123,000	Bankinter	593	0.09
450,000	CaixaBank	1,463	0.24
1,400,000	Repsol	16,015	2.61
8,500,000	Telefonica	27,107	4.41
		<u>45,178</u>	<u>7.35</u>
	<b>SWEDEN – 11.33% (31.12.22 – 18.19%)</b>		
650,000	Alleima	2,319	0.38
260,000	Boliden	5,896	0.96
720,000	Epiroc	10,681	1.74

## LF LIGHTMAN EUROPEAN FUND

### ACD'S REPORT *continued*

### PORTFOLIO STATEMENT *continued*

as at 30 June 2023

Holding	Portfolio of investments	Value £'000	30.06.23 %
1,220,000	Sandvik	18,612	3.03
2,700,000	SSAB	15,045	2.44
1,055,000	Volvo	17,111	2.78
		<u>69,664</u>	<u>11.33</u>
	SWITZERLAND – 4.11% (31.12.22 – 2.51%)		
320,000	Novartis	25,273	4.11
	NORTH AMERICA – 3.36% (31.12.22 – 5.58%)		
	UNITED STATES – 3.36% (31.12.22 – 5.58%)		
360,000	Mosaic	9,960	1.62
230,000	Nutrien	10,735	1.74
		<u>20,695</u>	<u>3.36</u>
	Portfolio of investments	587,433	95.53
	Net other assets	<u>27,467</u>	<u>4.47</u>
	Net assets	<u>614,900</u>	<u>100.00</u>

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

<sup>1</sup>Prior year percentages have been restated due to the movement in classification of some of the securities to be consistent with the current year presentation.

## LF LIGHTMAN EUROPEAN FUND

### ACD'S REPORT *continued*

#### SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the half year ended 30 June 2023

Total purchases for the half year £'000	563,815	Total sales for the half year £'000	437,177
Major purchases	Cost £'000	Major sales	Proceeds £'000
Bayer	29,932	CaixaBank	38,981
Equinor	26,044	ING Groep	31,509
Shell 'A'	24,134	Bankinter	28,659
DNB Bank	24,046	Bank of Ireland	24,414
BNP Paribas	22,114	Swedbank	23,250
Koninklijke KPN	21,387	BNP Paribas	20,152
Novartis	20,369	Svenska Handelsbanken	20,124
ING Groep	20,188	Danske Bank	19,425
Mosaic	18,362	ABN AMRO Bank	18,480
Deutsche Boerse	18,068	Commerzbank Aktiengesellschaft	18,455

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

**LF LIGHTMAN EUROPEAN FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**STATEMENT OF TOTAL RETURN**  
for the half year ended 30 June 2023

	£'000	30.06.23 £'000	£'000	30.06.22 £'000
Income				
Net capital losses		(37,101)		(33,620)
Revenue	21,076		16,176	
Expenses	(1,853)		(1,370)	
Interest payable and similar charges	(10)		(1)	
Net revenue before taxation	19,213		14,805	
Taxation	(1,580)		(1,669)	
Net revenue after taxation		<u>17,633</u>		<u>13,136</u>
Total return before distributions		(19,468)		(20,484)
Distributions		<u>524</u>		<u>743</u>
Change in net assets attributable to shareholders from investment activities		<u>(18,944)</u>		<u>(19,741)</u>

**STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
for the half year ended 30 June 2023

	£'000	30.06.23 £'000	£'000	30.06.22 £'000
Opening net assets attributable to shareholders		515,781		325,936
Amounts receivable on issue of shares	194,539		217,367	
Amounts payable on redemption of shares	(76,530)		(51,058)	
		118,009		166,309
Dilution adjustment		54		211
Change in net assets attributable to shareholders from investment activities		<u>(18,944)</u>		<u>(19,741)</u>
Closing net assets attributable to shareholders		<u>614,900</u>		<u>472,715</u>

The above statement shows the comparative closing net assets at 30 June 2022 whereas the current accounting period commenced 1 January 2023.

**LF LIGHTMAN EUROPEAN FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**BALANCE SHEET**  
as at 30 June 2023

	30.06.23 £'000	31.12.22 £'000
<b>ASSETS</b>		
Fixed assets		
Investments	587,433	497,148
Current assets		
Debtors	7,265	5,728
Cash and bank balances	<u>29,100</u>	<u>18,596</u>
<b>Total assets</b>	<u>623,798</u>	<u>521,472</u>
<b>LIABILITIES</b>		
Creditors		
Distribution payable	–	(5,352)
Other creditors	<u>(8,898)</u>	<u>(339)</u>
<b>Total liabilities</b>	<u>(8,898)</u>	<u>(5,691)</u>
<b>Net assets attributable to shareholders</b>	<u>614,900</u>	<u>515,781</u>

**LF LIGHTMAN EUROPEAN FUND**  
**INTERIM FINANCIAL STATEMENTS (UNAUDITED)** *continued*  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the half year ended 30 June 2023

**1. Accounting Policies**

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

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and 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. 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.

## 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 Lightman European Fund

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

### Classes of Shares

The Company may issue income and accumulation shares in respect of each sub-fund.

Holders of income shares are entitled to be paid the distributable income attributed to such shares on the relevant 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 annual accounting 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 8.30 am and 5.30 pm (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: LFS, PO Box 389, Unit 1, Roadhouse Road, Darlington DL1 9UF or by telephone on 0345 922 0044.

### 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). The prices of shares may also be obtained by calling 0345 922 0044 during the ACD's normal business hours.

### 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).

## **GENERAL INFORMATION** *continued*

### **Other Information** *continued*

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' 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.



# LINKGroup



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0345 922 0044



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