

HL MULTI-MANAGER SPECIAL SITUATIONS TRUST

Annual Report & Financial Statements
for the year ended 30th September 2020

Directory

Manager:

Hargreaves Lansdown Fund Managers Limited
One College Square South
Anchor Road
Bristol BS1 5HL
Telephone: 0117 900 9000 (Enquiries)

Authorised and Regulated by the Financial Conduct Authority

Directors of the Manager:

R J Byett
L N Gardhouse
C F Hill (resigned 5th December 2019)
P M Johnson
J Misselbrook (appointed 3rd July 2020)*
S P Robertson (resigned 8th October 2020)*
J E Styles (resigned 9th October 2019)*
J A Troiano (appointed 1st January 2020)*
C J Worle (resigned 6th December 2019)

*Non-Executive Directors

Sub-Adviser:

Franklin Templeton Fund Management Limited
Cannon Place
78 Cannon Street
London EC4N 6HL

Authorised and Regulated by the Financial Conduct Authority

Artemis Investment Management LLP (appointed 20th January 2020)
57 Cassini House
St James's Street
London SW1A 1LD

Authorised and Regulated by the Financial Conduct Authority

CRUX Asset Management (appointed 4th September 2020)
48 Pall Mall
St James's Street
London SW1Y 5JG

Authorised and Regulated by the Financial Conduct Authority

Trustee and Depositary:

Northern Trust Global Services SE, UK Branch
50 Bank Street
Canary Wharf
London E14 5NT

(Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

Directory (continued)

Dealing and Registration:

Northern Trust Global Services SE, UK Branch
P.O. Box 3733
Royal Wootton Bassett
Swindon SN4 4BG
Telephone: 0333 300 0360
Fax: 020 7982 3924

Auditor:

Ernst & Young LLP
25 Churchill Place
London E14 5EY

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Manager's Investment Report

For the year ended 30th September 2020

Investment objective

The investment objective of the HL Multi-Manager Special Situations Trust (the "Trust") is to provide long term capital growth.

Investment policy

The Trust has an unconstrained equity focus and will seek to invest, either directly or indirectly via other collective investment schemes and exchange traded funds, at least 80% in equities. The Trust is not restricted to investment in any particular geographic or market sector and therefore has the flexibility to invest in both the UK and overseas, including emerging markets. The Trust may also have exposure to floating and fixed interest securities.

The Trust may from time to time be invested principally in other (regulated and unregulated) collective investment schemes, subject to the Rules for Non-UCITS Retail Schemes. The underlying funds in which the Trust will invest will generally be established in Europe (including the UK, Jersey and Guernsey).

In addition, the Trust may, directly or indirectly, invest in other transferable securities (including closed ended funds), money market instruments, deposits and warrants to the extent permitted for Non-UCITS Retail Schemes under the Rules. The Trust may also use derivative instruments and forwards transactions for the limited purposes of efficient portfolio management, including hedging.

In order to achieve the investment objective of the Trust, the Manager may allocate all or a portion of the Trust's assets to one or more Sub-Advisers. Each Sub-Adviser will use its own methodology for managing its allocated portion of the Trust's portfolio, subject at all times to the Manager's oversight and the Trust's investment objective and policy as outlined above. The Manager may, at its discretion, choose to retain the investment management of some or all of the Trust's portfolio.

Performance review

Over the twelve month period to 30th September 2020, the price of the Trust's A accumulation unit decreased from 382.23 pence to 377.66 pence, a fall of 1.20%. Over the same period, the IA Global peer group returned an average gain of 7.37%.

Since the close of the initial offer period (3rd April 2001) to 30th September 2020, the price has increased from 100 pence to 377.66 pence, a rise of 277.66%. Over the same period, the IA Global peer group returned an average 223.87%.

	30/09/15 to 30/09/16	30/09/16 to 30/09/17	30/09/17 to 30/09/18	30/09/18 to 30/09/19	30/09/19 to 30/09/20
HL Multi-Manager Special Situations Trust	21.01%	15.05%	8.34%	-0.63%	-1.20%
IA Global	27.21%	15.01%	11.80%	5.88%	7.37%

Past performance is not a guide to future returns.

Source: Lipper for Investment Management to 30/09/2020, Total Return Net Distribution Re-invested, Bid to Bid from 30/09/2015 to 30/09/2018. Bid to NAV from 30/09/2018 to 30/09/2020.

Manager's Investment Report (continued)

For the year ended 30th September 2020

Performance review (continued)

The top ten purchases and sales during the year were as follows:

Purchases	£'000	Sales	£'000
Rathbone Global Opportunities	77,780	TM CRUX European Special Situations	121,980
BlackRock European Dynamic	58,129	TM Sanditon European	61,719
Findlay Park American	46,393	Marlborough UK Micro-Cap Growth	36,843
FSSA Japan Focus Fund	32,695	Merian UK Smaller Companies Focus	33,345
Wolters Kluwer	5,360	Man GLG Japan Core Alpha	31,382
Stewart Investors Asia Pacific Leaders		Odey Allegra International	26,579
Sustainability	5,042	Majedie UK Equity	19,515
Legal & General Group	4,038	Stewart Investors Asia Pacific Leaders	
Phoenix Group Holdings	3,844	Sustainability	19,280
Tesco	3,802	Merian UK Dynamic Equity	14,985
Smiths Group	3,652	Comgest Growth Emerging Markets	12,463
Total purchases during the year were	410,324	Total sales during the year were	489,669

Included within the calculation of the top ten purchases and sales figures are sub-adviser in-specie transfers.

As at 30th September 2020, the LF Equity Income Fund position was valued based on the latest available 'indicative price' produced by Link Fund Solutions available at the 11am valuation point. This price reflected relevant developments from the suspension of the Fund up to the date of the valuation and other factors pertinent to the valuation.

On 15th October 2019, Link Fund Solutions announced that, as Authorised Corporate Director, it had terminated Woodford Investment Management's contract to manage the LF Woodford Equity Income Fund with immediate effect. The Fund is now set to wind up and return resulting cash to investors at the earliest opportunity. This process began in January 2020 and partial distributions were made to unitholders, as detailed below during the current year;

30/01/2020 – 58.9936 pence per unit - £51,404,326

25/03/2020 – 3.9765 pence per unit - £3,464,940

26/08/2020 – 5.0869 pence per unit - £4,432,492

The capital distributions received have been accounted within the capital gains/losses reported within the statement of total return.

In an investor letter dated 3rd December 2020, the ACD of LF Equity Income Fund announced that a fourth capital distribution will be paid on 11th December 2020. Therefore, subsequent to year end, the Fund received £2,383,241 at a rate of 2.7351 pence per unit.

Specialist broker PJT Partners (UK) Limited (Park Hill) was appointed as transition manager to assist in selling the portfolio of unlisted/highly illiquid listed assets. BlackRock Advisors (UK) Limited was appointed as transition manager to prepare the listed portfolio for the winding up of the Fund, which we understand has now been realised.

Manager's Investment Report (continued)

For the year ended 30th September 2020

Performance review (continued)

The name of the LF Woodford Equity Income Fund has been amended to reflect the fact that Woodford Investment Management is no longer the investment manager to the Fund. The name of the Company, the umbrella fund of which the Fund is a sub-fund, has also been amended. Consequently, the name of the Fund changed from "LF Woodford Equity Income Fund" to "LF Equity Income Fund", and the name of the Company changed from "LF Woodford Investment Fund" to "LF Investment Fund".

Hargreaves Lansdown Fund Managers Limited
1st October 2020

Portfolio Statement

As at 30th September 2020

<i> Holding </i>	<i> Investment </i>	<i> Bid market valuation £'000 </i>	<i> Percentage of total net assets % </i>
	UK Funds – 15.23% (23.66%)		
87,135,429	LF Equity Income≈	6,910	0.42
42,464,787	Majedie UK Equity	64,878	3.98
22,669,780	Marlborough Nano-Cap Growth	41,812	2.57
5,052,612	Marlborough UK Micro-Cap Growth	40,878	2.51
9,498,995	Merian UK Dynamic Equity†	46,893	2.88
2,752,632	Merian UK Smaller Companies Focus†	46,809	2.87
		248,180	15.23
	Europe Funds – 9.22% (15.84%)		
2,056,390	Barings Europe Select†	91,181	5.59
30,030,604	BlackRock European Dynamic	59,100	3.63
		150,281	9.22
	Total Return Funds – 3.44% (4.89%)		
268,549	Odey Allegra International	56,003	3.44
	Global Funds – 15.54% (10.25%)		
114,738,431	Jupiter Global Value Equity	52,803	3.24
41,771,896	Lindsell Train Global Equity†	114,104	7.00
55,501,039	Rathbone Global Opportunities	86,371	5.30
		253,278	15.54
	Asia/Emerging Funds – 20.61% (20.61%)		
1,361,661	Aberdeen Standard SICAV I Asian Smaller Companies	48,421	2.97
2,096,649	Comgest Growth Emerging Markets	64,904	3.98
68,906,179	FSSA Asia All-Cap	111,318	6.83
13,087,180	Stewart Investors Asia Pacific Leaders Sustainability	111,271	6.83
		335,914	20.61
	Japan Funds – 7.23% (0.00%)		
12,675,725	FSSA Japan Focus Fund	33,011	2.02
57,152,042	Man GLG Japan Core Alpha	84,928	5.21
		117,939	7.23
	Japan Funds – 0.00% (8.02%)		
	US Funds – 15.84% (11.44%)		
2,299,334	Findlay Park American†	258,211	15.84

Portfolio Statement (continued)

As at 30th September 2020

<i> Holding</i>	<i> Investment</i>	<i> Bid market valuation £'000</i>	<i> Percentage of total net assets %</i>
	UK Equities – 6.50% (5.08%)		
286,307	3i Group	2,802	0.17
116,146	Anglo American	2,182	0.13
400,000	Ashmore Group	1,414	0.09
523,574	Aviva	1,504	0.09
1,418,829	Barclays	1,382	0.08
254,595	Beazley	783	0.05
62,000	Bellway	1,458	0.09
360,000	Bodycote	2,074	0.13
547,210	BP	1,255	0.08
731,455	C&C Group	1,409	0.09
391,329	Card Factory	134	0.01
49,000	Cranswick	1,783	0.11
284,212	Daily Mail & General Trust	1,873	0.11
70,000	Derwent London	1,775	0.11
374,598	Direct Line Insurance Group	1,009	0.06
340,000	Electrocomponents	2,416	0.15
140,000	Euromoney Institutional Investor	1,093	0.07
83,087	Gamesys Group	977	0.06
174,084	GlaxoSmithKline	2,549	0.16
240,000	Grafton Group	1,614	0.10
815,000	Grainger	2,419	0.15
80,000	Greggs	916	0.06
405,000	Howden Joinery Group	2,372	0.14
254,012	IG Group Holdings	1,994	0.12
166,210	Imperial Brands	2,285	0.14
375,000	Inchcape	1,632	0.10
250,734	Indivior	287	0.02
262,817	Informa	984	0.06
100,000	Intermediate Capital Group	1,189	0.07
2,174,048	ITV	1,437	0.09
105,000	J D Wetherspoon	856	0.05
150,000	JET2	964	0.06
336,700	Lancashire Holdings	2,355	0.14
755,647	Legal & General Group	1,409	0.09
102,000	Liontrust Asset Management	1,219	0.07
33,311	London Stock Exchange Group	2,963	0.18
676,000	LondonMetric Property REIT	1,499	0.09
385,000	Meggitt	973	0.06
565,778	Melrose Industries	644	0.04
1,107,341	NextEnergy Solar Fund	1,127	0.07
410,000	Pagegroup	1,527	0.09
565,000	Paragon Banking Group	1,816	0.11
118,550	Patisserie Holdings*	–	–
550,000	Pets at Home Group	2,282	0.14
516,186	Phoenix Group Holdings	3,557	0.22
405,000	Polypipe Group	1,707	0.10

Portfolio Statement (continued)

As at 30th September 2020

<i> Holding</i>	<i> Investment</i>	<i> Bid market valuation £'000</i>	<i> Percentage of total net assets %</i>
UK Equities – 6.50% (5.08%) (continued)			
90,000	Rathbone Brothers	1,391	0.08
142,622	RELX	2,455	0.15
530,000	Restore	1,617	0.10
700,000	Rotork	1,968	0.12
175,000	RWS	985	0.06
484,775	Secure Income REIT	1,290	0.08
133,850	Segro	1,249	0.08
1,600,000	Serco Group	2,014	0.12
225,000	Shaftesbury	1,093	0.07
455,000	Signature Aviation	1,066	0.07
208,820	Smiths Group	2,870	0.18
78,000	Spectris	1,902	0.12
900,000	Spirent Communications	2,547	0.16
346,161	SSP Group	603	0.04
408,000	St Modwen Properties	1,283	0.08
1,551,791	Tesco	3,346	0.20
139,447	UDG Healthcare	1,076	0.06
125,000	Unite Group	1,029	0.06
325,000	Vesuvius	1,293	0.08
115,000	Weir Group	1,436	0.09
575,759	William Hill	1,580	0.10
		105,992	6.50
Austria Equities – 0.19% (0.00%)			
100,146	BAWAG Group	2,750	0.17
21,534	S&T	333	0.02
		3,083	0.19
China Equities – 0.11% (0.00%)			
8,251	Alibaba Group	1,780	0.11
Denmark Equities – 0.20% (0.00%)			
8,148	Carlsberg	852	0.05
43,861	Novo Nordisk	2,374	0.15
		3,226	0.20
Finland Equities – 0.14% (0.00%)			
73,952	Sampo	2,283	0.14
France Equities – 0.89% (0.00%)			
22,194	Airbus	1,243	0.08
118,158	Bureau Veritas	2,087	0.13

Portfolio Statement (continued)

As at 30th September 2020

<i> Holding</i>	<i> Investment</i>	<i> Bid market valuation £'000</i>	<i> Percentage of total net assets %</i>
France Equities – 0.89% (0.00%) (continued)			
18,211	EssilorLuxottica	1,903	0.12
3,305	LVMH Moet Hennessy Louis Vuitton	1,217	0.08
20,890	Rubis	654	0.04
25,459	Schneider Electric	2,496	0.15
184,315	SPIE	2,539	0.16
98,454	Vivendi	2,146	0.13
		14,285	0.89
Germany Equities – 0.87% (0.00%)			
465,660	Aroundtown	1,774	0.11
27,699	Bayer	1,354	0.08
50,239	Brenntag	2,494	0.15
23,517	CANCOM	943	0.06
18,232	Deutsche Boerse	2,497	0.15
21,353	SAP	2,578	0.16
20,730	Stabilus	920	0.06
28,267	Stroeer	1,680	0.10
		14,240	0.87
Ireland Equities – 0.28% (0.00%)			
15,222	Kerry	1,519	0.09
452,630	Origin Enterprises	1,392	0.09
55,054	Smurfit Kappa Group	1,675	0.10
		4,586	0.28
Italy Equities – 0.19% (0.00%)			
83,276	Cerved	458	0.03
239,510	FinecoBank Banca Fineco	2,550	0.16
		3,008	0.19
Netherlands Equities – 0.90% (0.00%)			
61,659	Aalberts	1,719	0.11
56,763	Corbion	2,015	0.12
46,377	Prosus	3,301	0.20
17,839	TKH	499	0.03
78,895	Van Lanschot Kempen	1,123	0.07
91,246	Wolters Kluwer	6,106	0.37
		14,763	0.90

Portfolio Statement (continued)

As at 30th September 2020

<i> Holding</i>	<i> Investment</i>	<i> Bid market valuation £'000</i>	<i> Percentage of total net assets %</i>
	Norway Equities – 0.07% (0.00%)		
117,717	Atea	1,106	0.07
	Spain Equities – 0.11% (0.00%)		
66,694	Ebro Foods	1,205	0.07
49,162	Grifols	645	0.04
		1,850	0.11
	Sweden Equities – 0.36% (0.00%)		
202,313	Bravida	1,883	0.12
240,768	Coor Service Management	1,299	0.08
206,949	Dustin	991	0.06
123,790	Trelleborg	1,713	0.10
		5,886	0.36
	Switzerland Equities – 0.97% (0.00%)		
746	Givaudan	2,509	0.15
17,442	Kuehne & Nagel International	2,642	0.16
48,453	Novartis	3,274	0.20
5,628	Roche	1,510	0.09
1,325	SGS	2,778	0.17
47,065	Softwareone	1,009	0.06
21,605	Sulzer	1,311	0.08
3,489	Zurich Insurance Group	946	0.06
		15,979	0.97
	US Equities – 0.48% (0.00%)		
2,589	Alphabet	2,965	0.18
7,743	Autodesk	1,405	0.09
71,285	Cargurus	1,209	0.07
32,037	Cisco Systems	975	0.06
6,541	Facebook	1,334	0.08
		7,888	0.48
	Forward FX Currency Contracts – 0.00% (0.00%)		
EUR (8,389,000)	Sold EUR, Bought GBP 7,636,884 for settlement on 11/12/2020	(26)	–
USD (1,153,000)	Sold USD, Bought GBP 890,348 for settlement on 11/12/2020	(8)	–

Portfolio Statement (continued)

As at 30th September 2020

<i> Holding</i>	<i> Investment</i>	<i> Bid market valuation £'000</i>	<i> Percentage of total net assets %</i>
	Forward FX Currency Contracts – 0.00% (0.00%) (continued)		
	Bought USD, Sold GBP 48,314 for settlement on		
USD 61,700	11/12/2020	–	–
		(34)	–
	Portfolio of investments – 99.37% (99.79%)	1,619,727	99.37
	Net other assets – 0.63% (0.21%)	10,253	0.63
	Net assets	1,629,980	100.00

The percentages in brackets show the equivalent sector comparatives as at 30th September 2019.

All Collective Investment Schemes are in accumulation shares/units unless otherwise stated.

† Income shares/units.

* Delisted shares/units.

≠ Suspended security since 3rd June 2019.

≈ The name of the LF Woodford Equity Income Fund has been amended to reflect the fact that Woodford Investment Management is no longer the investment manager to the Fund. The name of the Company, the umbrella fund of which the Fund is a sub-fund, has also been amended. Consequently, the name of the Fund changed from "LF Woodford Equity Income Fund" to "LF Equity Income Fund", and the name of the Company changed from "LF Woodford Investment Fund" to "LF Investment Fund".

On 15th October 2019, Link Fund Solutions announced that, as Authorised Corporate Director, it had terminated Woodford Investment Management's contract to manage the LF Woodford Equity Income Fund with immediate effect. The Fund is now set to wind up and return resulting cash to investors at the earliest opportunity. This process began in January 2020 and partial distributions were made to unitholders on 30th January and 25th March and 26th August 2020.

Specialist broker PJT Partners (UK) Limited (Park Hill) was appointed as transition manager to assist in selling the portfolio of unlisted/highly illiquid listed assets. BlackRock Advisors (UK) Limited was appointed as transition manager to prepare the listed portfolio for the winding up of the Fund, which we understand has now been realised.

As at 30th September 2020, the LF Equity Income Fund position was valued based on the latest available price at the 11am valuation point produced by Link Fund Solutions. This price reflected relevant developments from the suspension of the Fund up to the date of the valuation and other factors pertinent to the valuation.

General Information

Launch date:	3rd April 2001
Accounting Periods:	Interim – 31st March Final - 30th September
Distribution Dates:	Interim – 31st May Final – 30th November
Minimum initial investment:	£150,000*
Management charges:	Initial – 5% Annual – 0.75%

* Lower amounts may be permitted when investing via platforms or other nominee companies.

The Trustee and Depositary's fee is 0.01% of the first £100 million and 0.0075% thereafter of the net asset value of the Trust per annum, plus VAT.

The Manager is not permitted to levy a redemption charge or increase the rates of its initial or annual charges unless 60 days' prior written notice of the introduction of the new charge and the date of its commencement has been given to all unitholders and the Prospectus has been amended to reflect the change.

Full details of the underlying charges are set out in the Key Investor Information for the Trust which is published on Hargreaves Lansdown's website, <http://www.hl.co.uk/funds/hl-funds/multi-manager-funds>. Copies may be obtained from Hargreaves Lansdown Fund Managers Limited, P.O. Box 3733, Royal Wootton Bassett, Swindon, SN4 4BG or directly from the Manager - Hargreaves Lansdown Fund Managers Limited, One College Square South, Anchor Road, Bristol, BS1 5HL.

Unit Price

Units in the Trust are single-priced. This means that (subject to any dilution adjustment and initial charge) the price of each unit for both buying and selling purposes will be the same and determined by reference to the particular valuation point. The price of each unit of any class will be calculated by reference to the proportion of the net asset value of the Trust attributable to units of that class by:

- taking the proportion of the net asset value of the relevant Trust attributable to the units of the class concerned at the valuation point of that Trust;
- dividing the result by the number of units of the relevant class in issue immediately before the valuation point concerned; and
- increasing or decreasing the result by any dilution adjustment determined by the Manager.

The Trust is normally valued at 11:00 am each day for the purpose of determining the unit price. With the agreement of the Trustee and Depositary the Trust may be valued at other times.

Dealing in Units

Dealing confirmations are issued for all purchases and sales of units and will be posted within 24 hours of the next valuation point following receipt of your application.

The units of the Trust are non-certificated.

Units may be sold back to the Manager at any time at the price applicable at the valuation point following receipt of instructions.

You will receive a dealing confirmation setting out the details and payment will follow, normally within four working days of receipt of the signed form of renunciation.

Daily prices are currently available from the Hargreaves Lansdown website (www.hl.co.uk), HL App (HL Live) and our Helpdesk on 0117 900 9000.

General Information (continued)

Cancellation Rights

If you receive financial advice on a face-to-face basis regarding your investment, you will have a right to change your mind. If you receive financial advice on a non face-to-face basis, we will also allow you the right to cancel your investment. If you decide to cancel your contract during the 14 days after the date on which you receive a cancellation notice from us and the value of your investment has fallen at the time we receive your completed cancellation notice, you will not receive a full refund of your investment and an amount equal to any fall in value will be deducted from the sum you originally invested.

Taxation - Income

Income earned by unitholders from the Trust is liable to UK Income Tax at the rate applicable for the individual unitholders.

Taxation - Capital Gains

There is no tax on capital gains within the Trust. Gains realised on disposal of units by unitholders who are UK resident for taxation purposes may be liable to Capital Gains Tax.

All taxation information in this Report is based on current legislation and may be subject to change. Any tax reliefs referred to are those currently applying. Their value depends on the individual circumstances of the unitholder.

Report and Scheme Particulars

Copies of the Scheme Particulars and Interim and Annual Report and Financial Statements may be obtained from the Manager at the address shown at the beginning of this Report.

The maintenance and integrity of the Hargreaves Lansdown Plc website is the responsibility of the Directors; the work carried out by the Auditor does not involve consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

Commission

Commission may be payable to authorised intermediaries, rates are available on request and details are set out on the dealing confirmation.

Status

The Manager can only provide information on its own range of Trusts to retail clients.

Assessment of Value

For each of its funds, Hargreaves Lansdown Fund Managers Limited (HLFM) will publish an Assessment of Value covering the financial year ended 30th September 2020. These statements will be available on Hargreaves Lansdown's website (www.hl.co.uk).

Remuneration

In accordance with the requirements of the Alternative Investment Fund Managers Directive (AIFMD), Hargreaves Lansdown Fund Managers Limited (HLFM) is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under AIFMD.

That legislation requires an Alternative Investment Fund Manager (AIFM) to establish and maintain remuneration policies for its staff which are consistent with and promote sound and effective risk management and do not encourage risk taking that is inconsistent with the risk profile and the rules of the funds it manages, nor impair compliance with the AIFM's duty to act in the best interest of the funds.

General Information (continued)

Remuneration (continued)

HLMF is part of a larger group, Hargreaves Lansdown Plc (Parent), within which remuneration policies are the responsibility of a Remuneration Committee comprised entirely of non-executive directors. That committee has established a remuneration policy which sets out a framework for determining the level of fixed and variable remuneration of staff, including maintaining an appropriate balance between the two.

Arrangements for variable remuneration within the group are calculated primarily by reference to the performance of each individual, the profitability of the relevant business unit and the profitability of the Parent.

Within the group, all staff are employed by the Parent with none employed directly by the Manager. A number of staff are considered, however, to devote the whole of their time to the business of the Manager. The costs of a number of other individuals are allocated between the entities within the group based on the expected amount of time devoted to each.

The total remuneration of those individuals considered to be key risk takers as defined by AIFMD, including those whose time is allocated between group entities, for the financial year ended 30th June 2020 is analysed below:

Fixed Remuneration	£1,166,258
Variable Remuneration	£1,347,554
Total	£2,513,812
Full Time Equivalent number of staff:	6.0

The staff members included in the above analysis support the full range of Multi-Manager Funds managed by the Manager. A breakdown of these figures in relation to those funds individually does not exist.

Leverage

In accordance with the Alternative Investment Funds Management Directive (AIFMD) the Manager is required to disclose the 'leverage' of the Trust. Leverage is defined as any method by which the Trust increases its exposure through borrowing or the use of derivatives. 'Exposure' is defined by either 'gross method' or 'commitment method' and the Trust must not exceed maximum exposures under both methods.

The 'gross' method shall be the sum of the absolute value of all positions and each derivative position will be converted into the equivalent position in the underlying assets. The 'gross' method shall exclude the value of any cash and cash equivalents from the sum of the absolute value of all positions. The Manager must set maximum leverage levels and operate the Trust within these levels at all times. The 'commitment' method shall be the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets.

There are two ways in which the Manager can introduce leverage to the Trust. These are by borrowing money using its overdraft facility, and by investing in derivative positions. Neither of these are important features in terms of how the Manager manages the Trust. There are no collateral, asset re-use or guarantee arrangements involved in the Manager's current approach to leverage.

The maximum gross leverage permitted in the Trust is 220%. The maximum commitment leverage permitted in the Trust is 110%. It is expected that the Manager will operate the Trust well within these limits.

As at year end, 30th September 2020 the total leverage in the Trust did exceed 100.00%, the maximum gross leverage in the Trust was 100.52% and the maximum commitment leverage was 100.87% (30th September 2019: gross 100.20%, commitment 100.39%).

Important Investment Notes

You should be aware of the risks involved in investing in the Trust. These risk warnings must not be taken to be comprehensive, as new risks may arise in the future which could not have been anticipated in advance. If you have any doubts over the suitability of an investment please contact a financial adviser for advice.

The price of units (and the income from them) can go down as well as up, and are not guaranteed. You may not receive back the amount you invest in the Trust.

An investment in the Trust is not intended to be a complete investment programme. Units should be regarded by you as a medium-to-long term investment.

Past performance is not a guide to future performance. The Trust's investment objective is an intended result but there is no guarantee that such a result will be achieved. There are no express or implied assurances as to the likelihood of achieving the Trust's investment objectives, as this will depend (in part) on evolving market conditions and the available investment opportunities over time.

The Trust's net asset value can be influenced by factors such as stock market fluctuations, political and economic events, corporate earnings reports and catastrophic events. This means that in any particular period, the Trust may suffer losses and should not be regarded as a short term investment.

In extreme liquidity conditions, redemptions in the underlying assets, and/or a Trust itself, may need to be deferred or suspended.

Economic factors such as changes in interest rates, inflation, deflation and supply and demand can affect the price of all investments, and so affect the value of your investment in the Trust. As with any investment, inflation will reduce the real value (i.e. purchasing power) of the capital over time.

The Trust is potentially exposed to adverse movements in equity, bond, commodity, currency and other market prices, indices or rates (market risk) or changes in the anticipated or calculated volatility of these movements (volatility risk). This could result in the Trust losing value.

The Trust may deduct charges from capital rather than income. Whilst this policy may allow more income to be distributed to unitholders, it may also have the effect of reducing capital and potential capital growth, as well as potentially increasing capital losses.

The Trust conducts transactions with various counterparties and there is a risk that a counterparty will not deliver an investment (for purchases by the Trust) or cash (for sales by the Trust) after the Trust has fulfilled its responsibilities.

This document is provided solely to enable investors to make their own investment decisions. It is not personal advice. These investments are not suitable for everyone. If you are in any doubt about suitability, you should seek expert advice. Please ensure you read the full Key Investor Information before placing any investment instruction.

Authorised Status

The Trust is an authorised unit trust scheme under Section 243 of the Financial Services and Markets Act 2000.

The Trust is a 'Non-UCITS Retail Scheme' under the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL") Regulations.

The Trust is categorised as an alternative investment fund under Directive 2011/61/EU of the European Parliament and of the Council of 8th June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 and Commission Delegated Regulation (EU) No 231/2013 of 19th December 2012 supplementing the AIFM Directive with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (the "AIFMD"). The Manager undertakes portfolio and risk management for the Trust and is therefore an alternative investment fund manager (AIFM) within the terms of AIFMD. The Manager will manage the Trust in accordance with the provisions of the AIFMD, The Alternative Investment Fund Managers Regulations 2013 and the FCA Rules.

Trust Information

The Comparative Tables on pages 16 and 17 give the performance of each active unit class in the Trust.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per unit divided by the opening net asset value per unit. It differs from the Trust's performance disclosed in the Manager's Investment report, which is calculated based on the latest published price.

Portfolio transaction costs are incurred when investments are bought or sold by a trust in order to achieve the investment objective. These transaction costs affect an investor in different ways depending on whether they are joining, leaving or continuing with their investment in the Trust.

Direct transaction costs include broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

In addition, there are indirect portfolio transaction costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments in the portfolio. Unlike shares whereby broker commissions and stamp duty are paid by the Trust on each transaction, other types of investments (such as bonds, money instruments, derivatives, collective investment schemes) do not have separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Trust Information (continued)

Comparative Tables

Class A Accumulation Units

Change in Net Asset Value per Unit

	<i>30/09/20</i> <i>(pence per</i> <i>unit)</i>	<i>30/09/19</i> <i>(pence per</i> <i>unit)</i>	<i>30/09/18</i> <i>(pence per</i> <i>unit)</i>
<i>For the year ended</i>			
Opening net asset value per unit	382.20	385.73	357.50
Return before operating charges*	0.87	1.90	33.79
Operating charges (calculated on average price)	(5.45)	(5.43)	(5.56)
Return after operating charges*	(4.58)	(3.53)	28.23
Distributions	(3.00)	(3.63)	(2.37)
Distributions on accumulation units	3.00	3.63	2.37
Closing net asset value per unit	377.62	382.20	385.73
* after direct transaction costs of**:	0.13	0.05	–

Performance

Return after charges	(1.20)%	(0.92)%	7.90%
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Other information

Closing net asset value (£'000)	1,193,213	1,345,277	1,467,488
Closing number of units	315,985,663	351,984,084	380,444,612
Operating charges†	1.48%	1.47%	1.49%
Direct transaction costs	0.03%	0.01%	–%

Prices[^]

Highest offer price	–	407.28	409.56
Lowest bid price	–	356.63	352.39
Highest mid price	400.92	392.42	–
Lowest mid price	290.62	340.03	–

** Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments/dilution levies 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.

† Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust. It includes the annual management fee as well as the administrative costs incurred by the Trust. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

[^] On 22nd October 2018, HL Multi-Manager Funds changed from a dual pricing basis (bid and offer) to be single priced.

Trust Information (continued)

Comparative Tables (continued)

Class M Accumulation Units

Change in Net Asset Value per Unit

	<i>30/09/20</i> <i>(pence per unit)</i>	<i>30/09/19</i> <i>(pence per unit)</i>	<i>30/09/18</i> <i>(pence per unit)</i>
<i>For the year ended</i>			
Opening net asset value per unit	382.19	385.72	357.48
Return before operating charges*	0.86	1.91	33.81
Operating charges (calculated on average price)	(5.45)	(5.44)	(5.57)
Return after operating charges*	(4.59)	(3.53)	28.24
Distributions	(3.00)	(3.63)	(2.37)
Distributions on accumulation units	3.00	3.63	2.37
Closing net asset value per unit	377.60	382.19	385.72
* after direct transaction costs of**:	0.13	0.05	–

Performance

Return after charges	(1.20)%	(0.92)%	7.90%
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Other information

Closing net asset value (£'000)	436,767	440,472	422,407
Closing number of units	115,667,701	115,250,436	109,511,150
Operating charges†	1.48%	1.47%	1.49%
Direct transaction costs	0.03%	0.01%	–%

Prices[^]

Highest offer price	–	407.27	409.55
Lowest bid price	–	356.63	352.39
Highest mid price	400.91	392.41	–
Lowest mid price	290.61	340.02	–

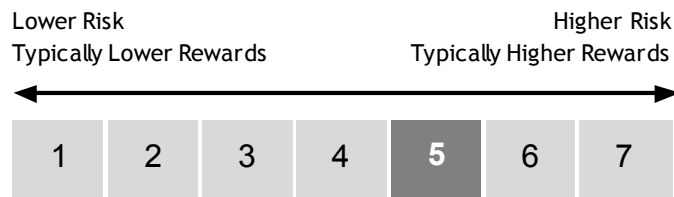
** Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments/dilution levies that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the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

† Operating charges, otherwise known as the OCF is the ratio of the Trust's total disclosable costs (excluding overdraft interest) to the average net assets of the Trust. It includes the annual management fee as well as the administrative costs incurred by the Trust. Included within the OCF are synthetic costs which include the OCF of the underlying funds weighted on the basis of their investment proportion.

[^] On 22nd October 2018, HL Multi-Manager Funds changed from a dual pricing basis (bid and offer) to be single priced.

Trust Information (continued)

Synthetic Risk and Reward Indicator ("SRRI")



The Trust is ranked at 5 because trusts of this type have experienced medium to high rises and falls in value in the past.

The Trust's risk category has been calculated using historical data, which may not be a reliable indication of the future risk profile of the Trust.

The Trust's category is not guaranteed to remain the same and may change over time.

Even a trust in the lowest category is not a risk-free investment.

The value of your investment and any income you take from it may fall as well as rise and is not guaranteed.

Statement of the Manager's Responsibilities

The Collective Investment Schemes Sourcebook published by the Financial Conduct Authority (the "COLL Sourcebook") requires the Manager to prepare financial statements for each annual and interim accounting period which give a true and fair view of the financial affairs of the Trust and of the net revenue and net capital losses on the scheme property of the Trust for the year. In preparing the financial statements the Manager is required to:

- comply with the disclosure requirements of the Statement of Recommended Practice (SORP) relating to financial statements of UK Authorised Funds as issued by The Investment Association in May 2014 and amended in June 2017;
- select suitable accounting policies and then apply them consistently;
- follow United Kingdom Generally Accepted Accounting Principles (UK GAAP) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland';
- prepare the financial statements on a going concern basis unless it is inappropriate to presume the Trust will continue in operation;
- make judgements and estimates that are reasonable and prudent; and
- keep proper accounting records which enable it to demonstrate that the financial statements, as prepared, comply with the above requirements.

The Manager is responsible for the management of the Trust in accordance with its Fund Deed, the Scheme Particulars and the COLL Sourcebook, and for ensuring that reasonable steps are taken for the prevention and detection of fraud and other irregularities within its systems.

Certification of the Financial Statements by Directors of the Manager

In accordance with the requirements of the Financial Conduct Authority's Collective Investment Schemes Sourcebook, we hereby certify the financial statements on behalf of the Directors of Hargreaves Lansdown Fund Managers Limited.

L N Gardhouse
(Chief Investment Officer)
21st December 2020

R J Byett
(Group Director of Risk & Compliance)

Statement of the Trustee and Depositary's Responsibilities in Respect of the Trust and Report of the Trustee and Depositary to the Unitholders of the HL Multi-Manager Special Situations Trust (the "Trust") for the year ended 30th September 2020

The Depositary in its capacity as Trustee of the HL Multi-Manager Special Situations Trust must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and, from 22nd July 2014 the Investment Funds Sourcebook, the Financial Services and Markets Act 2000, as amended, (together the "Regulations"), the Trust Deed and Prospectus (together the "Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Depositary must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked in cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Trust.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Trust, acting through the AIFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the Regulations and the Scheme documents, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Trust.

Northern Trust Global Services SE, UK Branch
UK Trustee and Depositary Services
21st December 2020

Independent Auditor's Report to the Unitholders of the HL Multi-Manager Special Situations Trust

Opinion

We have audited the financial statements of HL Multi-Manager Special Situations Trust (the "Trust") for the year ended 30th September 2020 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the distribution tables and accounting policies of the Trust, which include a summary of significant account policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 30th September 2020 and of the net revenue and the net capital losses on the scheme property of the Trust for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report to the Unitholders of the HL Multi-Manager Special Situations Trust (continued)

Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to UK Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Trust Deed;
- the information given in the Manager's Investment Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the Manager

As explained more fully in the Statement of Manager's Responsibilities set out on page 19, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's Funds ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent Auditor's Report to the Unitholders of the HL Multi-Manager Special Situations Trust (continued)

Use of our report

This report is made solely to the unitholders of the Trust, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the unitholders of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the unitholders of the Trust as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP
Statutory Auditor
London
21st December 2020

Statement of Total Return

For the year ended 30th September 2020

	Notes	30/09/20		30/09/19	
		£'000	£'000	£'000	£'000
Income					
Net capital losses	5		(41,333)		(35,906)
Revenue	7	26,672		31,462	
Expenses	8	(13,228)		(13,977)	
Interest payable and similar charges	10		(37)		(24)
Net revenue before taxation		13,407		17,461	
Taxation	9		(14)		(3)
Net revenue after taxation			13,393		17,458
Total return before distributions			(27,940)		(18,448)
Distributions	10		(13,399)		(17,483)
Change in net assets attributable to unitholders from investment activities			(41,339)		(35,931)

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 30th September 2020

	30/09/20		30/09/19	
	£'000	£'000	£'000	£'000
Opening net assets attributable to unitholders		1,785,749		1,889,895
Amounts receivable on issue of units	170,967		208,481	
Amounts payable on cancellation of units		(298,496)		(293,913)
		(127,529)		(85,432)
Dilution levy		5		–
Change in net assets attributable to unitholders from investment activities		(41,339)		(35,931)
Retained distribution on accumulation units		13,094		17,217
Closing net assets attributable to unitholders		1,629,980		1,785,749

Balance Sheet

As at 30th September 2020

	<i>Notes</i>	<i>30/09/20</i> <i>£'000</i>	<i>30/09/19</i> <i>£'000</i>
ASSETS			
Fixed assets:			
Investments		1,619,761	1,781,997
Current assets:			
Debtors	11	6,176	15,467
Cash and cash equivalents	12	8,711	5,530
Total assets		<u>1,634,648</u>	<u>1,802,994</u>
LIABILITIES			
Investment liabilities		(34)	–
Creditors:			
Bank overdraft	12	–	(5,761)
Other creditors	13	(4,634)	(11,484)
Total liabilities		<u>(4,668)</u>	<u>(17,245)</u>
Net assets attributable to unitholders		<u>1,629,980</u>	<u>1,785,749</u>

Notes to the Financial Statements

For the year ended 30th September 2020

1 Statement of Compliance

The Financial Statements have been prepared in compliance with United Kingdom Generally Accepted Accounting Principles (UK GAAP) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014 as amended in June 2017.

The outbreak of the novel coronavirus (COVID-19), declared by the World Health Organisation as a pandemic on 11th March 2020, has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global stock markets. The Manager is monitoring developments relating to COVID-19 and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, UK government and general pandemic response best practice.

There are no material events that have been identified that may cast significant doubt about the Trust's ability to continue as going concern for at least the next twelve months from the date these financial statements are authorized for issue. The financial statements have been prepared on a going concern basis. This assessment is made as at the date of issue of these financial statements and is based additionally to the following:

- The ability, post the announcement of the World Health Organisation of the COVID-19 pandemic, of the Manager and its third party suppliers to continue business as usual as each entity moved their operational functionality from an office based to a working from home environment; and
- Whilst it is recognised that COVID-19 presents many challenges from an investment perspective, it is considered that these do not impact the ability of the Trust to continue as a going concern due to its liquid balance sheet resources that are considerably in excess of annual operating expenditure.

The principal accounting policies which have been applied consistently are set below.

2 Summary of Significant Accounting Policies

(a) Basis of Preparation

The Financial Statements have been prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

(b) Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Trust operates (the "functional currency"). The financial statements are presented in Pounds Sterling, which is the Scheme's functional and presentation currency rounded to the nearest £'000.

(c) Valuation of Investments

Quoted investments have been valued at 11:00 am on the 30th September 2020, being the last business day of the accounting period. Collective investment schemes are valued at cancellation prices or quoted bid prices for dual priced funds and at quoted prices for single priced funds.

Investments which are not quoted, or suspended, are stated at the Manager's best estimate of fair value. The Manager's Fair Value Committee, which is independent of the Portfolio Manager's team, provides a recommendation of fair values based on the principles of fair value in accordance with FRS102 and recognised valuation techniques that take account of the cost of the investment, recent arm's length transactions in the same or similar investments, financial performance of the investment, latest dealing prices, achievement or not of key milestones and other relevant factors.

Notes to the Financial Statements (continued)

For the year ended 30th September 2020

2 Summary of Significant Accounting Policies (continued)

(c) Valuation of Investments (continued)

All realised and unrealised gains and losses on investments are recognised as a net capital gain/loss in the Statement of Total Return. Unrealised gains and losses comprise changes in the fair value of investments for the year and from reversal of prior period's unrealised gains and losses for investments which were realised in the current year. Realised gains and losses represent the difference between an investment's initial carrying amount and disposal amount. The cost of investments sold is accounted for on a weighted average basis.

(d) Foreign Exchange

The values of assets and liabilities denominated in foreign currencies have been translated into GBP at the exchange rates prevailing at 11:00 am on balance sheet date. Foreign currency transactions are translated into GBP at the exchange rate ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and those from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Total Return.

(e) Revenue

Bank and other interest receivable is recognised on an accruals basis. All distributions from collective investment schemes are recognised when the investments are declared ex-dividend. Equalisation received on distributions from underlying collective investment schemes is recognised as a return of capital. The majority of underlying investments refund a percentage of their annual management fee to the Trust, and this is recognised on an accruals basis and included within either capital or revenue depending on the underlying collective investment schemes' distribution policy in relation to the annual management fee.

Dividends from quoted equity and non-equity shares are recognised net of attributable tax credits when the security is quoted ex-dividend. Special dividends are recognised as either revenue or capital depending upon the nature and circumstances of the dividend. Special dividends recognised as revenue are included in the amounts available for distribution. The tax treatment follows that of the principal amount.

Ordinary stock dividends are recognised wholly as revenue and form part of distribution, which are based on the market value of the shares on the date they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital.

Dividends from suspended/unquoted holdings will be recognised when the right to receive payment is established.

Any reported revenue from an offshore fund with reporting status from HMRC, in excess of any distribution received in the reporting period, is recognised as revenue no later than the date on which the reporting fund makes this information available.

(f) Expenses

All expenses (excluding those relating to the sale and purchase of investments) are charged initially against revenue.

(g) Taxation

Corporation tax is provided at 20% on taxable revenue after deduction of allowable expenses.

Notes to the Financial Statements (continued)

For the year ended 30th September 2020

2 Summary of Significant Accounting Policies (continued)

(h) Deferred Taxation

Deferred tax is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset. Deferred tax liabilities are not discounted.

3 Distribution Policies

(a) Basis of Distribution

Revenue produced by the Trust's investment decisions accumulates during each accounting year. If, at the end of the accounting year, revenue exceeds expenses, the net revenue of the Trust is available to be distributed to unitholders. In order to conduct a controlled dividend flow to unitholders, interim distributions may be made at the Manager's discretion, up to a maximum of the revenue available for the period. As only accumulation units are in issue, no cash distributions are made. Distributions are rolled up to increase the value of the accumulation units. The distributions are paid as dividend distributions.

(b) Distributions from Collective Investment Schemes

Equalisation received on distributions from the underlying collective investment schemes is not included in the distribution for the year and has been treated as a reduction in the book cost of the investment. Non-dividend revenue from offshore reporting funds is recognised when declared as reportable income, and treated as revenue for taxation and distribution purposes.

(c) Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to the holders of these units as a return of capital. Being capital it is not liable to Income Tax but must be deducted from the cost of units for Capital Gains Tax purposes.

(d) Unclaimed Distributions

Distributions which have remained unclaimed by unitholders for over six years are credited to the capital property of the Trust.

(e) Apportionment to multiple unit classes

With the exception of the Manager's periodic charge, which is directly attributable to individual unit classes, all revenue and expenses are apportioned to the Trust's unit classes pro rata to the value of the net assets of the relevant unit class on the day the revenue or expense is recognised.

(f) Tax relief on capital expenses

Tax relief on expenses charged to capital is applied and transferred between the revenue and capital property of the Trust.

4 Risk Management Policies

In pursuing its investment objectives, the Trust holds financial instruments which comprise collective investment schemes and transferable securities, cash balances and debtors and creditors that arise directly from its operations. The Manager reviews (and agrees with the Trustee) policies for managing the risks associated with these instruments and they are summarised below. During 2020, the Manager introduced enhanced liquidity risk monitoring and management procedures; otherwise these policies have been consistent to prior year and have remained unchanged since the beginning of the accounting period to which the financial statements relate. The risk management policies of the Manager are explained in more detail in the Prospectus for the Trust.

Notes to the Financial Statements (continued)

For the year ended 30th September 2020

4 Risk Management Policies (continued)

Market Price Risk

The primary risk facing the Trust is market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movement. The Manager's policies for managing the market price risk are summarised below and have been applied consistently throughout the year.

The Trust's investment portfolio is exposed to market price fluctuations which are monitored daily by the Manager in pursuance of the investment objective and policy set out on page 1. Adherence to the investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Scheme Particulars and in the Collective Investment Schemes Sourcebook published by the Financial Conduct Authority mitigate the risk of excessive exposure to any particular type of investment or issuer and ultimately the market risk.

Currency Risk

Currency risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in the foreign exchange rate.

The Trust has three principal areas where it has exposure to foreign currency risk:

- i) Movements in exchange rates affecting the value of investments (being: 1) the collective investment schemes in which the funds invest where these are denominated in a currency other than GBP, 2) the underlying investments of those collective investment schemes where denominated in a currency other than GBP or 3) transferable securities held directly by the funds where denominated in a currency other than GBP);
- ii) Short-term timing differences such as exposure to exchange rate movement during the period between when a purchase or sale is entered into and the date when settlement of the investment occurs; and
- iii) Movements in exchange rates affecting revenue received in foreign currency and converted into GBP on the day of receipt.

At the year end date, a portion of the net assets of the Trust were denominated in currencies other than GBP with the effect that the Balance Sheet and the Statement of Total Return can be affected by exchange rate movements.

All cash holdings are held in GBP. Currency risk comes from exposure to underlying collective investment schemes and transferable securities not denominated in GBP. The currency risk is not actively managed by the Manager but where it is indirectly exposed the currency risk is managed by the underlying collective investment scheme managers. Where there is exposure to collective investment schemes or transferable securities held directly by the Trust not denominated in GBP the exposure to these funds is measured and monitored daily.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The underlying collective investment schemes may expose the Trust indirectly to interest rate risk, as part of their investment strategy which is monitored and managed by the investment managers of those underlying collective investment schemes.

The Trust has minimal direct interest rate risk which only applies to bank balances and overdrafts. Interest on the Trust's bank balances/overdraft is calculated at a variable rate by reference to GBP bank deposit/overdraft rates or the international equivalent.

Notes to the Financial Statements (continued)

For the year ended 30th September 2020

4 Risk Management Policies (continued)

Liquidity Risk

Liquidity risk is the risk that the Trust will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or cash equivalents.

The main obligation of the Trust is the redemption of any units that investors wish to sell. The Trust's assets comprise readily realisable positions in collective investment schemes and direct holdings in transferable securities, the majority of which can be readily sold.

The Trust has little exposure to cash flow risk. A cash balance is held within the Trust to deal with typical redemptions and on a daily basis, the Manager is aware of the cash movements within the Trust. The Trust has the ability to borrow money - up to 10% of its NAV and the Manager retains an overdraft facility which can be used to borrow money to help with short term liquidity.

The Trust adopted enhanced liquidity risk management procedures during the financial year. Liquidity of the Trust is monitored and tested on a daily basis by assessing the liquidity of underlying fund holdings (using data provided monthly by the external managers of these funds) and directly held assets. This includes the estimated liquidity of Trust assets over various time periods (based on recent market volumes) and the time required to fully liquidate all Trust assets. Investor redemption activity is also monitored daily and analysed over various intervals of up to two years. Stress testing is undertaken periodically to identify where significant liquidity risks may exist and how changes in investor redemption behaviour and prevailing market conditions may affect the ability to readily realise the sale of Trust assets. During the previous financial year, no significant risks were identified with regard to investor redemption behaviour, prevailing market conditions or the liquidity of Trust assets. Based on this analysis, as of 30th September 2020, 80.33% of the portfolio could be sold under normal conditions and 77.50% under stressed conditions. The increased estimated liquidity vs 2019 is the result of more detailed liquidity analysis introduced during 2020, increased market liquidity during 2020, and the improved liquidity of portfolios managed directly by sub-advisors.

During the 2020 financial year, the HL MM funds changed their daily liquidity monitoring approach to use a 20% participation rate in normal market conditions from the previously used 5% participation rate. This was done to bring monitoring in line with the approach taken by most fund groups. The 10% participation rate used to simulate stressed conditions remains unchanged.

The Manager has the ability to defer or suspend redemptions in severe liquidity crisis scenarios.

The Trust's main liability is instructions from investors to redeem units with no notice. In order to honour such instructions the Trust holds highly liquid assets which can be redeemed at short notice.

Counterparty Risk

Certain transactions in investments that the Trust enters into expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Trust has fulfilled its responsibilities. The Trust only buys and sells investments through Fund Managers which have been approved by the Manager as an acceptable counterparty. These are reviewed on an ongoing basis.

Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Trust.

The Trust's maximum exposure to credit risk, in the event that the counterparties fail to perform their obligations as of 30th September 2020, in relation to each class of recognised financial assets is the carrying amount of those assets in the balance sheet. This risk is managed by appraising the credit profile of financial instruments and trade counterparties.

Notes to the Financial Statements (continued)

For the year ended 30th September 2020

5 Net Capital Losses

	30/09/20 £'000	30/09/19 £'000
The net capital losses during the year comprise:		
Non-derivative securities	(52,090)	(40,097)
Currency gains	11,313	4,066
Forward currency contracts	(577)	–
Transaction charges	(9)	(1)
Annual management charge rebates	30	126
Total Net Capital Losses	(41,333)	(35,906)

The net capital losses figure above includes realised losses and unrealised gains of £377,385,130 and £325,295,479 respectively. (30th September 2019 includes realised losses and unrealised gains of £552,247,704 and £512,151,019 respectively). The realised losses on investments in the accounting period include amounts previously recognised as unrealised gains in the prior accounting period.

6 Purchases, Sales and Transaction Costs

The following table shows portfolio transactions and their associated transaction costs. For more information about the nature of these costs, please refer to the additional portfolio transaction cost information on page 15.

Analysis of direct transaction costs for the year ended 30th September 2020:

	Principal 2020 £'000	Commissions 2020 £'000	Taxes 2020 £'000	Total Cost 2020 £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	227,906	–	–	227,906	–	–
Equities	181,974	36	408	182,418	0.02	0.22
Transaction cost % of purchases		0.01	0.10			
Sales						
Collective Investment Schemes	440,515	–	(114)	440,401	–	0.03
Equities	49,288	(20)	–	49,268	0.04	–
Transaction cost % of sales		–	0.02			
Total cost of the Fund's average NAV (%)		–	0.03			

Notes to the Financial Statements (continued)

For the year ended 30th September 2020

6 Purchases, Sales and Transaction Costs (continued)

Analysis of direct transaction costs for the year ended 30th September 2019:

	Principal 2019 £'000	Commissions 2019 £'000	Taxes 2019 £'000	Total Cost 2019 £'000	Commissions % of principal	Taxes % of principal
Purchases						
Collective Investment Schemes	75,910	–	–	75,910	–	–
Equities	125,750	27	175	125,952	0.02	0.14
Transaction cost % of purchases		0.01	0.09			
Sales						
Collective Investment Schemes	249,298	(18)	–	249,280	0.01	–
Equities	44,342	(12)	–	44,330	0.03	–
Transaction cost % of sales		0.01	–			
Total cost of the Fund's average NAV (%)		–	0.01			

Average portfolio dealing spread

As at the balance sheet date, the average portfolio dealing spread was 0.03% (30th September 2019: 0.01%). This spread represents the difference between the values determined by reference to the bid and offer prices of investments at 11:00 am on the last business day of the accounting period, expressed as a percentage of the value determined by reference to the offer price. Please note that in practice where the Trust owns dual-priced investments, it deals at cancellation and creation prices rather than bid and offer prices, and so the figure above is not fully representative of the Trust's actual dealing spread.

7 Revenue

	30/09/20 £'000	30/09/19 £'000
Annual management charge rebates	3,703	3,975
Bank interest	–	4
Franked CIS revenue	13,111	19,781
Franked PID revenue	50	30
Franked UK dividends	2,393	1,752
Offshore dividend CIS revenue	7,028	5,575
Overseas dividends	256	226
Unfranked PID revenue	131	119
Total Revenue	26,672	31,462

Notes to the Financial Statements (continued)

For the year ended 30th September 2020

8 Expenses

	30/09/20 £'000	30/09/19 £'000
Payable to the Manager, associates of the Manager and agents of either of them:		
Manager's periodic charge	12,397	13,357
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee and Depositary's fee	143	163
Safe custody fee	6	2
	149	165
Other expenses:		
Audit fee	12	8
VAT on audit fee	2	1
Accounting and administration fee	85	98
Automated transaction provider fee	21	23
Publication costs	8	6
Registrar fees	37	80
Sub-adviser fee	517	239
	682	455
Total Expenses	13,228	13,977

9 Taxation

	30/09/20 £'000	30/09/19 £'000
(a) Analysis of charge for the year		
Overseas withholding tax	14	3
Total current tax charge (note 9b)	14	3
Deferred tax (note 9c)	–	–
Total Taxation	14	3

Notes to the Financial Statements (continued)

For the year ended 30th September 2020

9 Taxation (continued)

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK for an authorised fund (20%) (2019: 20%). The differences are explained below:

	<i>30/09/20</i>	<i>30/09/19</i>
	<i>£'000</i>	<i>£'000</i>
Net revenue before taxation	13,407	17,461
Corporation Tax at 20%	2,681	3,492
Effects of:		
Excess management expenses not utilized	1,883	1,959
Non-taxable dividends	(4,516)	(5,428)
Non-taxable overseas dividends	(51)	(45)
Overseas withholding tax	14	3
Tax effect on capital management charge rebates	6	25
Tax payable in different periods	(3)	(3)
Total tax charge for the year (note 9a)	14	3

(c) Deferred tax charge for the year

Provision at the start of the year	–	–
Deferred tax charge in the year	–	–
Provision at the end of the year	–	–

The Trust has not recognised a deferred tax asset of £12,361,080 (30th September 2019: £10,478,038) as a result of excess management expenses of £61,805,400 (30th September 2019: £52,390,192). These expenses are not expected to be utilised in the foreseeable future unless the nature of the Trust or its investment objective changes.

Notes to the Financial Statements (continued)

For the year ended 30th September 2020

10 Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:

	<i>30/09/20</i>	<i>30/09/19</i>
	<i>£'000</i>	<i>£'000</i>
Interim accumulation	4,604	6,420
Final accumulation	8,490	10,797
	13,094	17,217
Add: Revenue deducted on cancellation of units	608	747
Deduct: Revenue received on issue of units	(303)	(481)
Net distribution for the year	13,399	17,483
Interest	37	24
Total Distribution	13,436	17,507

The difference between net revenue after taxation and the amounts distributed comprise:

Net revenue after taxation	13,393	17,458
Tax effect on expenses offset against capital	6	25
	13,399	17,483

Details of the distribution per unit are set out in the distribution tables on page 40.

11 Debtors

	<i>30/09/20</i>	<i>30/09/19</i>
	<i>£'000</i>	<i>£'000</i>
Amounts receivable for issue of units	1,106	1,414
Annual management charge rebates	2,026	1,454
Distributions from underlying funds	1,255	1,299
Franked UK dividends receivable	166	157
Overseas dividends receivable	17	–
Overseas tax recoverable	6	–
Sales awaiting settlement	1,600	11,143
Total Debtors	6,176	15,467

12 Cash and Cash Equivalents

	<i>30/09/20</i>	<i>30/09/19</i>
	<i>£'000</i>	<i>£'000</i>
Bank balances	8,711	5,530
Bank overdraft	–	(5,761)
Net Cash and Cash Equivalents	8,711	(231)

Notes to the Financial Statements (continued)

For the year ended 30th September 2020

13 Other Creditors

	<i>30/09/20</i>	<i>30/09/19</i>
	<i>£'000</i>	<i>£'000</i>
Accrued expenses	1,237	1,281
Amounts payable for cancellation of units	2,308	3,218
Purchases awaiting settlement	1,089	6,985
Total Other Creditors	4,634	11,484

14 Contingent Liabilities and Outstanding Commitments

There were no contingent liabilities or outstanding commitments at the balance sheet date (30th September 2019: £Nil).

15 Related Parties

Hargreaves Lansdown Fund Managers Limited (the "Manager") is a related party because it is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the Trust. It also acts as a principal in respect of all transactions of units in the Trust.

Management fees paid to the Manager are shown in note 8 and details of the units issued and cancelled by the Manager are shown in the Statement of Change in Net Asset Attributable to Unitholders. The balance due to the Manager at the year end in respect of management fees was £993,052 (30th September 2019: £1,100,739).

Hargreaves Lansdown Nominees Limited, a fellow subsidiary of the Manager held units in the Trust as follows:

	<i>30/09/20</i>	<i>30/09/19</i>
Class A Accumulation units	98.81%	98.24%
Class M Accumulation units	99.71%	99.96%

Hargreaves Lansdown Nominees Limited is a non-trading company which holds investments on behalf of clients of the Hargreaves Lansdown Group of Companies.

As at year end, the Manager has three third party sub-advisors appointed to provide investment management and advisory services to the Manager in respect of the Trust. The sub-adviser fees paid to these sub-advisors are disclosed in note 8.

16 Unit Classes

The Trust currently has two classes of units: Class A and Class M. The distribution per unit is given in the distribution tables on page 40. All units have the same rights on winding up.

The Manager's service charge for the class of each unit is as follows:

Class A	0.75%
Class M	0.75%

The following table shows the units in issue during the year:

<i>Class</i>	<i>Opening Units</i>	<i>Units Created</i>	<i>Units Liquidated</i>	<i>Units Converted</i>	<i>Closing Units</i>
Class A Accumulation	351,984,084	23,585,492	(59,594,996)	11,083	315,985,663
Class M Accumulation	115,250,436	24,110,508	(23,682,159)	(11,084)	115,667,701

Notes to the Financial Statements (continued)

For the year ended 30th September 2020

17 Risk Disclosures

Market Price Risk

Market price risk - risk management policies surrounding this risk are discussed in note 4 on pages 28 to 30.

A 5% increase in the value of the Trust's portfolio would have the effect of increasing the return and net assets by £80,986,334 (30th September 2019: £89,099,874). A 5% decrease would have an equal and opposite effect.

Currency Risk

Currency risk - risk management policies surrounding this risk are discussed in note 4 on pages 28 to 30.

Currency exposure as at 30th September 2020

	<i>Monetary Exposure</i>	<i>Non- Monetary Exposure</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Danish Kroner	–	3,226	3,226
Euro	6	50,433	50,439
Norwegian Krone	–	1,106	1,106
Sterling	10,247	1,211,163	1,221,410
Swedish Krona	–	5,885	5,885
Swiss Franc	–	15,979	15,979
US dollar	–	331,935	331,935
	<u>10,253</u>	<u>1,619,727</u>	<u>1,629,980</u>

Currency exposure as at 30th September 2019

	<i>Monetary Exposure</i>	<i>Non- Monetary Exposure</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Sterling	3,752	1,500,788	1,504,540
US dollar	–	281,209	281,209
	<u>3,752</u>	<u>1,781,997</u>	<u>1,785,749</u>

A 5% increase in the value of the Trust's foreign currency exposure would have the effect of increasing the return and net assets by £20,428,466 (30th September 2019: £14,060,453). A 5% decrease would have an equal and opposite effect.

Interest Rate Risk

Interest rate risk - risk management policies surrounding this risk are discussed in note 4 on pages 28 to 30.

The Trust has minimal direct interest rate risk which only applies to bank balances and overdrafts. Interest on the Trust's bank balances/overdraft is calculated at a variable rate by reference to GBP bank deposit/overdraft rates or the international equivalent.

Liquidity Risk

Liquidity risk - risk management policies surrounding this risk are discussed in note 4 on pages 28 to 30.

Notes to the Financial Statements (continued)

For the year ended 30th September 2020

17 Risk Disclosures (continued)

Liquidity Risk (continued)

The Manager monitors the Trust's liquidity position on a regular basis with regard to maintaining a reasonable level of liquidity. Investments in managed funds may not be readily realisable due to lock-up periods, extended settlement periods, withdrawal notice periods, or in extraordinary cases periods in which redemptions are suspended due to adverse market conditions.

In order to manage its liquidity under such circumstances, the Trust utilises its borrowing facility which allows to borrow up to 10% of its NAV and the Manager retains an overdraft facility which can be used to borrow money to help with short term liquidity.

As discussed in Note 4, the Manager assesses how much of the investments can be realised in one day, under normal and stressed market conditions. Based on this analysis, as of 30th September 2020, 80.33% (30th September 2019: 65.52%) of the investments could be disposed under normal conditions and 77.50% (30th September 2019: 63.47%) under stressed market conditions.

During the 2020 financial year, the HL MM funds changed their daily liquidity monitoring approach to use a 20% participation rate in normal market conditions from the previously used 5% participation rate. This was done to bring monitoring in line with the approach taken by most fund groups. The 10% participation rate used to simulate stressed conditions remains unchanged.

Counterparty Risk

Counterparty risk - risk management policies surrounding this risk are discussed in note 4 on pages 28 to 30.

The Trust does not have any significant counterparty risk exposures.

Credit Risk

Credit risk - risk management policies surrounding this risk are discussed in note 4 on pages 28 to 30.

At 30th September 2020, the Trust only held collective investment schemes and listed equities. Therefore, the Trust does not have any credit risk exposures.

Fair Value

Fair value - in the opinion of the Manager, there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet and their fair value. Investments are carried at their fair value while other financial assets and liabilities are valued at amortised cost which materially equates to their fair value.

Valuation technique as at 30th September 2020

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Assets				
Collective Investment Schemes	–	1,412,896	6,910	1,419,806
Equities	199,955	–	–	199,955
Total	199,955	1,412,896	6,910	1,619,761
Liabilities				
Forward Currency Contracts	–	(34)	–	(34)
Total	–	(34)	–	(34)

Notes to the Financial Statements (continued)

For the year ended 30th September 2020

17 Risk Disclosures (continued)

Fair Value (continued)

Valuation technique as at 30th September 2019

	<i>Level 1</i> £'000	<i>Level 2</i> £'000	<i>Level 3</i> £'000	<i>Total</i> £'000
Assets				
Collective Investment Schemes	–	1,618,596	72,628	1,691,224
Equities	90,773	–	–	90,773
Total	90,773	1,618,596	72,628	1,781,997

The Trust invests into collective investment schemes which are not exchange traded. Investments in collective investment schemes are valued based on the NAV per unit/share published by their administrators and are classified as Level 2.

The Trust invested in a collective investment scheme, LF Equity Income Fund (formerly LF Woodford Equity Income Fund), which has been suspended during the year and is categorised within Level 3 of the fair value hierarchy. The Trust's valuation is based on the NAV per unit/share published by the Authorised Corporate Director of the collective investment scheme available at the 11am valuation point on 30th September 2020 which has been adjusted to reflect the relevant developments since the suspension of the collective investment scheme and other factors pertinent to the valuation.

Level 1

The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Inputs other than quoted prices included within Level 1 that are observable (i.e., developed using market data) for the asset or liability, either directly or indirectly.

Level 3

Inputs are unobservable (i.e., for which market data is unavailable) for the asset or liability.

18 Post Balances Sheet Events

On 30th November 2020, Link Fund Solutions announced that a fourth capital distribution would be paid to investors in the LF Equity Income Fund in December 2020. Therefore, subsequent to year end, the Trust received £2,383,241 at a rate of 2.7351 pence per unit.

The impact of latest published NAV per unit classes as at the close of business on 16th December 2020 compared to the published NAV per unit classes as at year-end is shown below.

<i>Class</i>	<i>Unit Price</i>		<i>Increase %</i>
	<i>30th September 2020</i>	<i>16th December 2020</i>	
Class A Accumulation	377.66	411.34	8.92
Class M Accumulation	377.65	411.33	8.92

Distribution Tables

For the year ended 30th September 2020

In pence per unit

Interim accumulation for the period ended 31st March 2020

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2020</i>	<i>31st May 2019</i>
Group 1	1.0342	–	1.0342	1.3147
Group 2	0.0960	0.9382	1.0342	1.3147

<i>Class M Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>31st May 2020</i>	<i>31st May 2019</i>
Group 1	1.0342	–	1.0342	1.3214
Group 2	0.0826	0.9516	1.0342	1.3214

Group 1 - Units created prior to 1st October 2019
 Group 2 - Units created on or after 1st October 2019

Final accumulation for the year ended 30th September 2020

<i>Class A Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2020</i>	<i>30th Nov 2019</i>
Group 1	1.9667	–	1.9667	2.3109
Group 2	1.6057	0.3610	1.9667	2.3109

<i>Class M Accumulation Units</i>	<i>Net</i>		<i>Paid</i>	
	<i>Income</i>	<i>Equalisation</i>	<i>30th Nov 2020</i>	<i>30th Nov 2019</i>
Group 1	1.9670	–	1.9670	2.3109
Group 2	1.5720	0.3950	1.9670	2.3109

Group 1 - Units created prior to 1st April 2020
 Group 2 - Units created on or after 1st April 2020



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