

15 June 2022

Dear Investor

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

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

As authorised corporate director (“ACD”) of the Company, we are writing to provide you with an update on recent developments relating to the winding up of the Fund. No action is required by you, but you may find this letter helpful to understand the reasons for various changes to the valuation of the Fund which you may have noticed over recent months. This letter also provides an important update regarding one of the companies in which the Fund has a shareholding.

Calculation of the Fund’s Net Asset Value (“NAV”)

The Fund’s NAV, which is currently calculated on or shortly after the last business day of each month (or between these points if there is a material change to the valuation of any asset held by the fund) is the total of all of its assets minus its known liabilities. As ACD of the Fund, we are required to ensure that all assets it holds are appropriately valued. We do this through a Fair Value Pricing Committee (“FVPC”) which receives valuation reports from independent valuation experts to help inform its decisions.

As the Fund’s remaining assets comprise shareholdings in a small number of companies (Atom Bank, Benevolent AI, Freevolt (previously named Drayson), Mafic, Nexeon, Origin, RM2 and Rutherford Health) plus cash and other receivables, changes to the valuations of any of the Fund’s remaining assets will lead to a corresponding increase or decrease in the Fund’s NAV.

As the Fund now holds relatively few assets, and because some of the shareholdings have relatively large weightings compared to others, a change to the value of certain of the remaining assets will lead to a disproportionately large percentage increase or decrease in the Fund’s NAV from time to time.

In the paragraphs below we have provided some details on the reasons behind the changes to the Fund’s NAV over recent months.

Decrease in the Fund's NAV calculated on 31 March 2022

At the end of March 2022 the Fund's NAV was £125,649,333, a decrease of £15,280,569 (10.8%) from the NAV at 28 February 2022. This was because of the FVPC decision to write down the value of the Fund's shares in Rutherford Health from 65p per share to 38p per share (a decrease of 41.5%). This write down in the value of the shareholding was a result of increasing uncertainty on the future viability of the company. Subsequent developments in respect of this company are detailed below.

Increase in the Fund's NAV calculated on 29 April 2022

The Fund's NAV increased by £19,596,109 to £145,245,443 at the valuation point at the end of April (an increase in value of 15.59%). This was as a result of an uplift in the valuation of the Fund's shareholding in Benevolent AI following its listing on Euronext on 25 April 2022.

Decrease in NAV to reflect the anticipated liquidation of Rutherford Health

On 13 June 2022 Rutherford Health appointed an official receiver to liquidate the company. When we received the extremely disappointing news that the board of directors of Rutherford Health had resolved to take steps to wind up the company we, through the FVPC, took the decision to revalue the Fund's holding in the company to zero. While it is premature to know how much may be recovered by the shareholders in Rutherford Health as its liquidation now proceeds, this revaluation to zero reflects the current uncertainty around the Fund recovering any returns from the company's liquidation. As a result, the Fund's NAV was re-calculated and as at the date of this letter is £118,542,087, a decrease of £23,913,377 (16.8%) from the valuation of £142,455,465, calculated on 31 May 2022.

As ACD of the Fund we worked hard alongside other shareholders in Rutherford Health to support the new Rutherford management team to improve the company's financial situation. Over recent months bridging finance was provided by key shareholders, including the Fund, to enable an investment banking process to explore longer term funding options. In the absence of parties interested in buying the Fund's shareholding in the company, we believed that securing longer term funding would have enabled maximum value to be returned to investors,

A significant number of parties were approached in the process and substantive discussions took place with one third party. Unfortunately a deal could not be reached and the decision by the company's board of directors to appoint an official receiver for its liquidation was unavoidable. At this stage we are unsure as to what value, if any, is recoverable, however we will endeavour to recoup as much as possible for the Fund.

Publication of the Fund's Net Asset Value ("NAV")

Further to our most recent letter to investors, dated 15 March 2022, we have now decided that, due to the nature of the Fund's remaining assets, we will change the frequency of the valuation of the Fund's NAV from monthly to quarterly with effect from 30 June 2022. This means that after the publication of the NAV on or around 30 June 2022 the subsequent NAV will be published on or shortly after the last business day of September 2022, and on or around the last business day of each calendar quarter thereafter. There will be

additional valuations between these quarter ends if there are material changes to the valuation of any of the assets held by the Fund.

The Fund's NAV can be found on our website at <https://equityincome.linkfundsolutions.co.uk>.

Current NAV, future distributions and further updates

You are reminded that we have now sold the majority of the Fund's assets resulting in four capital distributions to investors which amount to a total of £2.54 billion. As at the date of this letter the value of the Fund's remaining assets is £118,542,087.

You are reminded that due to the illiquid nature and maturity of some of the Fund's remaining assets, their valuation can materially change and it is possible that their valuations may fall as well as rise. As demonstrated over recent months, and explained above, a fall in the value of one or more of the remaining assets will adversely affect the NAV of the Fund as a whole and, therefore, were this to happen the amount to be distributed to investors would be lower than the Fund's current valuation.

As we stated in our previous letter, we are unable to provide a specific date for the fifth capital distribution or for the completion of the winding up of the Fund which we will continue to progress at a pace which seeks to achieve the best outcome for investors.

You are reminded that the Company's annual report and accounts will be published no later than 29 July 2022. We will continue to keep you updated on the progress of the sale of the Fund's assets and we will write to you again on or around 30 September 2022 or when the Fund is in a position to make the fifth capital distribution, whichever is earlier.

A copy of this letter and all previous letters to investors since the Fund's suspension can be found on our website at <https://equityincome.linkfundsolutions.co.uk/investor-communications/>. Our website also has a Frequently Asked Questions section and these include a reminder of the reasons for the Fund's suspension and wind up. If you have any other questions, please contact us on 0333 300 0381 or alternatively email us at lfsinvestors@ntrs.com.

Yours sincerely



Karl Midl

Managing Director, for and on behalf of Link Fund Solutions Limited