

13 December 2019

Dear Investor,

THIS LETTER IS IMPORTANT - PLEASE READ

LF Woodford Equity Income Fund (the “Fund”), a sub-fund of LF Woodford Investment Fund (the “Company”)

We, Link Fund Solutions Limited (“LFS”), write further to our previous letter of 15 October 2019 to provide you with important information regarding the Fund.

In that earlier letter we explained that, because there was insufficient certainty about how long it would take to reposition the Fund’s portfolio in a way that would enable the Fund to meet redemption requests by investors, we had taken the decision to not re-open the Fund. We concluded that it is in the best interests of investors for the Fund to be wound up by way of an orderly realisation of the Fund’s assets. This orderly realisation will allow the return of money to investors through interim payments (“capital distributions”) and this letter provides more information on that process and other changes to the Fund.

1. Change of the name of the Fund and the Company

The Financial Conduct Authority (“FCA”) has granted approval for the change of the Company and Fund name to reflect the fact that Woodford Investment Management Limited is no longer the investment manager of the Fund. With immediate effect the Company will be called the “LF Investment Fund” and the Fund will be called the “LF Equity Income Fund”.

2. Winding up of the Fund

The FCA has also provided its approval for the winding up of the Fund to commence on 18 January 2020. As noted in our letter dated 15 October 2019, we are unable to commence the winding up of the Fund any earlier because of the need for three months’ notice to be provided to investors under the applicable European Directive.

The final valuation of the assets before the winding up commences will therefore occur on 17 January 2020.

Until the winding up of the Fund is complete we will continue to calculate and publish the Net Asset Value per share on a regular basis for information purposes only (this will be on a daily basis until notified otherwise). Further information, including where the prices will be published, is detailed in section 5 below.

3. Capital distributions to investors

In winding up the Fund, we will move to an orderly realisation of all its assets. After taking account of any liabilities that the Fund owes, including the costs associated with the winding up process and contingent commitments the Fund has in respect of its investments, we will begin paying you your share of the proceeds of the sale of the Fund’s assets.

We anticipate making a series of payments to investors over the coming months.

The first capital distribution amount shall be calculated, based on the number of shares you hold, on 6 January 2020 and we intend that investors in the Fund will receive their first payment on or around 20 January 2020. Further capital distributions will be made as assets continue to be realised during the winding up of the Fund.

As we explained in our letter of 15 October 2019, we have split the Fund's assets into two parts in preparation for the winding up of the Fund. We appointed BlackRock Advisors (UK) Limited ("BlackRock") as transition manager to prepare a portfolio of listed assets ("Portfolio A") and PJT Partners (UK) Limited ("Park Hill") as a specialist broker to assist us in selling the unlisted and certain highly illiquid listed assets ("Portfolio B").

Since its appointment, BlackRock has realised £1.65 billion, representing 79% of the value of Portfolio A and 56% of the value of the Fund. The cash realised from these sales has been re-invested in FTSE 100 index instruments, money market funds, government securities and commercial paper with short maturity date. This ensures that investors retain exposure to the equity market whilst maximising the liquidity of the underlying portfolio and that the Fund continues to meet its stated investment objective and policy, as disclosed in the Fund's prospectus. Although this value will fluctuate according to market movements this is the amount, together with the proceeds of any further sales of assets in Portfolio A between now and 6 January 2020, that we intend to distribute to investors on or around 20 January 2020. If you hold your investment through a fund platform you may receive your payment a few days later due to the time it may take for your platform to process your payment.

It is important to note that BlackRock has managed to realise the assets in Portfolio A in a way that safeguards value in those assets rather than through a 'fire sale'. BlackRock will continue with this approach for the liquidation of the remaining 21% of Portfolio A which are generally less liquid stocks than those assets sold so far. As a result we anticipate that selling these remaining assets in Portfolio A may take longer than it took to realise the assets sold to date.

We and Park Hill continue to explore opportunities for selling the Portfolio B assets while maximising the return for investors. However, at this stage we are unable to confirm when these assets will be sold.

We will provide further updates on the progress of the sale of the remaining assets and dates for the subsequent capital distribution to investors until the process is complete.

On 13 January 2020 we will write to you to inform you of the amounts you will receive as a result of this first capital distribution, provide details of the costs associated with the transitioning of the portfolio prior to the winding up of the Fund and the expected costs of the winding up of the Fund.

4. Year end accounting dates and distributions of income to investors

The Fund will have its usual year-end accounting reference date of 31 December and an annual report will be published within four months of that date. The income distribution attributable to the year ending 31 December 2019 will be paid in the usual way on 28 February 2020.

In addition a distribution of income covering the period 1 January to 17 January 2020 will be calculated and such amounts (if any) will be paid on 17 March 2020, i.e. two months following the date of the final calculation of the value of the Fund's assets prior to it entering the wind up.

These income distributions will be in addition to the earlier capital distribution explained in section 3 above.

5. Performance of the Fund

The table below shows the performance of the Fund versus the performance of the comparator benchmark, as set out in the Fund's prospectus, for both the period since suspension and the period since the decision was taken to wind up the Fund and BlackRock and Park Hill were appointed, in each case to 10 December 2019.

	3 June 2019 (date the Fund was suspended) – 10 December 2019	15 October 2019 (date of appointment of BlackRock and Park Hill) – 10 December 2019
LF Woodford Equity Income Sterling Accumulation	-18.6%	-3.2%
Benchmark: FTSE All Share Total Return	4.1%	1.1%

The performance since the 15 October 2019 is largely attributable to the revaluation and disposal, by LFS in our capacity as the authorised corporate director, of certain unquoted assets (-3.7%) in Portfolio B.

As noted in section 2 above, until the winding up of the Fund is complete we will continue to calculate and publish the Net Asset Value per share on a regular basis for information purposes only (this will be on a daily basis until notified otherwise). This information, which allows investors to track the performance of their investment, can be found at equityincome.linkfundsolutions.co.uk.

6. Tax consequences

Please be aware that the receipt of your proceeds from the winding up of the Fund will be deemed to be a part disposal of your shares in the Fund for capital gains tax purposes and may, depending on your personal circumstances, give rise to a capital gains tax liability. If you are in any doubt as to the taxation consequences of this action you should seek professional advice.

7. Timeline of significant dates

We thank you for your continued patience in relation to your investment in the Fund. As noted above the process of returning amounts to you will commence in January 2020 and we have set out a list of all significant activities and their dates below:

11 December 2019	Company and Fund name changes to LF Investment Fund and LF Equity Income Fund respectively
31 December 2019	Fund year end and normal quarterly Income Distribution date (XD date)
6 January 2020	Calculation of amount per share to be paid in first capital distribution to investors
13 January 2020	Notification to investors of amount per share to be paid in first capital distribution to investors
17 January 2020	Pre-wind up price calculation and calculation of income distribution (see sections 3 and 4 above)

18 January 2020	Fund wind up – effective date
20 January 2020	Expected date of first capital distribution to investors
28 February 2020	Payment of normal quarterly Income Distribution as at 31 December 2019 (XD date)
17 March 2020	Payment of the Income Distribution for the period 1st – 18th January 2020
30 April 2020	Publication of Fund's annual report for the year ending 31 December 2020

8. Further information

We will write to you to keep you informed of developments throughout the winding up process, including the letter on 13 January 2020 in which we will provide an update on the winding up of the Fund and the amount that you will receive as the first capital distribution. In the meantime, if you do require any further information, please refer to the frequently asked questions and answers document on our website: equityincome.linkfundsolutions.co.uk.

If you have any questions regarding this letter, please contact us on 0333 300 0381 or alternatively email us at equityincome@linkgroup.co.uk.

Yours sincerely



Karl Midl

Managing Director – Link Fund Solutions Limited