

2 December 2024

Dear Investor

**THIS LETTER IS FOR INFORMATION ONLY AND NO ACTION IS REQUIRED**

**Introduction**

We, Link Fund Solutions Limited (“LFSL”) are writing to update you of various matters in relation to LFSL and the LF Equity Income Fund (“LFEIF” or “Fund”) formally the LF Woodford Equity Income Fund.

Subsequent to our letter of 28 July 2023, the following events have occurred:

**(i) Sale to Waystone Group**

In our letter we advised you that the sale of certain business and assets of LFSL to Waystone Group was due to complete on 9 October 2023. We now confirm that the sale did complete on 9 October 2023 as intended.

You should note that the LFSL entity did not transfer to the Waystone Group and was retained by Link Group and LFSL continues to be responsible for the management of LFEIF and in due course its closure.

**(ii) Settlement Scheme**

We previously told you a settlement fund of up to £230 million, which is to be used to make payments to relevant investors, was approved by the Court (having been approved by the required majority of Scheme Creditors who voted at the meeting of the Scheme Creditors held on 13 December 2023). The Court Order sanctioning the Settlement Scheme was registered with the Registrar of Companies on 28 February 2024 and the Settlement Scheme became effective on 5 March 2024.

The first payment from the Settlement Scheme was made to the registered holders on 28 March 2024, with payment to those who have invested through intermediaries receiving their payment soon after that date, depending on the time it took the intermediaries to process their payment.

The full details of the Settlement Scheme and the first Scheme Supervisors’ report can be found at the dedicated LF Equity Income Fund Settlement Scheme website - <https://lfwoodfordfundscheme.com/>.

**Current position of LFEIF**

Since LFSL began winding up the LFEIF on 18 January 2020, the Fund has returned, by way of five capital distributions, £2.56 billion to investors who held shares in the Fund at the time of suspension.

Since the most recent capital distribution, paid in November 2022, LFSL has and continues to seek opportunities to sell the remaining assets within the Fund and is aspiring to this concluding by late 2025.

The 30 September 2024 unaudited half-yearly interim financial report (which can be found at <https://equityincome.linkfundsolutions.co.uk/media/fs0dda53/lf-investment-fund-closing-secure-interim-30-september-2024.pdf>) provides the current value of the Fund and its remaining assets. In summary the remaining assets are, less any anticipated costs, valued at £34.4million. To place this value into context, this represents, to an investor who holds 10,000 shares in the Fund, a value of c.£85.00. Please note that this may not be the final value you receive as the value of the remaining assets may change through time and at the point of realisation.

The key remaining assets of material value comprise of Nexeon (c.£21.8m), BenevolentAI (c.£4.1m) and a c.£8m investment in the Northern Trust Sterling Liquidity Fund. LFSL is mindful that this investment is equivalent to the Fund holding cash. and LFSL has carefully considered whether this is sufficient cash to enable the payment of a further capital distribution. As this would be a payment of less than £20.00 (to an investor with 10,000 shares), LFSL has decided to defer payment until a more significant capital distribution can be made to investors.

### **Changes to LFEIF**

With effect from 30 November 2024, as the Fund nears its closure and termination, two changes will be made to the operation of the Fund.

#### **(i) Extending the accounting period**

The current accounting year for LFEIF is the 1 April to 31 March. With effect from 30 November 2024, the accounting year will, as permitted by regulation, be extended by six months so that the financial year will now end on the 30 September 2025. The reason for this change is, in part to minimise the Fund's audit costs and to align with the potential timing of the Fund's closure.

LFSL recognises that as the accounting year will be extended, investors will not have access to the Fund's annual financial statements until January 2026 (the Fund must publish its financial statement within four months of the year-end) with the next interim financial statement not being published until June 2026. In recognition of this fact, LFSL will publish an update to investors, including the 31 March 2025 indicative Net Asset Value ("NAV"), in April 2025 or sooner in the event of any significant development.

#### **(ii) Frequency of valuation**

At present the share price (or also the NAV, which is the value of the current assets, less anticipated liabilities) of the LFEIF is published every quarter.

As the Fund nears its closure LFSL will now publish the NAV each six months. The NAV will be published no later than the date at which the Fund's annual and half-yearly financial statements are published.

### **Further information**

A copy of this letter, all previous letters to investors and key information relating to the Fund since its suspension can be found at <https://equityincome.linkfundsolutions.co.uk/>.

**LINK FUND SOLUTIONS LIMITED**