

20 August 2020

Dear Investor

THIS LETTER IS IMPORTANT - PLEASE READ

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”)

We, Link Fund Solutions Limited, are writing to inform you that we are now in a position to make a third capital distribution from the winding up of the Fund and to provide an update on the publication of the Fund’s annual accounts. Further details are provided below.

Third capital distribution

In a previous letter, dated 29 July 2020, we advised you that we would soon be in a position to make a third capital distribution to investors. We are now able to confirm that as at 19 August 2020 the Fund has £183.15 million of cash available for distribution to investors. This sum is made up of amounts received to date by the Fund from Acacia Research Corporation (“Acacia”), under our agreement for it to purchase a portfolio of the Fund’s assets, plus amounts received since the second capital distribution for the sale of assets not included in the transaction with Acacia.

A further letter will be sent, on 24 August 2020, detailing the amount you will receive from this third capital distribution. The amount you receive was calculated on 19 August 2020 and will be paid to you on or around 26 August 2020. Please note that if you invested through a platform then distribution payments may not reach your account on the same day, due to the time it takes for the platform provider to process your payment.

This means that, based on an estimated third capital distribution of £183.15 million, due to be paid on or around 26 August 2020, a total of £2,450,413,385 will have been distributed to investors since the commencement of the winding up of the Fund.

All previous letters to investors, including the letter of 29 July 2020 and the letter dated 5 June 2020, which provides details of the transaction with Acacia, can be found on our website at equityincome.linkfundsolutions.co.uk.

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

This third capital distribution will be reflected in the NAV of the Fund on 26 August 2020, being the first valuation point of the Fund after named investors on the register should receive notice of their individual payment. This means that the number of shares that you hold in the Fund will remain the same but the net asset value of the Fund and the price per share will reduce, as it did following the first and second capital distributions, to reflect the value paid out by way of the capital distributions made to date.

Investors are reminded that with effect from 26 August 2020, the Fund’s net asset value will be calculated and published on the final business day of each month. As such the next valuation point following 26 August 2020 will be 30 September 2020. You will be able to find the Fund’s current net asset value and the future monthly updates on our website at <https://equityincome.linkfundsolutions.co.uk>.

Future capital distributions

It is intended that further capital distributions will be made as and when suitable amounts of cash have been raised from the sale of the remaining assets of the Fund, including further proceeds received from Acacia. At this stage we are unable to advise you of the exact timing and amount of these future capital distributions as this is dependent upon the sale of the Fund’s assets. Investors are reminded that the assets that remain to be sold are the less liquid assets of the Fund and disposing of these assets may take some time.

Publication of Fund’s annual accounts

Link Fund Solutions Limited (registered in England and Wales No. 01146888) acts as Authorised Corporate Director / Authorised Fund Manager/ Alternative Investment Fund Manager, Link Financial Investments Limited (registered in England and Wales No. 02823982) acts as an ISA Manager and Link Fund Administrators Limited (registered in England and Wales No. 00934528) provides fund administration services. These three companies are authorised and regulated by the Financial Conduct Authority; register numbers: Link Fund Solutions Limited 119197; Link Financial Investments Limited 169586 and Link Fund Administrators Limited 121795.

Registered office for all three companies: 6th Floor, 65 Gresham Street, London, EC2V 7NQ

In our letter of 29 July 2020 we advised you that we anticipated that the annual accounts of the Fund would be published no later than 31 August 2020. Whilst the audit is progressing satisfactorily with all parties, we have been in regular discussions with Grant Thornton, the appointed auditor of the Fund, and due to the significant amount of work involved in finalising the financial statements and the detail of the post balance sheet events (including the Acacia transaction), it is now expected that the annual accounts will be published by 30 September 2020 at the latest. We will write to you during September advising you when the annual accounts will be published.

Further information

We will continue to write to you to keep you informed throughout the winding up process in relation to future capital distributions and other developments. In the meantime, if you 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 lfsinvestors@ntrs.com.

Yours faithfully

A handwritten signature in black ink, appearing to read "Karl Midl".

Karl Midl

Managing Director, Link Fund Solutions Limited