

28 July 2023

Dear Investor

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

In our letter dated 20 April 2023, we informed you that we had entered into a conditional agreement with the Financial Conduct Authority (**FCA**) to settle its investigation in respect of our role as authorised corporate director (**ACD**) of the LF Woodford Equity Income Fund (now known as the LF Equity Income Fund) (**WEIF**) (the **Settlement**). The Settlement is conditional on, amongst other things:

- (i) the completion of a sale by Link Administration Holdings Limited (**Link Group**) of its Fund Solutions business (including the business and assets of Link Fund Solutions Limited (**LFSL**)) to the Waystone Group (the **Sale**), and
- (ii) the English High Court sanctioning a scheme of arrangement under Part 26 of the Companies Act 2006 addressing WEIF-related claims (the **Scheme**).

If the Scheme becomes effective, it will provide for monies (up to £235 million) to be made available to make payments to investors in the WEIF (**the Investors**). Subject to certain conditions being satisfied, Link Group has voluntarily agreed to contribute up to approximately £60 million of this amount (subject to adjustments).

In return for those payments to the Investors, LFSL, Link Group, and their respective affiliates and officers will be released from all liability relating to LFSL's role as ACD of the WEIF.

In the period since April, LFSL has:

- appointed PricewaterhouseCoopers LLP to advise it on the proposed Scheme and to act as prospective Scheme supervisors;
- made significant progress in developing the structure of the Scheme having undertaken further discussions with Link Group and the FCA;
- entered into ongoing discussions with relevant stakeholders to further develop the detailed terms of the Scheme; and
- appointed Jamie Drummond-Smith to serve as independent chair (**the Chair**) of a committee of the Investors (**the Investor Committee**). Mr. Drummond-Smith is a chartered accountant who spent 25 years with the accounting firm Deloitte, where he was a Partner in the Corporate Finance group. He has extensive experience in the financial services sector and with schemes of arrangement, having been (i) a director of Cattles PLC and Welcome Financial Services Limited who each proposed schemes of arrangement (ii) the scheme adjudicator on the Instant Cash Loans scheme and (iii) the chairman of the creditors' committees for the Amigo, Non-Standard Finance and Morses Club Schemes.

Investors who expressed an interest in joining the Investor Committee following our letter dated 5 July 2023 will be contacted in the coming weeks and some asked to form the Investor Committee. Ultimately, the members will be appointed by the Chair to achieve a balanced representation of the interests of the Investors that will be party to the Scheme.

Future updates:

Subject to the outcome of discussions with Link Group and the FCA, and the Court's availability, LFSL expects to issue a Practice Statement Letter in September. The Practice Statement Letter will:

- notify Investors of the formal launch of the Scheme;
- provide further details about the key terms of the Scheme; and
- provide details of the first court hearing in relation to the Scheme. At the first Court hearing, the Court will consider certain preliminary issues in respect of the Scheme and be asked for permission to hold meetings of Investors to vote on the Scheme.

The Settlement contemplated by the Scheme is, as noted earlier in this letter, conditional on the completion of the Sale. This is currently expected to complete in October 2023.

The release of this letter was authorised by the LFSL Board.

For further information:

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For more information about the proposed Scheme, and for further updates, please also visit

www.lfwoodfordfundscheme.com.

Yours sincerely



Karl Midl

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