

Equity Income Fund (Ireland) ICAV
(Formerly Woodford Funds (Ireland) ICAV)
Annual Report and Audited Financial Statements
For the financial period 01 January 2019 to 31 March 2020

MANAGEMENT AND ADMINISTRATION

MANAGER

Link Fund Manager Solutions (Ireland) Limited
First Floor
2 Grand Canal Square
Grand Canal Harbour
Dublin 2
D02 A342
Ireland

DIRECTORS OF THE ICAV

G. Palmer (Chairman) (Irish)**
K. O'Brien (Irish)**
S. Dale (British) (Resigned 20 December 2019)*
V. Patel (British) (Resigned 03 January 2020)*

** Non-executive Directors*

*** Independent Non-executive Director*

INVESTMENT MANAGER

Woodford Investment Management LTD (Resigned 14 January 2020)
9400 Garsington Road
Oxford OX4 2HN
United Kingdom
(Authorised and regulated by the Financial Conduct Authority)

DEPOSITARY

Northern Trust Fiduciary Services (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
D02 R156
Ireland

ADMINISTRATOR & REGISTRAR

Northern Trust International Fund Administration Services (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
D02 R156
Ireland

MANAGEMENT AND ADMINISTRATION (continued)

INDEPENDENT AUDITOR

Grant Thornton
Chartered Accountants and Statutory Audit Firm
13-18 City Quay
Dublin 2
D02 ED70
Ireland

ICAV SECRETARY

Link Fund Administrators (Ireland) Limited
First Floor
2 Grand Canal Square
Grand Canal Harbour
Dublin 2
D02 A342
Ireland

LEGAL AND TAX ADVISERS IN IRELAND

Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2
D02 XK09
Ireland

REGISTERED OFFICE

2 Grand Canal Square
Grand Canal Harbour
Dublin 2
D02 A342
Ireland

Note: All capitalised terms, unless otherwise defined herein, shall have the same meaning as they have in the Prospectus for the ICAV.

CONTENTS

EQUITY INCOME FUND (IRELAND) ICAV

Background to the ICAV	2
Investment Manager's Report	3
Directors' Report	9
Depository Report to Shareholders	14
Independent Auditor's' Report to the Shareholders of Equity Income Fund (Ireland) ICAV ...	15
Schedule of Investments	19
Schedule of Portfolio Changes (unaudited).....	20
Statement of Comprehensive Income	21
Statement of Financial Position	22
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares.....	24
Statement of Cashflows	25
Notes to the Annual Report & Financial Statements	26
Appendix 1 – Remuneration Policy (unaudited).	59
Appendix 2 – Securities Financing Transactions Regulation (unaudited)	60
Appendix 3 – TER Information and Performance Data (unaudited)	61
Appendix 4 – LF Equity Income Fund Audited Financial Statements for the financial period ended 31 March 2020.....	63

BACKGROUND TO THE ICAV

DESCRIPTION

Equity Income Fund (Ireland) ICAV (formerly Woodford Funds (Ireland) ICAV) (the "ICAV") is an open-ended umbrella type Irish Collective Asset-management Vehicle, registered with and authorised by the Central Bank of Ireland ("Central Bank") to carry on business as an ICAV pursuant to part 2 of the Irish Collective Asset-management Vehicles Act, 2015 (the "ICAV Act") and pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

The ICAV is structured as an umbrella type Irish Collective Asset-management Vehicle which may consist of different funds, each comprising one or more Classes.

The ICAV was registered in Ireland on 18 July 2016 and was authorised by the Central Bank on 23 September 2016 as an umbrella fund with segregated liability between sub-funds.

As at 31 March 2020, the ICAV has one sub-fund, namely the Equity Income Feeder Fund (formerly Woodford Equity Income Feeder Fund) (the "Fund").

The ICAV has two types of share classes Accumulating and Income. For the purpose of these financial statements Accumulating will be abbreviated to "Acc" and Income to "Inc".

INVESTMENT OBJECTIVE AND POLICY

Following the decision to wind-up LF Equity Income Fund (formerly LF Woodford Equity Income Fund) (the "Master Fund") and the subsequent resignation of Woodford Investment Management Ltd as investment manager to the ICAV and the Fund in October 2019, it was decided to terminate the Fund being in the best interests of the Shareholders. The investment objective of the Fund was to invest at least 85% of its net assets in the Master Fund. The Master Fund is a sub-fund of the LF Investment Fund (formerly LF Woodford Investment Fund) which is an open-ended umbrella type investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC001010 and which is authorised by the UK's Financial Conduct Authority as a UCITS.

As at 31 March 2020, the Fund has invested 58.64% (31 December 2018: 97.38%) of its net assets in the LF Equity Income Fund - Class F GBP Accumulating Share Class.

MANAGER'S REPORT

for the period from 1 January 2019 to 31 March 2020

The Equity Income Feeder Fund (formerly the Woodford Equity Income Feeder Fund) (the 'Fund') was launched in October 2016 to provide offshore access to the LF Equity Income Fund (formerly the LF Woodford Equity Income Fund (the 'Master Fund')). Different share classes have been introduced with different fee, currency and income characteristics. The performance delivered by each share class will therefore depend on those specific characteristics. However, all share classes invest substantially all of their assets into the Master Fund, so their performance will always be linked to its performance.

On 4 June 2019 the Board of Equity Income Fund (Ireland) ICAV (formally Woodford Funds (Ireland) ICAV) (the 'ICAV') took the decision, following the suspension of the Master Fund on 3 June 2019, to temporarily suspend dealing. This suspension of the Master Fund was intended to protect the investors in the Master Fund (including the Fund) by allowing Woodford Investment Management Limited (the 'Investment Manager' of the ICAV, the Fund and the Master Fund) time to reposition the element of the Master Fund's portfolio invested in unquoted and less liquid stocks into more liquid investments, following increased level of redemptions in the Master Fund.

On 15 October 2019 the Fund was informed by the Master Fund's Authorised Corporate Director ('ACD'), Link Fund Solutions Limited, that, after careful consideration, the ACD had made the decision not to re-open the Master Fund and instead to wind it up as soon as practicable. The ACD advised that this was with a view to returning cash to investors, which includes the Fund, at the earliest opportunity. The Fund and the Manager subsequently received notice from the Investment Management of its intention to resign as investment manager to the Fund and the ICAV. The resignation was effective from 14 January 2020.

At a meeting on 16 October, 2019, the Board of the ICAV, having given due consideration to the recent decision of the ACD to close the Master Fund, the notice from the Investment Manager to resign as investment manager to the Fund and the ICAV and the level of assets currently under management in the Fund, concluded that it was in the best interests of the shareholders, to terminate the Fund and gave notice of their intention to compulsorily redeem investors' shares as soon as the Fund was in receipt of repayment proceeds from the Master Fund.

Subsequently, the Fund has received three capital distributions from the Master Fund and compulsorily redeemed investors' shares, paying out proceeds on 10 February 2020, 1 April 2020, and 9 September 2020.

What follows below is a review of the Master Fund covering the period 1 January 2019 to 31 March 2020.

The Master Fund Interim Report from 1 January 2019 to 31 March 2020

The interim accounts of the Master Fund incorporate the report of the then Investment Manager, Woodford Investment Management Limited, for the period 1 January 2019 to 30 June 2019. In the period from 1 July 2019 to 15 October 2019, when the Investment Manager was replaced as the investment manager of the Master Fund, its main activity was to seek to reposition the portfolio into more liquid assets to enable the Master Fund to return from suspension.

MANAGER'S REPORT (continued)

for the period from 1 January 2019 to 31 March 2020

In view of the limited progress made in the period from suspension until 15 October 2019, the decision was taken by ACD of the Master Fund, to take direct control of investment management activities from that date and at the same time to commence the process to bring the Master Fund to an orderly wind-up.

From 15 October 2019 the assets within the Master Fund were initially allocated to two portfolios, Portfolio A and Portfolio B.

Portfolio A, which comprised the vast majority of the Master Fund's quoted assets, was allocated to BlackRock Advisors (UK) Limited ('BlackRock'). BlackRock was tasked with liquidating those assets in an effective manner, whilst seeking to maintain value. From 15 October 2019 until the last formal valuation of the Master Fund on 17 January 2020, monies realised from the sale of assets of the Master Fund were invested in a combination of money market funds, term deposits and UK Government Gilts. A FTSE 100 futures overlay was put in place, thereby enabling the Master Fund to adhere to its objective of being invested primarily in UK listed companies. From 18 January 2020 the Master Fund was in wind-up and was no longer required to meet the investment objective, as a result the use of the FTSE futures overlay ceased. From 17 January 2020 BlackRock continued to liquidate the remaining assets within Portfolio A, with the exception of certain assets as noted below. From 15 October 2019 to 17 January 2020 BlackRock realised through the sale of assets in the Master Fund, £1,964 million, in which time Portfolio A gained 8.35% and outperformed the FTSE All-Share index by 1.22%. Post the period end date of 31 March 2020, BlackRock continued to liquidate the remaining assets within Portfolio A, such that by 14 August 2020 no assets remained in Portfolio A, other than Safe Harbour which is in wind-up and distributed the majority of its value, by way of a return of cash, in late September 2020. (Refer to Master Fund's financial statements, Note 19, Post Balance Sheet Events).

The liquidation of Portfolio B, which comprised the unquoted and certain of the less liquid quoted healthcare assets, was managed by LFSL with the assistance of PJT Partners (UK) Limited ('PJT'). In evaluating each opportunity for liquidity, it was apparent that to achieve an appropriate outcome for investors, a number of the healthcare assets (both unquoted and less liquid quoted assets) should be consolidated into the "Healthcare Portfolio". This approach then enabled an assessment to be made as to whether a risk diversified portfolio would achieve a more desirable outcome than an asset by asset sale. On 5 June 2020, LFSL announced the sale of up to 19 of the Fund's healthcare portfolio to Acacia Research Corporation for £223.9mn (refer to Note 19, Post Balance Sheet Events, Acacia Transaction, in the Master Fund's financial statements). Since taking over the direct management of Portfolio B, LFSL has engaged with each of the other investee companies whilst at the same time actively seeking, in conjunction with PJT, parties who may be interested in acquiring the shares in those companies. In addition to the transaction with Acacia (as noted above) a limited number of asset sales have been made. Subsequent to 31 March 2020, LFSL continues to pursue the sales of the remaining assets within Portfolio B. It is expected that some of these assets will not be realised until 2021.

For details of the movement in the Net Asset Value of the Master Fund from 3 June 2019, the date of suspension, until 1 September 2020, please refer to the Master Fund's financial statements, ACD's Report on page 3.

Further details of the key events relating to the Fund are set out in Important Information below:

MANAGER'S REPORT (continued)

for the period from 1 January 2019 to 31 March 2020

Important Information

The table below provides a summary of the key events that have taken place in the reporting period and in the period up to the publication date of this report. For full details of all these changes please refer to <https://equityincomefeeder.linkfundsolutions.ie>

Date	Event
4 June 2019	The Board of the ICAV suspended dealing in shares of the Fund with immediate effect. This followed the suspension in dealing in shares of the Master Fund in the best interests of investors.
17 June, 2 July, 31 July, 26 August 2019 and 27 September 2019	Link Fund Manager Solutions (Ireland) Limited ("LFMSI") reviewed, at least every 28 days, whether the Master Fund was recommencing dealing in the shares of the Master Fund. On each occasion when LFMSI concluded that it was not able to do so. Investors and the Central Bank were updated at each review point through a letter.
15 October 2019	The Fund was informed that the ACD of the Master Fund had made the decision not to re-open, and instead wind-up, the Master Fund. Subsequently, Woodford Investment Management Limited (investment manager to the Master Fund and ICAV) provided notice of their resignation as Investment Manager of the Fund and the ICAV, effective as at 14 January 2020. Following these events, it was determined by the Board of the ICAV in the interest of the investors to terminate the Fund. The investors were informed of this decision on 17 October 2019.
12 December 2019	The Master Fund was to be renamed as LF Equity Income Fund with immediate effect. As a result of this, the Board of the ICAV submitted an application to the Central Bank of Ireland to change the name of the ICAV and the Fund to Equity Income Fund (Ireland) ICAV and Equity Income Feeder Fund respectively.
20 December 2019 and 3 January 2020	Simon Dale and Vimal Patel resigned as directors of the ICAV, effective 20 December 2019 and 3 January 2020 respectively.
14 January 2020	Following the resignation of the Investment Manager of the ICAV, the Fund's expenses were no longer underwritten by the Investment Manager. LFMSI and the Board of the ICAV have continued to closely monitoring the costs and cash flows during the winding up of the Fund. The name of the ICAV was changed from Woodford Funds (Ireland) ICAV to Equity Income Fund (Ireland) ICAV. The name of the Fund was changed from Woodford Equity Income Feeder Fund to Equity Income Feeder Fund.

30 January 2020	<p>The Fund changed its indicative valuation frequency from daily to weekly.</p> <p>The first capital distributions from the Master Fund were received, subsequently, on 5 February 2020, the Fund made its first compulsory redemption of investor shares with a pay date of 10 February 2020. Approximately 65% of the fund's holdings as at 5 February 2020 were paid out to investors.</p>
25 March 2020	<p>The second capital distribution from the Master Fund was received and the Fund made its second compulsory redemption of investor shares with a pay date of 1 April 2020. Approximately 15% of the Fund's holdings as at 25 March 2020 were paid out to the investors.</p>
20 April 2020	<p>A derogation to extend the financial reporting period of the ICAV to 31 March 2020 was granted by the Central Bank of Ireland. The rationale for the extension of the financial year end was to align the financial period end of the Fund with the new financial period end of the Master Fund so that meaningful financial statements for the Fund could be prepared.</p>
30 July 2020	<p>The Board of the ICAV informed investors that it had changed the indicative valuation frequency of the Fund from weekly to monthly effective from 26 August 2020.</p> <p>The Board of the ICAV also advised investors of a delay to the filing the ICAV's financial statements for the period from 1 January 2019 to 31 March 2020 until 31 August 2020 as a result of a delay with the publication of the Master Fund's audited financial statements.</p>
31 August 2020	<p>The Board of the ICAV advised investors of a further delay to the filing the ICAV's financial statements for the period from 1 January 2019 to 31 March 2020 until 30 September 2020 as a result of a further delay in the publication of the Master Fund's audited financial statements.</p>
2 September 2020	<p>The third capital distribution from the Master Fund was received and the Fund subsequently made its third compulsory redemption with a pay date of 9 September 2020. Approximately 27% of the Fund's holdings as at 26 August 2020 were paid out to the investors.</p>
3 September 2020	<p>A derogation to change the financial reporting period for the semi-annual statements of the Fund to 30 September 2020 was applied for to the Central Bank of Ireland. The rationale for the change is to align the semi-annual reporting period end of the Fund with its new annual financial period end of 31 March 2020.</p>

The Table below, covering the period from 3 June 2019 until 1 September 2020, sets out the key movements in the NAV of the Fund.

Date	Event	Net Asset Value (NAV) £	Movement £	Description of the main causes of the movement in the Master Fund
4 June 2019	Fund Suspension	1,637,839		
15 October 2019	Resignation of Woodford Investment Management Limited.	1,399,858	(237,981)	The decline was due to a general downward movement in market value of the Master Fund and expenses.
5 February 2020	NAV pre first Compulsory Redemption	1,334,270	(65,588)	The decline was predominantly due to a general downward movement in the market value of the Master Fund and expenses.
10 February 2020	First Compulsory Redemption	455,505	(878,765)	£869,985 payment to investors and FX movements.
25 March 2020	NAV pre second Compulsory Redemption	409,564	(45,941)	The decline was predominantly due to a general downward movement in the market value of the Master Fund and expenses.
1 April 2020	Second Compulsory Redemption	347,512	(62,052)	£63,530 payment to investors and FX movements.
26 August 2020	NAV pre third Compulsory Redemption	270,994	(76,518)	The decline was predominantly due to a general downward movement in the market value of the Master Fund
7 September 2020	Third Compulsory Redemption	189,097	(112,579)	£73,146 payment to investors and expenses

MANAGER'S REPORT (continued)

Link Fund Manager Solutions (Ireland) Limited
8 October 2020

DIRECTORS' REPORT

The Directors present their Report and Audited Financial Statements of the Equity Income Fund (Ireland) ICAV (formerly Woodford Funds (Ireland) ICAV) (the "ICAV") for the financial period ended 31 March 2020.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

The Irish Collective Asset-management Vehicles Act, 2015 (the "ICAV Act") requires the Directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and applicable law.

The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the ICAV at the end of the financial period and of the profit or loss of the ICAV for the financial period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICAV will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the ICAV and enable them to ensure that the financial statements comply with the ICAV Act and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the ICAV. In this regard they have entrusted the assets of the ICAV to a depositary for safe-keeping. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the ICAV Act.

The Directors are responsible for the maintenance and integrity of the financial statements of the ICAV included on the Manager's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PRINCIPAL ACTIVITIES

Equity Income Fund (Ireland) ICAV has been approved by the Central Bank of Ireland as an Irish Collective Asset-Management Vehicle established under the laws of Ireland pursuant to the ICAV Act.

The Manager's Report contains a review of the factors which contributed to the performance for the financial period under review. Please see the Manager's Report for further details. The Directors do not anticipate any changes in the structure or investment objective.

DIRECTORS' REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The Equity Income Feeder Fund (formerly Woodford Equity Income Feeder Fund) (the "Fund") aim is to invest substantially all of its assets in LF Equity Income Fund (formerly LF Woodford Equity Income Fund) (the "Master Fund"). For a detailed description of the financial instruments and associated risks of an investment in the Master Fund, please refer to the audited financial statements of LF Equity Income Fund.

SIGNIFICANT EVENTS DURING THE PERIOD

Following the suspension in dealing in shares of LF Woodford Equity Income Fund (the "Master Fund") on 3 June 2019 and in the best interests of shareholders, the Board of the ICAV suspended dealing in shares of Woodford Equity Income Feeder Fund (the "Fund") on 4 June 2019 with immediate effect.

On 15 October 2019, the Fund was informed that the Master Fund had made the decision not to re-open and instead wind-up the Master Fund. Subsequently Woodford Investment Management Limited provided notice that they would resign as Investment Manager of the Fund and the ICAV, effective as at 14 January 2020. Following these events, it was determined that the best and only practical action to take in the interest of Shareholders would be to terminate the Fund in the most efficient way possible. The Shareholders were informed of this decision on 17 October 2019.

Simon Dale and Vimal Patel resigned as directors of the ICAV, effective 20 December 2019 and 3 January 2020 respectively.

On 12 December 2019, the Master Fund was renamed as LF Equity Income Fund with immediate effect. As a result of this, and to reflect the renaming of the Master Fund the board of the ICAV submitted an application to the Central Bank to change the name of the ICAV and the Fund to Equity Income Fund (Ireland) ICAV and Equity Income Feeder Fund respectively.

On 14 January 2020, following the resignation of Woodford Investment Management ("WIM") as investment manager of the ICAV, the Fund's expenses were no longer underwritten by WIM. At this time the Manager, the Administrator and the Depository agreed to waive all future fees. Link Fund Manager Services (Ireland) Limited (the "Manager") and the Board of the ICAV are closely monitoring the costs and cash flows during the winding up of the Fund.

On 14 January 2020 the name of the ICAV was changed from Woodford Funds (Ireland) ICAV to Equity Income Fund (Ireland) ICAV and the name of the Fund was changed from Woodford Equity Income Feeder Fund to Equity Income Feeder Fund.

On 30 January 2020 the Fund changed its valuation frequency from daily to weekly.

On 30 January 2020 the first capital distributions from the Master Fund was received and the Fund made its first compulsory redemption with a pay date of 10 February 2020. Approximately 65% of the fund's holdings were paid out to shareholders.

On 25 March 2020, the second capital distribution from the Master Fund was received and the Fund made its second compulsory redemption with a pay date of 1 April 2020. Approximately 15% of the Funds holdings were paid out to the Shareholders.

As a result of the Directors of the ICAV's decision to terminate the Fund, the financial statements have been prepared on a non-going concern basis.

DIRECTORS' REPORT (continued)

SIGNIFICANT EVENTS DURING THE PERIOD (continued)

The COVID-19 outbreak which was declared by the World Health Organisation as a pandemic event on 11 March 2020 has resulted in increased volatility and uncertainty in the global financial markets.

The Board has also noted the operational risks that are posed to the Fund and its service providers due to global and local movement restrictions that have been enacted by various governments. COVID-19 pandemic is an unprecedented event and the eventual impact on the global economy and markets will largely depend on the scale and duration of the outbreak. The Board will continue to monitor the situation. The financial impact on this entity is not possible to estimate at this time.

There were no other significant events during the financial period ended 31 March 2020.

SUBSEQUENT EVENTS

As the Master Fund had extended its reporting period and to align the financial period of the Fund with the new financial period of the Master Fund, so that meaningful financial statements for the Fund can be prepared, on 20 April 2020 a derogation to extend the financial reporting period to 31 March 2020 was applied for to and approved by the Central Bank.

Following notification that the financial statements for the Master Fund would be delayed, on 17 July 2020 a derogation to notify the Central Bank of the late filing of the Fund's financial statements was successfully made to the Central Bank. Subsequently the ACD informed LFMSI the publication of financial statements for the Master Fund were further delayed until 30 September 2020. As a result, the ICAV were unable to sign off on its own financial statements until the Master Fund's audited financial statements were available and so the ICAV's financial statements for the period from 1 January 2019 to 31 March 2020 could not be published until 30 September 2020 or shortly thereafter.

To align the semi-annual reporting period end of the Fund with its new annual financial period end of 31 March, on 2 September 2020 a derogation to change the financial reporting period for the semi-annual statements of the Fund to 30 September 2020 was successfully applied for to the Central Bank.

On 2 September 2020, the third capital distribution from the Master Fund was received and the Fund made its third compulsory redemption with a pay date of 9 April 2020. Approximately 27% of the Fund's holdings were paid out to the Shareholders.

There have been no other events, subsequent to the period end, which, in the opinion of the Directors of the ICAV may have an impact on the financial statements for the financial period ended 31 March 2020.

DIVIDENDS

Accumulating Share Classes

In the case of Accumulating Share Classes, all net income and net realised and unrealised gains (i.e. realised and unrealised capital gains net of all realised and unrealised losses) less accrued expenses of the Fund attributable to the relevant Class is accumulated and reflected in the Net Asset Value per share.

DIRECTORS' REPORT (continued)

DIVIDENDS (continued)

Income Share Classes

On 14 February 2020 income distributions were declared on the Fund with a pay date of 28 February 2020. The board of the ICAV decided these quarterly distribution payments to Income Share Classes would cease going forward and any such payment would be made to these Share Classes via capital distribution declared by the board of the ICAV for all Share Classes.

DIRECTORS AND SECRETARY

The Directors and ICAV Secretary who held office during the financial period under review are disclosed under Management and Administration.

DIRECTORS' INTERESTS IN SHARES AND CONTRACTS

None of the Directors who held office at the financial period end has or had any direct interest in the shares of the ICAV or in any transaction effected by the ICAV which is unusual in its nature or conditions or is significant to the business of the ICAV.

TRANSACTIONS INVOLVING DIRECTORS

There are no contracts or arrangements of any significance in relation to the business of the ICAV in which the Directors or Company Secretary had any interest as defined in the ICAV Act, at any time during the financial period.

TRANSACTIONS WITH CONNECTED PERSONS

The Central Bank UCITS Regulations require that any transaction carried out with a UCITS by a management company or depositary to the UCITS, the delegates or sub-delegates of a management company or depositary, and any associated or group company of such a management company, depositary, delegate or sub-delegate ("connected persons") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the Shareholders.

The Directors are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 43(1) of the Central Bank UCITS

Regulations are applied to all transactions with connected persons, and we are satisfied that transactions with connected persons entered into during the financial period complied with the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations.

The connected persons are the Investment Manager, and the Depositary. The relevant fees charged by these connected persons are detailed in Note 5.

DIRECTORS' REPORT (continued)

TRANSACTIONS WITH CONNECTED PERSONS (continued)

ACCOUNTING RECORDS

The Directors are responsible for ensuring that accounting records as outlined in Section 110 of the ICAV Act, 2015, are kept by Equity Income Fund (Ireland) ICAV. To achieve this, the Directors have employed Northern Trust International Fund Administration Services (Ireland) Limited as the ICAV's Administrator.

AUDITORS

In accordance with Section 125 (2) of the ICAV Act 2015, Grant Thornton, Chartered Accountants and Registered Auditors, have expressed their willingness to continue in office as the ICAV's auditor. CORPORATE GOVERNANCE

Irish Funds, the association for the funds industry in Ireland, has published a corporate Governance Code ("the Code") that may be adopted on a voluntary basis by Irish authorised collective investment schemes. The Board of Directors has adopted the Code, and the ICAV was in compliance with all elements of the Code during the last financial period.

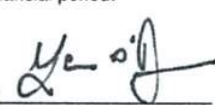
On Behalf of the Board of Directors

Director



Gary Palmer

Director



Kevin O'Brien

8 October 2020

DEPOSITARY REPORT TO SHAREHOLDERS

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to Equity Income Fund (Ireland) ICAV (formerly Woodford Funds (Ireland) ICAV) (the "ICAV") provide this report solely in favour of the Shareholders of the ICAV for the period from 01 January 2019 to 31 March 2020 ("the Accounting Period"). This report is provided in accordance with the UCITS Regulations European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (SI No 352 of 2011), as amended, which implemented Directive 2009/65/EU into Irish Law (the "Regulations"). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation as provided for under the Regulations, we have enquired into the conduct of the ICAV for the Accounting Period and we hereby report thereon to the Shareholders of the ICAV as follows;

We are of the opinion that the ICAV has been managed during the Accounting Period, in all material respects:

- i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the constitutional documents and by the Regulations; and
- ii) otherwise in accordance with the provisions of the constitutional documents and the Regulations.



For and on behalf of

Northern Trust Fiduciary Services (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
D02 R156
Ireland

8 October 2020



Independent auditor's report to the shareholders of Equity Income Fund (Ireland) ICAV (formerly Woodford Funds (Ireland) ICAV

Opinion

We have audited the financial statements of Equity Income Fund (Ireland) ICAV (or the "ICAV") (formerly Woodford Funds (Ireland) ICAV) which comprise the Schedule of investments, the Statement of comprehensive income, the Statement of financial position, the Statement of changes in net assets attributable to holders of redeemable participating shares and the Statement of cashflows for the financial period from 1 January 2019 to 31 March 2020, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the ICAV's financial statements:

- give a true and fair view in accordance with IFRS as adopted by the European Union of the assets, liabilities and financial position of the ICAV as at 31 March 2020 and of its financial performance and cash flows for the financial period then ended; and
- have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Act 2015 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (or "ISAs (Ireland)") and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the ICAV in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Independent auditor's report to the shareholders of Equity Income Fund (Ireland) ICAV (formerly Woodford Funds (Ireland) ICAV

Conclusions relating to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the presentation of the financial statements on a non-going concern basis, the adjustments arising from this presentation, and the adequacy of the disclosures made in the Directors' report and Note 2 to the financial statements. Non-going concern basis has been adopted as the directors have decided to compulsorily redeem the shares to the shareholders of the ICAV post resignation of the Investment Manager, Woodford Investment Management effective 14 January 2020. It is therefore appropriate to prepare these financial statements on a non-going concern basis of accounting. Adjustments have been made in these financial statements to reduce assets to their realisable values and to provide for liabilities arising from the decision.

Other information

Other information comprises information included in the annual report, including Background to the ICAV, Investment manager's report, Directors' report, Annual depositary report to shareholders, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement section of the Directors' report, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS as adopted by the European Union, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ICAV's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the ICAV or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the ICAV's financial reporting process.



Independent auditor's report to the shareholders of Equity Income Fund (Ireland) ICAV (formerly Woodford Funds (Ireland) ICAV

Responsibilities of the auditor for the audit of the financial statements

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. The auditor will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ICAV's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ICAV's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the ICAV to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.



Independent auditor's report to the shareholders of Equity Income Fund (Ireland) ICAV (formerly Woodford Funds (Ireland) ICAV

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the ICAV's shareholders, as a body, in accordance with section 120 of the Irish Collective Asset-management Vehicles Act 2015. Our audit work has been undertaken so that we might state to the ICAV's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the ICAV and the ICAV's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read "Niamh Meenan".

Niamh Meenan

for and on behalf of Grant Thornton
Chartered Accountants & Statutory Audit Firm
13-18 City Quay
Dublin 2
D02 ED70
Ireland

Date: 8 October 2020

EQUITY INCOME FEEDER FUND
A Sub-Fund of Equity Income Fund (Ireland) ICAV

SCHEDULE OF INVESTMENTS
AS AT 31 March 2020

Financial assets at fair value through profit or loss

Investment Funds	Currency	Nominal holdings	Fair value GBP	% of NAV
LF Equity Income Fund (31.12.2018: 97.38%)*	GBP	2,032,904	208,576	66.08
Total investment funds			208,576	66.08

	Fair value GBP	% of NAV
Total financial assets at fair value profit or loss (31.12.2018: 97.30%)	208,576	66.08
Total value of investments	208,576	66.08
Cash	202,977	64.31
Other net liabilities	(95,924)	(30.39)
Total net assets attributable to holders of redeemable participating shares	315,629	100.00

Analysis of portfolio of LF Equity Income Fund ("Master Fund")**	% of Total assets
Transferable securities and money market instruments admitted to an official stock exchange listing or traded on a regular market	66.08
OTC financial derivative instruments	-
Other assets	33.92
	100.00

* Equity Income Feeder Fund invests in the Class F Sterling Accumulating Shares of the LF Equity Income Fund ("Master Fund")

** Calculation based on the total assets of the Fund (excluding liabilities). This summary is a UCITS requirement.

EQUITY INCOME FEEDER FUND
A Sub-Fund of Equity Income Fund (Ireland) ICAV

SCHEDULE OF PORTFOLIO CHANGES (unaudited)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

Sales		Proceeds
Holding	Description	GBP
1,357,068	LF Equity Income Fund	1,179,036
Purchases		Cost
Holding	Description	GBP
99,884	LF Equity Income Fund	86,150

EQUITY INCOME FEEDER FUND
A Sub-Fund of Equity Income Fund (Ireland) ICAV

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

		Equity Income Feeder Fund*	Woodford Equity Income Feeder Fund
		Period ended	Year ended
		31 March 2020**	31 December 2018
	Notes	GBP	GBP
Investment income			
Net loss on financial assets and liabilities at fair value through profit or loss	2 b), 4	(487,039)	(7,082,449)
Total investment loss		<u>(487,039)</u>	<u>(7,082,449)</u>
Expenses			
Management rebates	5	183,058	21,362
Administration fees	5	(163)	(1,439)
Depositary fees	5	(163)	(2,783)
Directors' fees	5	(52,685)	(40,249)
Audit fees		(14,484)	(10,094)
General expenses	6	(157,241)	(82,063)
Total expenses		<u>(41,678)</u>	<u>(115,266)</u>
Net loss before finance costs		(528,717)	(7,197,715)
Finance costs			
Bank interest expense	2 e)	(40)	(81)
Distributions	12	(40,379)	(492,349)
Total finance costs		<u>(40,419)</u>	<u>(492,430)</u>
Decrease in net assets for the financial period/year from operations attributable to holders of redeemable participating shares		<u>(569,136)</u>	<u>(7,690,145)</u>

*Formerly Woodford Equity Income Feeder Fund

**15 month period ended 31 March 2020

The accompanying notes form an integral part of these Financial Statements.

EQUITY INCOME FEEDER FUND
A Sub-Fund of Equity Income Fund (Ireland) ICAV

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

		Equity Income Feeder Fund*	Woodford Equity Income Feeder Fund
		As at	As at
	Notes	31 March 2020** GBP	31 December 2018 GBP
Assets			
Financial assets at fair value through profit or loss			
- Investment in the Master Fund	2, 14	208,576	2,808,084
- Financial derivative instruments	2	-	51
Cash and cash equivalents	8	202,977	117,027
Management fee rebate receivable	5	24,892	7,647
Total assets		<u>436,445</u>	<u>2,932,809</u>
Liabilities			
Financial liabilities at fair value through profit or loss			
- Financial derivatives instruments	2	-	(2,279)
Administration fee payable	5	(42)	(55)
Audit fee payable		(14,253)	(9,890)
Securities purchased payable	2	-	(19,406)
Redemptions payable		(62,647)	-
Other payables	7	<u>(43,874)</u>	<u>(17,636)</u>
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)		<u>(120,816)</u>	<u>(49,266)</u>
Net assets attributable to holders of redeemable participating shares		<u>315,629</u>	<u>2,883,543</u>

*Formerly Woodford Equity Income Feeder Fund

**15 month period ended 31 March 2020

The accompanying notes form an integral part of these Financial Statements.

EQUITY INCOME FEEDER FUND
A Sub-Fund of Equity Income Fund (Ireland) ICAV

STATEMENT OF FINANCIAL POSITION (continued)
AS AT 31 MARCH 2020

	Equity Income Feeder Fund*	Woodford Equity Income Feeder Fund
	As at 31 March 2020**	As at 31 December 2018
Shares in issue (Note 10)		
Class A Acc EUR - Hedged	30	100
Class A Acc GBP - Unhedged	55,746	190,773
Class A Acc USD - Unhedged	8,215	223,183
Class A Inc GBP - Unhedged	45,797	156,707
Class C Acc EUR - Unhedged	-	1
Class C Acc GBP - Unhedged	134,515	460,240
Class C Acc USD - Unhedged	295,299	1,031,381
Class C Inc EUR - Unhedged	1,953	46,530
Class C Inc GBP - Unhedged	143,346	1,255,281
Class C Inc USD - Hedged	23,716	376,007
Class C Inc USD - Unhedged	19,004	62,542
Class X Acc GBP - Unhedged	-	82,026
Class X Inc GBP - Unhedged	-	9,796
NAV per share (Note 11)		
Class A Acc EUR - Hedged	EUR 0.4877	EUR 0.8327
Class A Acc GBP - Unhedged	GBP 0.5108	GBP 0.8579
Class A Acc USD - Unhedged	USD 0.4878	USD 0.8803
Class A Inc GBP - Unhedged	GBP 0.4289	GBP 0.7781
Class C Acc EUR - Unhedged	-	EUR 0.8500
Class C Acc GBP - Unhedged	GBP 0.4991	GBP 0.8364
Class C Acc USD - Unhedged	USD 0.4796	USD 0.8633
Class C Inc EUR - Unhedged	EUR 0.4084	EUR 0.7495
Class C Inc GBP - Unhedged	GBP 0.4306	GBP 0.7794
Class C Inc USD - Hedged	USD 0.4541	USD 0.8021
Class C Inc USD - Unhedged	USD 0.4303	USD 0.8365
Class X Acc GBP - Unhedged	-	GBP 0.8222
Class X Inc GBP - Unhedged	-	GBP 0.7519

*Formerly Woodford Equity Income Feeder Fund

**15 month period ended 31 March 2020

The accompanying notes form an integral part of these Financial Statements.

EQUITY INCOME FEEDER FUND
A Sub-Fund of Equity Income Fund (Ireland) ICAV

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF
REDEEMABLE PARTICIPATING SHARES
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

	Equity Income Feeder Fund*	Woodford Equity Income Feeder Fund
	Period ended	Year ended
	31 March 2020**	31 December 2018
	GBP	GBP
Net assets attributable to holders of redeemable participating shares at the beginning of the period/year	2,883,543	65,219,498
Decrease in net assets for the period/year from operations attributable to holders of redeemable participating shares	(569,136)	(7,690,145)
Issue of redeemable participating shares for the period/year***	10 18,198	1,017,660
Redemption of redeemable participating shares for the period/year***	10 (2,016,976)	(55,663,470)
Net assets attributable to holders of redeemable participating shares at the end of the period/year	<u>315,629</u>	<u>2,883,543</u>

*Formerly Woodford Equity Income Feeder Fund

**15 month period ended 31 March 2020

***A suspension of the issue, cancellation, sale and redemption of Shares in the Fund was put in place as of 4 June 2019 until further notice.

The accompanying notes form an integral part of these Financial Statements.

EQUITY INCOME FEEDER FUND
A Sub-Fund of Equity Income Fund (Ireland) ICAV

STATEMENT OF CASHFLOWS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

	Equity Income Feeder Fund*	Woodford Equity Income Feeder Fund
	Period ended	Year ended
	31 March 2020**	31 December 2018
	GBP	GBP
Cash flows from operating activities		
Decrease in net assets for the period/year from operations attributable to holders of redeemable participating shares	(569,136)	(7,690,145)
Net gains on financial assets and liabilities at fair value through profit or loss	481,163	7,082,449
Net losses on forward foreign currency contracts and currencies	(2,227)	(1,499,040)
(Increase) in receivables	(17,245)	(7,647)
Increase/(decrease) in payables	30,588	(30,380)
Purchase of financial assets	(86,150)	(1,161,364)
Proceeds from sale of financial assets	2,185,087	58,011,181
Net cash inflow from operating activities	<u>2,022,080</u>	<u>54,705,054</u>
Cash flow from financial activities		
Proceeds from redeemable participating shares issued during the period/year	18,198	1,017,660
Payments for redeemable participating shares redeemed during the period/year	<u>(1,954,328)</u>	<u>(55,663,470)</u>
Net cash outflow from financing activities	<u>(1,936,130)</u>	<u>(54,645,810)</u>
Net change in cash and cash equivalents	85,950	59,244
Cash and cash equivalents at the beginning of the period/year	<u>117,027</u>	<u>57,783</u>
Cash and cash equivalents at the end of the period/year	<u><u>202,977</u></u>	<u><u>117,027</u></u>

*Formerly Woodford Equity Income Feeder Fund

**15 month period ended 31 March 2020

The accompanying notes form an integral part of these Financial Statements.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

1. ORGANISATION AND STRUCTURE

Equity Income Fund (Ireland) ICAV (formerly Woodford Funds (Ireland) ICAV) (the "ICAV") is an open-ended umbrella type Irish Collective Asset-management Vehicle with limited liability and segregated liability between funds, registered with and authorised by the Central Bank of Ireland (the "Central Bank") to carry on business as an ICAV pursuant to part 2 of the Irish Collective Asset-management Vehicles Act, 2015 (the "ICAV Act"). The ICAV is authorised by the Central Bank and pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 ("the Central Bank UCITS Regulations").

The ICAV was registered in Ireland on 18 July 2016 and was authorised by the Central Bank on 23 September 2016 as an umbrella fund with segregated liability between funds.

The ICAV is structured as an umbrella type vehicle which may consist of different funds, each comprising one or more Classes. As at 31 March 2020, the ICAV has one fund namely the Equity Income Feeder Fund (formerly Woodford Equity Income Feeder Fund) (the "Fund").

As at 31 March 2020, the Fund holds an investment of GBP 208,576 (31 December 2018: GBP 2,808,084) in LF Equity Income Fund (formerly LF Woodford Equity Income Fund) (the "Master Fund") which represents 66.08% (31 December 2018: 97.38%) of the Fund's net assets.

The investment objective of the Fund was to invest at least 85% of its net assets in the LF Equity Income Fund. The Master Fund is a sub-fund of the LF Investment Fund (formerly LF Woodford Investment Fund) which is an open-ended umbrella type investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC001010 and which is authorised by the UK's Financial Conduct Authority as a UCITS.

The Master Fund is in the process of winding up. As a result, it was determined by the Board of the ICAV and the Manager of the ICAV that it would be in the best interest of the Shareholders to terminate the Fund.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

1. ORGANISATION AND STRUCTURE (continued)

Save as otherwise provided hereinafter, it is not intended that the Fund will make any direct investments and it is the intention that 100% of all monies received by the Fund will be invested in the Master Fund other than retaining a limited reserve of cash sufficient to cover the various fees and expenses payable by the Fund. Dealing in the Master Fund was suspended on 3 June 2019 and continued the suspension for the remainder of the period. Due to the suspension in the Master Fund, the Fund suspended the issue, cancellation, sale, redemption and transfer of shares in the Fund. Subsequent to this, a decision was made by the Masters Fund's Authorised Corporate Director to remove Woodford Investment Management as investment manager for the Master Fund and to wind up the Master Fund. The Fund and Link Fund Manager Solutions (Ireland) Limited (the "Manager") subsequently received notice from Woodford Investment Management Ltd of its intention to resign as investment manager to the Fund and the ICAV. As a result of this, the decision was made to compulsorily redeem the shares of the shareholders of Fund. On receipt of payment from the Master Fund, the Fund has commenced a series of partial compulsory redemptions.

As the Master Fund had extended its reporting period and to align the financial period of the Fund with the new financial period of the Master Fund, so that meaningful financial statements for the Fund can be prepared, on 20 April 2020 a derogation to extend the financial reporting period to 31 March 2020 was successfully applied for to, and approved by, the Central Bank.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements of the ICAV are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB"), and with the requirements of the ICAV Act. In light of the decision to liquidate the Fund, the assessment of going concern does not apply and the Fund's financial statements are presented on a liquidation basis in accordance with IFRS. The financial statements have been prepared on a non-going concern basis. Under the termination basis of accounting, assets are at realisable value and liabilities at settlement value. The liquidation basis requires the estimate of the amounts the Fund will ultimately receive for assets and the likely settlement amount the Fund will incur for liabilities (including liquidation costs). Actual amounts may differ from estimate.

The preparation of financial statements in conformity with IFRS requires the use of certain critical estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results ultimately may differ from those estimates.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Basis of preparation (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

All references to net assets throughout this document refer to Net Assets Attributable to Holders of Redeemable Participating Shares, unless otherwise stated.

The financial statements are prepared in Sterling ("GBP") and rounded to the nearest GBP.

ACCOUNTING STANDARDS

The following new and revised Standards and Interpretations have been adopted in the current period. Their adoption has not had any significant impact on the amounts reported in these financial statements.

IFRIC 23 'Uncertainty over Income Tax Treatments' ("IFRIC 23") is effective for annual reporting periods beginning on or after 1 January 2019 and aims to clarify how to reflect uncertainty in the recognition and measurement of income taxes under IAS 12. An assessment has been carried out and the new standard does not have a significant impact on the Company's financial position, performance or disclosures in its financial statements.

Standards, Amendments and Interpretations in issue that are not yet effective and have not been early adopted by the ICAV:

Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of "material" across the standards and to clarify certain aspects of the definition. The new definition states that: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". The amendments must be applied prospectively for annual periods beginning on or after 1 January 2020 with earlier application permitted. The amendments are not expected to have a significant impact on the ICAV's financial statements.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

ACCOUNTING STANDARDS (continued)

Amendments to IFRS 3: Definition of a Business

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments. The amendments must be applied prospectively for annual periods beginning on or after 1 January 2020 with earlier application permitted. The amendments are not expected to have a significant impact on the ICAV's financial statements.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that is expected to have a significant impact on the ICAV.

b) Investments

(i) Classification and Recognition

The ICAV classifies its investments in the Master Fund as financial assets or financial liabilities designated at fair value through profit or loss at inception.

The ICAV recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Financial assets that are classified at amortised cost include cash, securities sold receivable and other assets. Financial liabilities that are not recognised at fair value through profit or loss include securities purchased payable and accounts payable.

(ii) Impairment of financial assets

IFRS 9 requires the Fund to record Expected Credit Losses ("ECLs") on all loans and trade receivables, either on a 12 month or lifetime basis. Given the limited exposure of the Fund to credit risk, this amendment has not had a material impact on the financial statements. The Fund only holds receivables with no financing component and which have maturities of less than 12 months at amortised cost and therefore has adopted an approach similar to the simplified approach to ECLs.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Investments (continued)

(iii) Measurement

Financial instruments are measured initially at fair value as determined by their transaction price. Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. The fair value of the Fund's investment in the LF Equity Investment Fund is based on the Net Asset Value per share obtained from the Master Fund's administrator. The Master Fund is an investment company with variable capital incorporated under the Open-Ended Investment Company ("OEIC") Regulations and is regulated in England and Wales.

LF Equity Investment Fund is an umbrella company authorised as a UCITS Scheme for the purpose of the Collective Investment Schemes Sourcebook ("COLL") and consists of one sub-fund. The Master Fund was authorised by an order made by the Financial Conduct Authority with effect from 7 May 2014. The operation of the Master Fund is governed by the OEIC Regulations, the Instrument of Incorporation and its Prospectus. The Fund invests primarily in the Master Fund.

Financial instruments at fair value through profit or loss are measured initially at fair value. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

(iv) Recognition and Derecognition

The ICAV recognises financial assets and financial liabilities when all significant rights and access to the benefits from the assets and the exposure to the risks inherent in those benefits are transferred to the Fund. The Fund derecognises financial assets and financial liabilities when all such benefits and risks are transferred from the Fund.

v) Net gain/(loss) on financial assets and liabilities at fair value through profit or loss

Net gain/(loss) on financial assets and liabilities at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences but excludes interest and dividend income. The ICAV uses the first in-first out ("FIFO") method to determine realised gains and losses on derecognition.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Investments (continued)

(vi) Forward foreign currency contracts

The unrealised gain or loss on open forward foreign currency contracts, if any, is calculated as the difference between the original contracted rate and the rate to close out the contract at that point in time. Realised gains or losses include net gains on contracts which have been settled or offset by other contracts. The ICAV recognises a realised gain or loss in the Statement of Comprehensive Income when the contract is closed.

(vii) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or liability is recognised initially, an entity shall measure it at its fair value through profit or loss plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. For the financial period ended transaction costs incurred were immediately recognised in the Statement of Comprehensive Income as an expense.

c) Cash and cash equivalents

Cash and cash equivalents includes cash in bank and other short-term investments in an active market with original maturities of three months or less.

d) Foreign exchange

The functional and presentation currency of the Fund is GBP. Monetary assets and liabilities denominated in currencies other than GBP are translated into GBP at the closing rates of exchange at each financial period end. Transactions during the financial period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency gains and losses are included in realised and unrealised gain and loss on investments, in the Statement of Comprehensive Income.

e) Income and expenses

Interest income and expense on cash is accounted for using the effective interest method.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Distributions

It was the intention of the Directors to make a quarterly distribution to Shareholders, comprised of a quarterly dividend calculated as at the last Business Day of March, June, September, December and March respectively on all Income Share Classes.

After 14 February 2020 the board of the ICAV decided these quarterly distribution payments to Income Share Classes would cease going forward and any such payment would be made to these Share Classes via capital distribution payments declared by the board of the ICAV for all Share Classes.

The Directors intend to operate equalisation in relation to both Accumulating and Income Share classes. Shareholders, who have purchased either Accumulating or Income Share Classes during a distribution period, being each quarter, will be entitled to benefit from two amounts:

- Income which has accrued from the date of purchase, and
- Capital which represents the return of the equalisation element.

g) Receivables

Receivables are assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognised initially at amortised cost plus transaction costs that are directly attributable to their acquisition. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

h) Redeemable participating shares

The Fund has thirteen classes of redeemable participating shares in issue, which are redeemable at the holder's option and do not have identical features. Such shares are classified as financial liabilities. Redeemable participating shares can be put back into the Fund at any dealing date for cash equal to a proportionate share of the Fund's Net Asset Value attributable to the Share Class.

The redeemable participating shares are carried at the redemption amount that is payable at the Statement of Financial Position date if the holder exercises the right to put the share back to the Fund. Redeemable participating shares are issued and redeemed at the holder's option at prices based on the Fund's Net Asset Value per share at the time of issue or redemption. The Fund's Net Asset Value per share is calculated by dividing the net assets attributable to the holders of each class of redeemable participating shares with the total number of outstanding redeemable participating shares for each respective class.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

3. TAXATION

IFRIC Interpretation 23, Uncertainty over Income Tax Treatment clarifies the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 in the Company's financial statements.

Management evaluates such tax positions to determine whether, for all tax years still subject to assessment or challenge by the relevant taxation authorities, the tax positions are probable to be accepted on examination by the relevant tax authorities.

If it is probable that the Fund's tax positions are accepted the taxable profit (tax loss) should be consistent with the Fund's tax filings. If not probable the Fund must reflect the effect of the uncertainty in determining its taxable profit (tax loss). The effect of the uncertain tax treatment is determined by applying the expected value method or by applying the most likely method.

Management has analysed the Fund's tax positions, and has concluded that no liability for unrecognised tax benefits should be recorded related to uncertain tax positions for the period ended 31 March 2020.

Currently, the only taxes recorded; if any, by the Fund on its income are withholding taxes applicable to certain income. For the period ended 31 March 2020, no other income tax liability or expense has been recorded in the accompanying financial statements.

Under current Irish law and practice, the ICAV qualifies as an investment undertaking for the purposes of Section 739B of the Taxes Consolidation Act, 1997, as amended ("TCA") so long as the ICAV is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its income and gains.

Irish tax can arise on the happening of a "chargeable event" in the ICAV. A chargeable event includes any payments of distributions to Shareholders, any encashment, repurchase, redemption, cancellation or transfer of Shares and any deemed disposal of Shares for Irish tax purposes arising as a result of holding Shares in the ICAV for a period of eight years or more. Where a chargeable event occurs, the ICAV is required to account for the Irish tax thereon.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

3. TAXATION (continued)

No Irish tax will arise in respect of a chargeable event where:

- the Shareholder is neither resident nor ordinarily resident in Ireland ("Non-Irish Resident") and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the ICAV is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or
- the Shareholder is Non-Irish Resident and has confirmed that to the ICAV and the ICAV is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn; or
- the Shareholder is an exempt Irish tax resident.

In the absence of a signed and completed declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the ICAV at the relevant time there is a presumption that the Shareholder is resident or ordinarily resident in Ireland or is not an exempt Irish tax resident and a charge to tax arises.

A chargeable event does not include:

- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- a transfer of Shares between spouses/civil partners and any transfer of Shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate; or
- an exchange by a Shareholder, effected by way of arm's length bargain where no payment is made to the Shareholder, of Shares in the ICAV for other Shares in the ICAV; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the ICAV with another investment undertaking.

Capital gains, dividends and interest which the ICAV receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located and such taxes may not be recoverable by the ICAV and its Shareholders.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

4. NET GAINS AND LOSSES ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Equity Income Feeder Fund*	Woodford Equity Income Feeder Fund
	Period ended	Year ended
	31 March 2020**	31 December 2018
	GBP	GBP
Net realised gain/(loss) from:		
- Investments gain	35,841	80,498
- Investments loss	(221,934)	(4,871,149)
- Currencies gain	11,192	1,167,661
- Currencies loss	(19,301)	(2,666,696)
	<u>(194,202)</u>	<u>(6,289,686)</u>

	Equity Income Feeder Fund*	Woodford Equity Income Feeder Fund
	Period ended	Year ended
	31 March 2020**	31 December 2018
	GBP	GBP
Movement in net unrealised gain/(loss)from:		
- Investments loss	(295,070)	(1,193,369)
- Currencies gain/(loss)	6	(6)
- Forward currency contracts gain	3,659	400,810
- Forward currency contract loss	(1,432)	(198)
	<u>(292,837)</u>	<u>(792,763)</u>

	Equity Income Feeder Fund*	Woodford Equity Income Feeder Fund
	Period ended	Year ended
	31 March 2020**	31 December 2018
	GBP	GBP
Net realised loss on investments	(186,093)	(4,790,651)
Movement in net unrealised loss on investments	(295,070)	(1,193,369)
Net currency loss	(5,876)	(1,098,429)
	<u>(487,039)</u>	<u>(7,082,449)</u>

* Formerly Woodford Equity Income Feeder Fund

** 15 month period ended 31 March 2020

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Funds (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

5. FEES AND EXPENSES

As stated in the Fund's Prospectus, the Fund's expenses were capped by Woodford Investment Management. The cap for each of the Fund's classes was set at the management fee percentage rate for each class. The caps were calculated daily using assets after capital change. On 14 January 2020, following the resignation of Woodford Investment Management as investment manager of the ICAV, the Fund's expenses were no longer underwritten by Woodford Investment Management as the cap on fees ceased to apply from that date.

Establishment Expenses

All fees and expenses relating to the establishment and organisation of the ICAV and the Fund including the fees of the ICAV's professional advisers were borne by the Investment Manager in its capacity as promoter of the ICAV.

Effective from 31 October 2019, Link Fund Manager Solutions (Ireland) Limited (the "Manager"), Link Fund Administration (Ireland) Limited (the "Company Secretary"), Northern Trust International Fund Administration Services (Ireland) Limited (the "Administrator") and Northern Trust Fiduciary Services (Ireland) Limited (the "Depository") all waived any fees payable to them by the ICAV.

Annual Management Fees

The Fund is charged an Annual Management Fee in respect of each Class at the following percentage rate per annum of the Net Asset Value of the Fund:

Class A Acc EUR – Hedged	1.05%
Class A Acc GBP – Unhedged	1.00%
Class A Acc USD – Unhedged	1.00%
Class A Inc GBP – Unhedged	1.00%
Class C Acc EUR – Unhedged	0.75%
Class C Acc GBP – Unhedged	0.75%
Class C Acc USD – Unhedged	0.75%
Class C Inc EUR – Unhedged	0.75%
Class C Inc GBP – Unhedged	0.75%
Class C Inc USD – Hedged	0.80%
Class C Inc USD – Unhedged	0.75%
Class X Inc GBP – Unhedged	1.50%
Class X Acc GBP – Unhedged	1.50%

The Annual Management Fee is calculated and accrued daily and is payable monthly based on the daily Net Asset Value of the relevant Class within the Fund. The amount due is payable as soon as is practicable and in any event no later than the end of the following calendar month.

There was a 0% management fee on the Class F Sterling Accumulation class.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

5. FEES AND EXPENSES (continued)

Investment Manager Fees

The Investment Manager was entitled to receive a fee from the ICAV out of the Annual Management Fee provided that the following fees specified below had already been paid from the Annual Management Fee:

- Fees of the Directors from time to time applicable to the Fund;
- Fees of the Manager;
- Fees of the Depositary;
- Fees of the Administrator;
- Fees of the Hedging Agent (in respect of performing Share Class currency hedging services);
- Fees of the ICAV Secretary from time to time applicable to the Fund;
- Fees of the Auditor from time to time applicable to the Fund; and
- Fees of the anti-money laundering reporting officer.

The Investment Manager was entitled to be reimbursed by the Fund for reasonable out of pocket expenses incurred by them and any VAT on fees and expenses payable to or by it.

Investment Manager rebates for the period ended 31 March 2020 are GBP 195,521 (31 December 2018: GBP 36,445) of which GBP 28,945 was Investment Manager's fee rebate receivable at the period end (31 December 2018: GBP 10,420 remained receivable at year end). This agreement was terminated on 13 January 2020.

The Investment Manager did not receive a performance fee.

Management Company Fees

The Manager, for its own benefit and use, is entitled to receive from the Annual Management Fee a management company fee (the "Management Company Fee") of 0.0125% of the Net Asset Value of the Fund subject to a minimum fee of GBP 1,250 per month. The Management Company Fee accrues as of each Valuation Point and is payable monthly in arrears (plus VAT, if any).

The Manager is entitled to be reimbursed by the Fund for reasonable out of pocket expenses incurred by it and any VAT on fees and expenses payable to or by it.

Manager fees for the period ended 31 March 2020 are GBP 12,494 (31 December 2018: GBP 15,083) of which GBP 4,053 (31 December 2018: GBP 2,773) remained payable at the period end.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

5. FEES AND EXPENSES (continued)

Management Company Fees (continued)

The Investment Manager rebates/fees and Management Company fees are combined in the Statement of Comprehensive Income under Management Fees of GBP 183,058 (31 December 2018: GBP 21,362). The Investment Manager and Management Company Fees receivables are combined in the Statement of Financial Position under Management fees receivable of GBP 24,892 (31 December 2018 Management Company fees receivable: GBP 7,647).

The ICAV's policy was that the fees associated with ongoing charges of the Fund were borne by the Investment Manager out of its portion of the Annual Management Fee. The reimbursement for the period ended 31 March 2020 was GBP 210,920 (31 December 2018: GBP 151,554). Following the termination of the Investment Management agreement effective 14 January 2020, the management fee and TER caps ceased.

Administrator Fees

The Administrator is entitled to receive from the ICAV a portion of the Annual Management Fee not exceeding 0.01% of the Net Asset Value of the Fund (plus VAT, if any), accrued and calculated on each Valuation Point and payable monthly in arrears.

The Administrator is entitled to receive a fee of GBP 10,000 for the preparation of the financial statements of the ICAV including the financial statements of the Fund per set of reports. Administrator fees for the period ended 31 March 2020 are GBP 163 (31 December 2018: GBP 1,439) of which GBP 42 (31 December 2018: GBP 55) remained payable at the period end.

Depositary Fees

The Depositary is entitled to receive from the ICAV a portion of the Annual Management Fee not exceeding 0.01% of the Net Asset Value of the Fund (plus VAT, if any), accrued and calculated on each Valuation Point and payable monthly in arrears.

The Depositary is also entitled to be repaid out of the assets of the Fund for all of its reasonable disbursements incurred on behalf of the Fund, including the safe-keeping fees and expenses of any sub-custodian (which shall be at normal commercial rates) and transaction charges (which shall also be at normal commercial rates) levied by the Depositary or any sub-custodian and any applicable taxes it incurs on behalf of the Fund. Such custody fees shall accrue and be payable monthly in arrears. Depositary fees for the period ended 31 March 2020 are GBP 163 (31 December 2018: GBP 2,783) of which GBP 26 (31 December 2018: GBP 80) remained payable at the period end. LF Equity Income Fund (Master) depositary fees are payable by the Authorised Corporate Director ("ACD") out of the ACD's periodic charge.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

5. FEES AND EXPENSES (continued)

As at 31 October 2019, this service provider waived all fees for services provided to the sub-fund.

Directors Fees

The ICAV authorises the Directors to charge a fee for their services at a rate determined by the Directors. Each Director shall receive a fee for their services up to a maximum of EUR 30,000 per annum, or such other amount as may from time to time be disclosed in the Annual Report of the ICAV. The Directors who are employees of the Investment Manager will not receive any fee. Any increase above the maximum permitted fee will be notified in advance to Shareholders. The Directors may elect not to receive a fee, as was the case with those Directors connected with the Investment Manager. Each Director may be entitled to special remuneration if called upon to perform any special or extra services to the ICAV, details of which will be set out in the financial statements of the ICAV. All Directors will be entitled to reimbursement by the ICAV of expenses properly incurred in connection with the business of the ICAV or the discharge of their duties. Directors fees for the period ended 31 March 2020 are GBP 52,685 (31 December 2018: GBP 40,249) of which GBP 1,725 (31 December 2018: GBP nil) remained payable at the period end.

6. GENERAL EXPENSES

	Equity Income Feeder Fund*	Woodford Equity Income Feeder Fund
	Period ended 31 March 2020**	Year ended 31 December 2018
	GBP	GBP
Central Bank of Ireland regulatory levy	6,751	4,300
Legal fees	69,572	23,329
Corporate secretarial fees	10,942	14,074
Other professional fees	10,846	10,199
Reporting fees	16,708	20,126
Miscellaneous fees	42,392	9,674
Transaction costs	30	361
	<u>157,241</u>	<u>82,063</u>

* Formerly Woodford Equity Income Feeder Fund

** 15 month period ended 31 March 2020

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

7. OTHER PAYABLES

	Equity Income Feeder Fund*	Woodford Equity Income Feeder Fund
	As at	As at
	31 March 2020**	31 December 2018
	GBP	GBP
Central Bank of Ireland regulatory levy	3,642	-
Legal fees	19,237	3,353
Corporate secretary fees	-	2,180
Other professional fees	9,638	8,215
Reporting fees	1,700	1,663
Miscellaneous fees	9,657	2,225
	<u>43,874</u>	<u>17,636</u>

* Formerly Woodford Equity Income Feeder Fund

** 15 month period ended 31 March 2020

8. CASH AND CASH EQUIVALENTS

At 31 March 2020, the ICAV held cash and cash equivalents of GBP 202,977 (31 December 2018: GBP 117,027) with The Northern Trust Company (TNTC). TNTC is a wholly owned subsidiary of Northern Trust Corporation. As at 31 March 2020, Northern Trust Corporation had a long term rating from Standard & Poor's of A+ (2018: A+).

9. EFFICIENT PORTFOLIO MANAGEMENT

The ICAV and the Master Fund may make use of financial derivative instruments for investment purposes, and/or derivative instruments, for efficient portfolio management purposes. Details of these are disclosed in the schedule of investments of the Master Fund. A detailed description of the techniques and instruments that the Master Fund may employ for efficient portfolio management purposes are set out in the Prospectus.

10. SHARE CAPITAL

The share capital of the ICAV is divided into a specified number of shares without assigning any nominal value to them. Shares of the ICAV are divided into ordinary participating shares of no nominal value ("Shares") and ordinary management shares of no nominal value ("Management Shares").

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

10. SHARE CAPITAL (continued)

	Class A Acc EUR - Hedged Period ended 31 March 2020*	Class A Acc EUR - Hedged Year ended 31 December 2018
Number of shares:		
At the beginning of the period/year	100	89,781
Subscriptions	-	-
Redemptions	(70)	(89,681)
At the end of the period/year	<u>30</u>	<u>100</u>

	Class A Acc GBP - Unhedged Period ended 31 March 2020*	Class A Acc GBP - Unhedged Year ended 31 December 2018
Number of shares:		
At the beginning of the period/year	190,773	214,741
Subscriptions	-	-
Redemptions	(135,027)	(23,968)
At the end of the period/year	<u>55,746</u>	<u>190,773</u>

	Class A Acc USD - Unhedged Period ended 31 March 2020*	Class A Acc USD - Unhedged Year ended 31 December 2018
Number of shares:		
At the beginning of the period/year	223,183	440,426
Subscriptions	-	-
Redemptions	(214,968)	(217,243)
At the end of the period/year	<u>8,215</u>	<u>223,183</u>

	Class A Inc GBP - Unhedged Period ended 31 March 2020*	Class A Inc GBP - Unhedged Year ended 31 December 2018
Number of shares:		
At the beginning of the period/year	156,707	316,675
Subscriptions	-	156,707
Redemptions	(110,910)	(316,675)
At the end of the period/year	<u>45,797</u>	<u>156,707</u>

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

10. SHARE CAPITAL (continued)

	Class C Acc EUR - Unhedged Period ended	Class C Acc EUR - Unhedged Year ended
Number of shares:	31 March 2020*	31 December 2018
At the beginning of the period/year	1	151,112
Subscriptions	-	-
Redemptions	(1)	(151,111)
At the end of the period/year	-	1
	Class C Acc GBP - Unhedged Period ended	Class C Acc GBP - Unhedged Year ended
Number of shares:	31 March 2020*	31 December 2018
At the beginning of the period/year	460,240	1,657,546
Subscriptions	-	340,725
Redemptions	(325,725)	(1,538,031)
At the end of the period/year	134,515	460,240
	Class C Acc USD - Unhedged Period ended	Class C Acc USD - Unhedged Year ended
Number of shares:	31 March 2020*	31 December 2018
At the beginning of the period/year	1,031,381	1,031,381
Subscriptions	-	-
Redemptions	(736,082)	-
At the end of the period/year	295,299	1,031,381
	Class C Inc EUR - Unhedged Period ended	Class C Inc EUR - Unhedged Year ended
Number of shares:	31 March 2020*	31 December 2018
At the beginning of the period/year	46,530	132,045
Subscriptions	-	46,530
Redemptions	(44,577)	(132,045)
At the end of the period/year	1,953	46,530

* 15 month period ended 31 March 2020

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

10. SHARE CAPITAL (continued)

	Class C Inc GBP - Unhedged Period ended	Class C Inc GBP - Unhedged Year ended
Number of shares:	31 March 2020*	31 December 2018
At the beginning of the period/year	1,255,281	7,019,688
Subscriptions	-	527,397
Redemptions	(1,111,935)	(6,291,804)
At the end of the period/year	143,346	1,255,281

	Class C Inc USD - Hedged Period ended	Class C Inc USD - Hedged Year ended
Number of shares:	31 March 2020*	31 December 2018
At the beginning of the period/year	376,007	74,653,487
Subscriptions	-	9,251
Redemptions	(352,291)	(74,286,731)
At the end of the period/year	23,716	376,007

	Class C Inc USD - Unhedged Period ended	Class C Inc USD - Unhedged Year ended
Number of shares:	31 March 2020*	31 December 2018
At the beginning of the period/year	62,542	804,645
Subscriptions	-	-
Redemptions	(43,538)	(742,103)
At the end of the period/year	19,004	62,542

	Class X Acc GBP - Unhedged Period ended	Class X Acc GBP - Unhedged Year ended
Number of shares:	31 March 2020*	31 December 2018
At the beginning of the period/year	82,026	58,373
Subscriptions	21,843	23,653
Redemptions	(103,869)	-
At the end of the period/year	-	82,026

* 15 month period ended 31 March 2020

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

10. SHARE CAPITAL (continued)

	Class X Inc GBP - Unhedged Period ended 31 March 2020*	Class X Inc GBP - Unhedged Year ended 31 December 2018
Number of shares:		
At the beginning of the period/year	9,796	9,721
Subscriptions	19	75
Redemptions	(9,815)	-
At the end of the period/year	-	9,796

* 15 month period ended 31 March 2020

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

11. NET ASSET VALUE PER SHARE

The Net Asset Value of the Fund divided by the number of shares of the Fund in issue as at the relevant Valuation Point is equal to the Net Asset Value of a share of the Fund.

	Equity Income Feeder Fund**	Woodford Equity Income Feeder Fund	Woodford Equity Income Feeder Fund
	Period ended 31 March 2020	Year ended 31 December 2018	Year ended 31 December 2017
	Net Assets per Share Class	Net Assets per Share Class	Net Assets per Share Class
Net Asset Value Class A Acc EUR - Hedged*	EUR 13	EUR 83	EUR 89,476
Net Asset Value Class A Acc GBP - Unhedged*	GBP 28,473	GBP 163,672	GBP 221,175
Net Asset Value Class A Acc USD - Unhedged	USD 3,382	USD 196,462	USD 492,522
Net Asset Value Class A Inc GBP - Unhedged	GBP 19,642	GBP 121,929	GBP 305,338
Net Asset Value Class C Acc EUR - Unhedged	-	EUR 1	EUR 157,715
Net Asset Value Class C Acc GBP - Unhedged	GBP 67,137	GBP 384,957	GBP 1,660,202
Net Asset Value Class C Acc USD - Unhedged*	USD 119,511	USD 890,412	USD 1,128,348
Net Asset Value Class C Inc EUR - Unhedged	EUR 733	EUR 34,874	EUR 123,668
Net Asset Value Class C Inc GBP - Unhedged	GBP 61,725	GBP 978,393	GBP 6,763,609
Net Asset Value Class C Inc USD - Hedged	USD 9,088	USD 301,592	USD 72,991,513
Net Asset Value Class C Inc USD - Unhedged	USD 6,901	USD 52,315	USD 880,571
Net Asset Value Class X Acc GBP - Unhedged*	-	GBP 67,443	GBP 57,909
Net Asset Value Class X Inc GBP - Unhedged*	-	GBP 7,366	GBP 9,105

* Class A Accumulating EUR Hedged - launched on 12 January 2017.

Class A Accumulating GBP Unhedged - launched on 3 February 2017.

Class C Accumulating USD Unhedged - launched on 9 February 2017.

Class X Income GBP Unhedged - launched on 22 March 2017.

Class X Accumulating GBP Unhedged - launched on 26 October 2017.

** Formerly Woodford Equity Income Feeder Fund.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

11. NET ASSET VALUE PER SHARE (continued)

	Equity Income Feeder Fund** Period ended 31 March 2020	Woodford Equity Income Feeder Fund Year ended 31 December 2018	Woodford Equity Income Feeder Fund Year ended 31 December 2017
	NAV per Share	NAV per Share	NAV per Share
Net Asset Value Class A Acc EUR - Hedged*	EUR 0.4877	EUR 0.8327	EUR 0.9966
Net Asset Value Class A Acc GBP - Unhedged*	GBP 0.5108	GBP 0.8579	GBP 1.0300
Net Asset Value Class A Acc USD - Unhedged	USD 0.4878	USD 0.8803	USD 1.1183
Net Asset Value Class A Inc GBP - Unhedged	GBP 0.4289	GBP 0.7781	GBP 0.9642
Net Asset Value Class C Acc EUR - Unhedged	-	EUR 0.8500	EUR 1.0437
Net Asset Value Class C Acc GBP - Unhedged	GBP 0.4991	GBP 0.8364	GBP 1.0016
Net Asset Value Class C Acc USD - Unhedged*	USD 0.4796	USD 0.8633	USD 1.0940
Net Asset Value Class C Inc EUR - Unhedged	EUR 0.4084	EUR 0.7495	EUR 0.9366
Net Asset Value Class C Inc GBP - Unhedged	GBP 0.4306	GBP 0.7794	GBP 0.9635
Net Asset Value Class C Inc USD - Hedged	USD 0.4541	USD 0.8021	USD 0.9777
Net Asset Value Class C Inc USD - Unhedged	USD 0.4303	USD 0.8365	USD 1.0944
Net Asset Value Class X Acc GBP - Unhedged*	-	GBP 0.8222	GBP 0.9921
Net Asset Value Class X Inc GBP - Unhedged*	-	GBP 0.7519	GBP 0.9366

* Class A Accumulating EUR Hedged - launched on 12 January 2017.

Class A Accumulating GBP Unhedged - launched on 3 February 2017.

Class C Accumulating USD Unhedged - launched on 9 February 2017.

Class X Income GBP Unhedged - launched on 22 March 2017.

Class X Accumulating GBP Unhedged - launched on 26 October 2017.

** Formerly Woodford Equity Income Feeder Fund.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

12. DISTRIBUTIONS

The following distributions were made during the period (quoted in GBP):

Record date	31/12/2018*	29/03/2019	28/06/2019	30/09/2019	31/12/2019
Pay date	16/01/2019	15/04/2019	15/07/2019	15/10/2019	28/02/2020
	GBP	GBP	GBP	GBP	GBP
Net Asset Value Class A Inc GBP - Unhedged	1,646	586	1,410	1,070	958
Net Asset Value Class C Inc EUR - Unhedged	423	151	51	39	34
Net Asset Value Class C Inc GBP - Unhedged	13,208	2,993	4,425	3,362	3,007
Net Asset Value Class C Inc USD - Hedged	3,198	333	584	452	331
Net Asset Value Class C Inc USD - Unhedged	555	199	481	360	388
Net Asset Value Class X Inc GBP - Unhedged	99	35	-	-	-
Distributions	19,129	4,297	6,951	5,283	4,718
Total Distributions					40,378

* Distributions for December 2018 were made in the financial period ended 31 March 2020.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

12. DISTRIBUTIONS (continued)

Record date	29/12/2017*	29/03/2018	29/06/2018	26/09/2018
Pay date	16/01/2018	17/04/2018	16/07/2018	16/10/2018
	GBP	GBP	GBP	GBP
Net Asset Value Class A Inc GBP - Unhedged	2,134	2,349	1,910	674
Net Asset Value Class C Inc EUR - Unhedged	762	55	531	171
Net Asset Value Class C Inc GBP - Unhedged	47,271	16,116	25,783	6,847
Net Asset Value Class C Inc USD - Hedged	375,645	1,303	3,489	1,268
Net Asset Value Class C Inc USD - Unhedged	4,532	289	706	247
Net Asset Value Class X Inc GBP - Unhedged	64	47	115	41
Distributions	430,408	20,159	32,534	9,248
Total Distributions				492,349

* Distributions for December 2017 were made in the financial year 2018.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

13. RELATED PARTIES

IAS 24 'Related Party Disclosures' requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity.

The Fund is managed by Link Fund Manager Solutions (Ireland) Limited, the Manager. Under the terms of the investment management agreement, the Investment Manager is responsible, subject to the overall supervision and control of the Directors, for managing the assets and investments of the Fund in accordance with the investment objective and policies of the Fund. The Investment Manager is entitled to receive Investment Manager fees as set out in Note 5.

Vimal Patel and Simon Dale, former Directors of the ICAV, were employees of the Investment Manager and as such have not received a Director's fee.

The fees charged by all service providers are disclosed in Note 5 to the financial statements.

14. FINANCIAL INSTRUMENTS

Substantially all of the assets of the Fund were invested in the Master Fund and are, therefore, exposed to the underlying investments of that Master Fund.

The Master Fund's financial assets and liabilities relate to investments in UK listed companies. The specific risks arising from the Master Fund's exposure to these instruments (and, therefore, affecting this Fund), and the Manager's policies for managing the risks of the Fund, which have been applied throughout the period, are summarised in the relevant Supplementary Memorandum to the Prospectus.

For a more detailed description of the financial instruments and associated risks of an investment in the Master Fund, please refer to the audited financial statements of the LF Equity Income Fund.

15. FINANCIAL RISK MANAGEMENT

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The investment objective of the Fund is to invest at least 85% of its net assets in the LF Equity Income Fund ("Master Fund"). The Master Fund is a sub-fund of the LF Equity Investment Fund which is an open-ended umbrella type investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC001010 and which is authorised by the UK's Financial Conduct Authority as a UCITS.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

15. FINANCIAL RISK MANAGEMENT (continued)

The Fund took exposure to certain risks to generate investment returns on its portfolio. These risks can potentially result in a reduction in the Fund's net assets. The Investment Manager will use its best endeavours to minimise the potentially adverse effects of these risks on the Fund's performance where it can do so while still managing the investments of the Fund in a way that is consistent with the Fund's investment objective and policy. Please refer to the Fund's Prospectus under the heading Risk Factors for further information on the ICAV's risk management policies.

The Fund's financial instruments consist of transferable securities, OTC derivatives and cash. The nature and extent of the financial instruments outstanding at the Statement of Financial Position date and the risk management policies employed by the ICAV are discussed further below.

Market risk

IFRS 7 'Financial Instrument: Disclosures' defines market risk as the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks. The maximum risk resulting from financial instruments the Fund holds is equal to their fair value.

The Fund's holdings are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Fund invested at least 85% of its net assets in the Master Fund and as such is materially exposed to the market risk of the Master Fund. The Investment Manager moderates this risk through a careful selection of securities within specified limits. In addition, the Investment Manager manages the exposure of the portfolio to the risk of adverse changes in the general level of market prices through adhering to its formal risk management process, which includes the use of systems and technology to monitor overall market and position risk on a daily basis.

The Directors of the ICAV set limits and give a mandate to the Investment Manager, who manages this risk in line with the Prospectus. The Directors of the ICAV monitor the market risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager. The Directors of the ICAV meet regularly and at each meeting reviews investment performance and overall market positions. They monitor the Investment Manager's compliance with the ICAV's objectives.

The Fund's market risk is affected by two components: changes in market prices and currency exchange rates. The Fund's exposure to market risk is disclosed in the Schedule of Investments.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

15. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Sensitivity analysis

If the price of the underlying investment fund held by the Fund had increased by 5% at 31 March 2020 (31 December 2018: 5%), with all other variables held constant, this would have increased the Net Assets Attributable to Holders of Redeemable Participating Shares of the Fund by GBP 12,116 (31 December 2018: GBP 139,434).

Conversely, had it decreased by 5%, this would have decreased the Net Assets Attributable to Holders of Redeemable Participating Shares of the Fund by an equal amount with all other variables remaining constant.

- Interest rate risk

Interest rate risk arises from the effects of fluctuations on the prevailing levels of market interest rates on the fair value of future cash flows of financial assets and liabilities. At 31 March 2020, the Fund held cash amounting to 49.13% (31 December 2018: 4.06%) of the net assets. The Fund's cash and cash equivalents expose them to interest rate risk. The Fund's other financial assets are non-interest bearing. The Fund's financial liabilities are non-interest bearing. The Fund's financial liabilities are non-interest bearing which mature within one year, other than the Net Assets Attributable to Holders of Redeemable Participating Shares which do not have a maturity.

Sensitivity analysis

As at 31 March 2020, if interest rates had lowered by 1% (31 December 2018: 1%) with all other variables remaining constant, the decrease in Net Assets Attributable to Holders of Redeemable Participating Shares for the period would amount to approximately GBP 2,030 (31 December 2018: GBP 1,170). If interest rates had risen by 1%, the Fund would have experienced an equal and opposite effect.

- Currency risk

Currency risk is defined in IFRS 7 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk as the assets and liabilities of the Fund may be denominated in a currency other than the functional currency of the Fund, which is GBP.

Currency risk arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. At 31 March 2020, the majority of monetary and non-monetary assets of the Fund are denominated in GBP, the functional currency. Therefore, the currency risk of the Fund as at 31 March 2020 was negligible.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

15. FINANCIAL RISK MANAGEMENT (continued)

- Other price risk

Other price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds. This Fund is exposed to derivative price risk.

Liquidity risk

IFRS 7 defines liquidity risk as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Fund and the Master Fund were exposed to daily cash redemptions of shares up to June 2019 when the Board of the ICAV suspended dealing in shares of the Fund following the suspension in dealing of shares in the Master Fund. The Fund invested the majority of its assets in the Master Fund, which is now being terminated. Capital distributions are being paid from the Master Fund to the Fund allowing the Fund to compulsorily redeem its shareholdings.

In accordance with the Fund's policy, the Manager monitors the Fund's liquidity on a daily basis and reviews any significant exposures at its periodic meetings. At 31 March 2020 the Fund's financial liabilities, as disclosed on the Statement of Financial Position, were all due within three months.

Credit risk

Credit risk is defined in IFRS 7 as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Fund will be exposed to credit risk on parties with whom they trade, which will include counterparties, and may also bear the risk of settlement default. The carrying amounts of financial assets best represent the maximum credit risk exposure at the Statement of Financial Position date. The Fund is indirectly exposed to credit risk due to the investment in the Master Fund.

All transactions entered into by the Master Fund in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Northern Trust Fiduciary Services (Ireland) Limited ("NTFSIL") is the appointed Depositary of the Fund, responsible for the safe-keeping of assets. NTFSIL has appointed The Northern Trust Company ("TNTC") as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation ("NTC").

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

15. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

As at period end date 31 March 2020, NTC had a long term credit rating from Standard & Poor's of (A+).

TNTC (as global sub-custodian of NTFSIL) does not appoint external sub-custodians within the U.S., the U.K., Ireland and Canada. However, in all other markets, TNTC appoints local external sub-custodians.

NTFSIL, in the discharge of its depositary duties, verifies the Fund's ownership of Other Assets, Art 22(5) of UCITS V Directive 2014/91/EU, by assessing whether the Fund holds the ownership based on information or documents provided by the Fund or where available, on external evidence.

TNTC, in the discharge of its delegated depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the Fund, clearly identifiable as belonging to the Fund, and distinct and separately from the proprietary assets of TNTC, NTFSIL and NTC.

In addition TNTC, as banker, holds cash of the Fund on deposit. Such cash is held on the Statement of Financial Position of TNTC. In the event of insolvency of TNTC, in accordance with standard banking practice, the Fund will rank as an unsecured creditor of TNTC in respect of any cash deposits.

Insolvency of NTFSIL and or one of its agents or affiliates may cause the Fund's rights with respect to its assets to be delayed.

The Responsible Party manages risk by monitoring the credit quality and financial position of the Depositary and such risk is further managed by the Depositary monitoring the credit quality and financial positions of sub-custodian appointments.

The Master Fund only buys and sells investments through brokers which have been approved as an acceptable counterparty. In addition, limits are set as to the maximum exposure to any individual broker that may exist at any time; these limits are reviewed regularly.

- Fair value – there is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet of the Master Fund, and their fair value.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

15. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

- Derivatives and other financial instruments – transactions in derivatives and forward currency contracts may be used for the purpose of hedging and meeting the investment objective of the Master Fund. In pursuing the Master Fund's objectives, the Investment Manager may make use of a variety of instruments in accordance with the rules.

Credit risk arising from receivables relating to unsettled trades is considered small due to the short settlement period involved. The maximum exposure related to unsettled trades equals the amounts shown on the Statement of Financial Position. There were no past due or impaired assets as of 31 March 2020.

16. FAIR VALUE HIERARCHY

IFRS 13 'Fair Value Measurement' requires the ICAV to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The ICAV has adopted IFRS 13 and uses last traded market prices as its valuation inputs for listed securities. If market quotations are not available or are unrepresentative, estimation methods may be used to calculate fair value.

The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Certain inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

16. FAIR VALUE HIERARCHY (continued)

The determination of what constitutes “observable” requires significant judgement by the ICAV. The ICAV considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyse the fair value hierarchy within the Fund’s financial assets and liabilities measured at fair value at 31 March 2020 and 31 December 2018.

31 March 2020	Level 1 GBP	Level 2 GBP	Level 3** GBP	Total GBP
Investment funds:				
Assets				
LF Equity Income Fund*	-	-	208,576	208,576
	-	-	208,576	208,576

Level 3 Reconciliation

Opening balance at 1 January 2019	-
Transfer In**	208,576
Closing balance at 31 March 2020	208,576

31 December 2018	Level 1 GBP	Level 2 GBP	Level 3 GBP	Total GBP
Investment funds:				
Assets				
LF Woodford Equity Income Fund	-	2,808,084	-	2,808,084
Open forward foreign currency contracts	-	51	-	51
	-	2,808,135	-	2,808,135
Liabilities				
Open forward foreign currency contracts	-	(2,279)	-	(2,279)
	-	(2,279)	-	(2,279)

* Formerly LF Woodford Equity Income Fund.

** Transfer is deemed to have occurred at 31 March 2020.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

16. FAIR VALUE HIERARCHY (continued)

Investment in the Master Fund is valued based on the reported Net Asset Value of the LF Equity Income Fund. As the dealing in the Master Fund is suspended as noted in Note 1 of the financial statements, the Fund's investment in the Master Fund has been classified in Level 3 of the fair value hierarchy.

17. EXCHANGE RATES

The following table shows the exchange rates (against GBP) used to convert assets and liabilities denominated in foreign currencies into GBP at the period end.

	Exchange Rate to GBP 31 March 2020	Exchange Rate to GBP 31 December 2018
Euro	1.1301	1.1141
United States dollar	1.2400	1.2736

18. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Following the suspension in dealing in shares of LF Woodford Equity Income Fund (the "Master Fund") on 3 June 2019 and in the best interests of shareholders, the Board of the ICAV suspended dealing in shares of Woodford Equity Income Feeder Fund (the "Fund") on 4 June 2019 with immediate effect.

On 15 October 2019, the Fund was informed that the Master Fund had made the decision not to re-open and instead wind-up the Master Fund. Subsequently Woodford Investment Management Limited provided notice that they would resign as Investment Manager of the Fund and the ICAV, effective as at 14 January 2020. Following these events, it was determined that the best and the only practical action to take in the interest of Shareholders would be to terminate the Fund in the most efficient way possible. The Shareholders were informed of this decision on 17 October 2019.

Simon Dale and Vimal Patel resigned as directors of the ICAV, effective 20 December 2019 and 3 January 2020 respectively

On 12 December 2019, the Master Fund was to be renamed as LF Equity Income Fund with immediate effect. As a result of this, and to reflect the renaming of the Master Fund the board of the ICAV submitted an application to the Central Bank to change the name of the ICAV and the Fund to Equity Income Fund (Ireland) ICAV and Equity Income Feeder Fund respectively.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

18. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD (continued)

On 14 January 2020, following the resignation of Woodford Investment Management (“WIM”) as investment manager of the ICAV, the Fund’s expenses were no longer underwritten by WIM. Link Fund Manager Services (Ireland) Limited (the “Manager”) and the Board of the ICAV are closely monitoring the costs and cash flows during the winding up of the Fund.

On 14 January 2020 the name of the ICAV was changed from Woodford Funds (Ireland) ICAV to Equity Income Fund (Ireland) ICAV and the name of the Fund was changed from Woodford Equity Income Feeder Fund to Equity Income Feeder Fund.

On 30 January 2020 the Fund changed its indicative valuation frequency from daily to weekly.

On 30 January 2020 the first capital distributions from the Master Fund was received and the Fund made its first compulsory redemption with a pay date of 10 February 2020. Approximately 65% of the fund’s holdings were paid out to shareholders.

On 25 March 2020, the second capital distribution from the Master Fund was received and the Fund made its second compulsory redemption with a pay date of 1 April 2020. Approximately 15% of the Funds holdings were paid out to the Shareholders.

As a result of the Directors of the ICAV’s decision to terminate the Fund as soon as the Fund is in receipt of repayment proceeds from the Master Fund, the financial statements have been prepared on a non-going concern basis.

The COVID-19 outbreak which was declared by the World Health Organisation as a pandemic event on 11 March 2020 has resulted in increased volatility and uncertainty in the global financial markets.

The Board has also noted the operational risks that are posed to the Fund and its service providers due to global and local movement restrictions that have been in place that have been enacted by various governments. COVID-19 pandemic is an unprecedented event and the eventual impact on the global economy and markets will largely depend on the scale and duration of the outbreak. The Board will continue to monitor the situation. The financial impact on this entity is not possible to estimate at this time.

There were no other significant events during the financial period ended 31 March 2020.

19. SUBSEQUENT EVENTS

As the Master Fund had extended its reporting period and to align the financial period of the Fund with the new financial period of the Master Fund, so that meaningful financial statements for the Fund can be prepared, on 20 April 2020 a derogation to extend the financial reporting period to 31 March 2020 was applied for to and approved by the Central Bank.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

NOTES TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS (continued) FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

19. SUBSEQUENT EVENTS (continued)

Following notification that the financial statements for the Master Fund would be delayed, on 17 July 2020 a derogation to notify the Central Bank of the late filing of the Fund's financial statements was successfully made to the Central Bank. Subsequently the ACD informed LFMSI the publication of financial statements for the Master Fund were further delayed until 30 September 2020. As a result, the ICAV were unable to sign off on its own financial statements until the Master Fund's audited financial statements were available and so the

ICAV's financial statements for the period from 1 January 2019 to 31 March 2020 could not be published until 30 September 2020 or shortly thereafter.

On 26 August 2020 the Fund changed its indicative valuation frequency from weekly to monthly.

To align the semi-annual reporting period end of the Fund with its new annual financial period end of 31 March, On 2 September 2020 a derogation to change the financial reporting period for the semi-annual statements of the Fund to 30 September 2020 was successfully applied for to the Central Bank.

On 2 September 2020, the third capital distribution from the Master Fund was received and the Fund made its third compulsory redemption with a pay date of 9 April 2020. Approximately 27% of the Fund's holdings were paid out to the Shareholders.

There have been no other events, subsequent to the period end, which, in the opinion of the Directors of the ICAV may have an impact on the financial statements for the financial period ended 31 March 2020.

20. COMPARATIVE YEAR

The comparatives shown are for the year ended 31 December 2018.

21. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Board of Directors on 8 October 2020.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

APPENDIX 1

REMUNERATION POLICY (unaudited)

The ICAV has a remuneration policy in place to ensure compliance with UCITS V and all relevant regulations.

The Manager has designed and implements a remuneration policy which is consistent with and promotes sound and effective risk management by having a business model which by its nature does not promote excessive risk taking that is inconsistent with the risk profile of the ICAV and its Funds.

The Manager's remuneration policy is consistent with the business strategy, objectives, values and interests of the ICAV and the Shareholders of the ICAV and includes measures to avoid conflicts of interest.

The Manager's remuneration policy applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the risk profile of the ICAV and its Funds.

In line with the provisions of the UCITS Directive and ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD (2016/ESMA/GUIDELINES) (the "ESMA Remuneration Guidelines") each of which may be amended from time to time, the ICAV applies its remuneration policy and practices in a way and to the extent that is proportionate to its size, its internal organisation and the nature, scope and complexity of its activities.

Where the Manager delegates investment management functions in respect of any Fund of the ICAV, it will ensure that:

- a. the entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Remuneration Guidelines; or
- b. appropriate contractual arrangements are put in place to ensure that there is no circumvention of the remuneration rules set out in the ESMA Remuneration Guideline.

Details of the Manager's most recent remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, is available at the below email address and a paper copy of such remuneration policy is available to investors free of charge.

<https://www.linkassetsservices.com/what-we-do/funds-solutions/irish-management-company>

EQUITY INCOME FEEDER FUND
A Sub-Fund of Equity Income Fund (Ireland) ICAV

APPENDIX 1 (continued)

REMUNERATION POLICY (unaudited) (continued)

TOTAL REMUNERATION TO BE PAID TO THE STAFF OF THE MANAGEMENT
COMPANY/AIFM DURING THE PERIOD/YEAR ENDED TO MARCH 2020/DECEMBER 2018

	2020*	2018
	€	€
Fixed remuneration	1,544,907	1,038,236
Variable remuneration	44,311	132,532
Total Remuneration paid	<u>1,589,218</u>	<u>1,170,768</u>
Number of beneficiaries	31	27
Attributable to the Equity Income fund		
Fixed remuneration	27,424	23,686
Variable remuneration	787	3,024
Total Remuneration paid	<u>28,211</u>	<u>26,710</u>
Remuneration of employees whose actions have a material impact on the risk profile of the UCITS managed by the Management Company	-	-

* 15 month period ended 31 March 2020

APPENDIX 2

SECURITIES FINANCING TRANSACTIONS REGULATION (unaudited)

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (SFTs) will be required on all reports and accounts published after 13 January 2017. During the financial period ended 31 March 2020, the ICAV did not enter into any SFTs.

EQUITY INCOME FEEDER FUND

A Sub-Fund of Equity Income Fund (Ireland) ICAV

APPENDIX 3

TER INFORMATION AND PERFORMANCE DATA (unaudited)

The Fund has appointed as Swiss Representative Oligo Swiss Fund Services SA, Av. Villamont 17, 1005 Lausanne, Switzerland, Tel: +41 21 311 17 77, email: info@oligofunds.ch.

The Fund's Swiss paying agent is Helvetische Bank AG. All fund documentation including, Prospectus, Key Investor Information Documents, Instrument of Incorporation and financial reports, as well as the list of purchases and sales in the portfolio, may be obtained free of charge from the Swiss Representative in Lausanne. In respect of the Shares distributed in or from Switzerland, the place of performance and jurisdiction is at the registered office of the Swiss Representative. The issue and redemption prices are published at each issue and redemption on www.fundinfo.com.

The TERs for each share class for the period/year ended 31 March 2020 and 31 December 2018 are outlined below. TER's have not been calculated since January 2020.

	Period ended	Year ended
	31 March 2020	31 December 2018
Class A Accumulating EUR - Hedged	1.52%	1.05%
Class A Accumulating GBP - Unhedged	1.68%	1.00%
Class A Accumulating USD - Unhedged	4.56%	1.00%
Class A Income GBP - Unhedged	1.71%	1.00%
Class C Accumulating EUR - Unhedged	0.00%	0.75%
Class C Accumulating GBP - Unhedged	1.46%	0.75%
Class C Accumulating USD - Unhedged	1.52%	0.75%
Class C Income EUR - Unhedged	4.07%	0.75%
Class C Income GBP - Unhedged	2.50%	0.75%
Class C Income USD - Unhedged	3.52%	0.80%
Class C Income USD - Hedged	1.49%	0.75%
Class X Income GBP - Unhedged	1.16%	1.50%
Class X Accumulation GBP - Unhedged	1.27%	1.50%

EQUITY INCOME FEEDER FUND
A Sub-Fund of Equity Income Fund (Ireland) ICAV

APPENDIX 3 (continued)

TER INFORMATION AND PERFORMANCE DATA (unaudited) (continued)

Performance Data

	Inception date	Performance 2020	Inception to 31 March 2020
Net Asset Value Class A Acc EUR - Hedged	03/02/2017	-35.18%	-41.07%
Net Asset Value Class A Acc GBP - Unhedged	03/02/2017	-34.11%	-44.43%
Net Asset Value Class A Acc USD - Unhedged	29/11/2016	-38.68%	-46.08%
Net Asset Value Class A Inc GBP - Unhedged	21/10/2016	-35.64%	-46.97%
Net Asset Value Class C Acc GBP - Unhedged	19/10/2016	-33.97%	-40.14%
Net Asset Value Class C Inc GBP - Unhedged	26/10/2016	-35.49%	-45.86%
Net Asset Value Class C Acc USD - Unhedged	09/02/2017	-38.53%	-39.69%
Net Asset Value Class C Inc EUR - Unhedged	16/12/2016	-36.38%	-49.12%
Net Asset Value Class C Inc USD - Hedged	14/10/2016	-33.00%	-42.64%
Net Asset Value Class C Inc USD - Unhedged	10/11/2016	-39.92%	-47.70%
Net Asset Value Class X Inc GBP - Unhedged	22/03/2017	3.04%	-17.73%
Net Asset Value Class X Acc GBP - Unhedged	26/10/2017	0.03%	-15.56%

Source: Financial Express on a net of fees, total return basis, local currency, with net income reinvested.

The value of the fund and the income from it may go down as well as up, so you may get back less than you invested. Past performance cannot be relied upon as a guide to future performance.



LF Investment Fund

(Formerly LF Woodford Investment Fund)

LF Equity Income Fund

(Formerly LF Woodford Equity Income Fund)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2019 TO 31 MARCH 2020



AUTHORISED CORPORATE DIRECTOR ('ACD')

LINK FUND SOLUTIONS LIMITED

Head Office:
6th Floor
65 Gresham Street
London EC2V 7NQ
Telephone: 0345 922 0044
Fax: 0870 607 2550
Email: investorservices@linkgroup.co.uk
(Authorised and regulated by
the Financial Conduct Authority)

DIRECTORS OF THE ACD

C. Addenbrooke
N. Boyling
B. Hammond
P. Hugh-Smith (Resigned 30 June 2019)
K.J. Midl
A.J. Stenning (Appointed 17 October 2019)*
A.J. Stuart*

* Non-Executive Directors of the ACD

INVESTMENT MANAGER

WOODFORD INVESTMENT MANAGEMENT LIMITED

9400 Garsington Road
Oxford OX4 2HN
(Authorised and regulated by
the Financial Conduct Authority)
(from 1 January 2019 to 14 October 2019)

LINK FUND SOLUTIONS LIMITED

Head Office:
6th Floor
65 Gresham Street
London EC2V 7NQ
(Authorised and regulated by
the Financial Conduct Authority)
(from 15 October 2019)

DEPOSITARY

NORTHERN TRUST GLOBAL SERVICES SE UK BRANCH

50 Bank Street
Canary Wharf
London E14 5NT
(Authorised by the Prudential Regulation
Authority and regulated by the Financial
Conduct Authority and the Prudential Regulation Authority)

REGISTRAR AND ADMINISTRATOR

NORTHERN TRUST GLOBAL SERVICES SE UK BRANCH

50 Bank Street
Canary Wharf
London E14 5NT
Telephone Number: 0333 300 0381
Fax Number: 0207 643 3776
(Authorised by the Prudential Regulation
Authority and regulated by the Financial
Conduct Authority and the Prudential Regulation Authority)

INDEPENDENT AUDITOR

GRANT THORNTON UK LLP

30 Finsbury Square
London EC2A 1AG

CONTENTS

LF INVESTMENT FUND

ACD's Report	3
Authorised Status	3
ACD's Statement	3
Important Information	4
Remuneration Policy	7
Securities Financing Transactions	9
Director's Statement	10
Statement of ACD's Responsibilities in Relation to the Financial Statements ...	11
Statement of the Depositary's Responsibilities	
In Respect of the Scheme and Report of the Depositary to the Shareholders of LF Investment Fund ('the Company')	12
Independent Auditor's Report to the Shareholders of LF Investment Fund	14

CONTENTS *continued*

LF EQUITY INCOME FUND

ACD's Report	17
Important Information	17
Investment Objective and Policy of the Fund prior to 18 January 2020	17
Benchmarks	17
Investment Manager's Report	18
Fund Information	19
Portfolio Statement	29
Summary of Material Portfolio Changes	36

ANNUAL FINANCIAL STATEMENTS

Statement of Total Return	37
Statement of Change in Net Assets Attributable to Shareholders	37
Balance Sheet	38
Notes to the Annual Financial Statements	39
Distribution Tables	58
General Information	68

ACD'S REPORT

for the period from 1 January 2019 to 31 March 2020

Authorised Status

The LF Investment Fund ('the Company') is an investment company with variable capital incorporated in England and Wales with registered number IC001010 and authorised by the Financial Conduct Authority ('FCA') with effect from 7 May 2014. The Company has one sub-fund, LF Equity Income Fund ('the sub-fund' or 'the Fund'). On 18 January 2020 the Company commenced, after receiving FCA approval, its winding up process and returning capital to investors.

The Company and its sub-fund is a Undertakings for the Collective Investment in Transferable Securities ('UCITS') scheme and the base currency of the Company and its sub-fund is pounds sterling.

Shareholders are not liable for the debts of the Company. Shareholders are not liable to make any further payment to the Company after they have paid the price on purchase of the shares.

ACD's Statement

On 3 June 2019 the ACD took the decision, following an increased level of redemption requests, to suspend dealing in the Fund. Before its suspension, the Fund was able to meet all redemption requests by selling assets it held but, on 3 June 2019, we concluded that redemptions had reached a level where the Fund would no longer be able to continue to meet redemption requests without harming the interests of investors. This decision was taken to protect investors' interests and provide the portfolio manager, Woodford Investment Management Limited ('Woodford') with a period within which it could reposition the Fund's portfolio. We agreed with the Depositary of the Fund and Woodford that we would seek to complete the repositioning of the Fund's portfolio by early December 2019 to enable the Fund to re-open. We also agreed that it would not be possible to lift the suspension and re-open the Fund until the sale of its unlisted and less liquid listed assets was completed. To have re-opened the Fund before the re-positioning was complete would have risked a further suspension and a potential unequal treatment of investors, in particular for those who chose to remain invested in the Fund. We continued to monitor the progress of Woodford's repositioning of the Fund's portfolio but concluded on 15 October 2019 that, having considered various different options, it was in the best interests of all investors in the Fund to not re-open it and instead to wind-up the Fund and to return cash to investors at the earliest opportunity through an orderly realisation of the Fund's assets and a series of capital repayments. The decision to wind-up the Fund was taken because, although progress had been made in relation to repositioning the Fund's portfolio, it had not been sufficiently progressed to provide us with sufficient certainty as to when and whether the Fund could be re-opened.

At that point, we in our capacity as ACD, announced that the Fund would commence the process of an orderly realisation and that the ACD would be responsible for portfolio management, replacing Woodford. Further detail of the key events relating to the Fund are set out under Important Information below.

ACD'S REPORT *continued*

for the period from 1 January 2019 to 31 March 2020

Important Information

The table below provides a summary of the key events that have taken place in the reporting period and in the period up to the publication date of this report.

For full details of all these changes please refer to <https://equityincome.linkfundsolutions.co.uk/>

Date	Event
3 June 2019	After obtaining the agreement of the Funds' Depositary and having advised the FCA, LFSL suspended dealing in shares in the Fund. As from this date LFSL waived their Fees chargeable to the Fund.
28 June 2019 29 July 2019 27 August 2019 23 September 2019	LFSL reviewed, at least every 28 days, whether it was able to recommence dealing in the shares of the Fund. On each occasion LFSL concluded that it was not able to do so. Investors were updated at each review point through a letter.
15 October 2019	LFSL announced, after notification to the FCA and due diligence required by the Fund's Depositary, that the Fund was to be wound up as soon as permitted by regulation and thereby return capital to investors through capital distributions. Following this decision, the delegation of portfolio management activities to Woodford Investment Management Limited ceased with immediate effect.
15 October 2019	LFSL continued to serve as the ACD of the Fund and itself managed the Fund during the period prior to the commencement of the winding up. From 15 October 2019 the assets of the Fund were allocated into two parts: one comprised of listed assets ('Portfolio A'); and one comprised of the unlisted and certain illiquid listed assets ('Portfolio B'). With immediate effect BlackRock Advisors (UK) Limited ('BlackRock') were appointed as Transition Manager to prepare Portfolio A for the winding up of the Fund. During the period leading up to the move to wind-up BlackRock managed the sale of the assets in Portfolio A and re-invested the cash proceeds into investment vehicles (including money market funds, term deposits and UK Government Gilts). During this period, in order to ensure that the Fund's objective of being invested primarily in UK listed companies was still met, the proceeds of sales were invested in FTSE 100 index futures. During the period of the suspension PJT Partners (UK) Limited ('PJT') had been appointed as a specialist broker to assist in selling the assets in Portfolio B. PJT have continued in this role following the announcement of the winding up.
11 December 2019	The Company name changed from LF Woodford Investment Fund to LF Investment Fund and the sub-fund changed from LF Woodford Equity Income Fund to LF Equity Income Fund.
17 January 2020	The last formal valuation of the Fund.
18 January 2020	The point at which the Fund moved into wind-up. The effect of entering wind-up enabled LFSL to commence the return of capital to investors from the realisation of assets.

ACD'S REPORT *continued*

for the period from 1 January 2019 to 31 March 2020

Important Information *continued*

Date	Event
30 January 2020	Payment of the First Capital Distribution totalling £2,124.1mn was made.
12 March 2020	Investors were advised that the annual accounting period of the Fund had been extended from 31 December 2019 to 31 March 2020, and would therefore cover the period from 1 January 2019 to 31 March 2020.
17 March 2020	Payment of a Special Revenue Distribution, for the period 1 January 2020 to 17 January 2020, of £452,000 was made.
25 March 2020	Payment of the Second Capital Distribution totalling £143.2mn was made.
31 March 2020	End of the extended annual accounting period.
5 June 2020	Announcement of the sale of an agreed selection of up to 19 of the Fund's healthcare assets to Acacia Research Corporation ('Acacia') in return for up to £223.9mn. The assets sold to Acacia were from both Portfolio A and Portfolio B.
26 August 2020	Payment of the Third Capital Distribution totalling £183.2mn was made.

The Table below, covering the period from 3 June 2019 until 1 September 2020, sets out the key movements in the NAV of the Fund.

Date	Event	Net Asset Value ('NAV') £mn	Movement £mn	Description of the main causes of the movement
3 June 2019	Fund suspension	3,613.0		
15 October 2019	Change of portfolio manager from Woodford Investment Management Limited to Link Fund Solutions Limited and the appointment of BlackRock as Transition Manager	3,035.0	(578.0)	The decline of 16% from 3 June was mainly attributable to: 1. (£172)mn revaluation of certain unquoted assets in accordance with the valuation of investments (see Note 1 (F)); 2. (£260)mn decline in the market value of certain retained quoted assets;

ACD'S REPORT *continued*

for the period from 1 January 2019 to 31 March 2020

Important Information *continued*

Date	Event	Net Asset Value ('NAV') £mn	Movement £mn	Description of the main causes of the movement
				3. (£116)mn arising from the sale of assets at a price lower than the market value at the point of suspension.
17 January 2020	Last valuation prior to formal commencement of wind-up.	2,905.3	(129.7)	<p>The movement in NAV from 15 October to 17 January was primarily attributable to:</p> <ol style="list-style-type: none"> 1. (£290)mn decline in Portfolio B being a combination of: <ol style="list-style-type: none"> a. (£116)mn revaluation of certain unquoted assets as the result of either a failure to meet a key business milestone or a recent funding round; and b. the application of a (£174)mn liquidity adjustment to a number of the unquoted assets to recognise that those assets may be sold at a price which is less than its fair value. <p>See Note 1 (F)</p> 2. £168mn increase in the value of Portfolio A as the result of market movement.
27 January 2020	NAV pre first Capital Distribution	2,876.4	(28.9)	The decline was due to a general downward movement in the market value of Portfolio A.

ACD'S REPORT *continued*

for the period from 1 January 2019 to 31 March 2020

Important Information *continued*

Date	Event	Net Asset Value ('NAV') £mn	Movement £mn	Description of the main causes of the movement
30 January 2020	First Capital Distribution		(2,124.1)	Payment to investors.
24 March 2020	NAV pre second Capital Distribution	704.7	(47.6)	The reduction in value was attributable to a fall in the market value of assets within Portfolio A.
25 March 2020	Second Capital Distribution		(143.2)	Payment to investors.
19 August 2020	NAV pre third Capital Distribution	470.4	(91.1)	The reduction in value reflected the impact of the adjustment for the Acacia Transaction and further liquidity adjustments to a number of assets (see Note 1 (F)).
26 August 2020	Third Capital Distribution		(183.2)	Payment to investors.
1 September 2020	NAV post third Capital Distribution	288.0		

Remuneration Policy

Link Fund Solutions Limited ('LFSL') is committed to ensuring that its remuneration policies and practices are consistent with, and promote, sound and effective risk management. LFSL's remuneration policy is designed (i) to ensure that excessive risk taking is not encouraged by or within LFSL including in respect of the risk profile of the funds it operates, (ii) to manage the potential for conflicts of interest in relation to remuneration (having regard, inter alia, to its formal conflicts of interest policy) and (iii) to enable LFSL to achieve and maintain a sound capital base.

None of LFSL's staff receives remuneration based on the performance of any individual fund.

LFSL acts as the operator of both UCITS funds and Alternative Investment Funds ('AIFs').

ACD'S REPORT *continued*

for the period from 1 January 2019 to 31 March 2020

Remuneration Policy *continued*

LFSL delegates portfolio management for the funds to various investment management firms. The investment managers' fees and expenses for providing investment management services are paid by the ACD out of its own remuneration under the ACD agreement. The investment management firms make information on remuneration publicly available in accordance with the disclosure requirements of Pillar 3 of the Capital Requirements Directive. This disclosure is in respect of LFSL activities (including activities performed by its sister company Link Fund Administration Limited (LFAL) or by employees of that entity), and excludes activities undertaken by third party investment management firms. LFSL staff do not perform duties solely for particular funds, nor are they remunerated by reference to the performance of any individual fund. Accordingly, the information below is for LFSL as a whole. No attempt has been made to attribute remuneration to the Company itself.

Information on LFSL's remuneration arrangements is collated annually, as part of its statutory accounts preparation processes. Accordingly, the information disclosed relates to the year ended 30 June 2019, being the most recent accounting period for which accounts have been prepared by LFSL prior to the production of these accounts. As at 30 June 2019, LFSL operated 98 UCITS and 81 AIFs, whose respective assets under management ('AuM') were £38,284mn and £34,426mn. The Company was valued at £3,478mn as at that date and represented 4.78% of LFSL's total AuM and 9.08% of its UCITS AuM.

The disclosure below represents that required under COLL 4.5.7R (7) for funds subject to UCITS obligations.

2019	Number of beneficiaries	Fixed £'000	Variable £'000	Total £'000
Total amount of remuneration paid by LFSL for the financial year to 30 June 2019	163	7,503	682	8,185
Total amount of remuneration paid to members of staff whose activities have a material impact on the risk profile of the funds for the financial year to 30 June 2019				
Senior management (including all Board members)	6	740	310	1,050
Staff engaged in control functions	4	411	35	446
Risk takers and other identified staff	16	1,378	122	1,500
Any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers	-	-	-	-

LFSL's remuneration arrangement includes fixed salaries, contributory pension arrangements and certain other benefits, and the potential for discretionary bonuses. The amount available for payment of discretionary bonuses is dependent on satisfactory performance by LFSL, and the Link Group as a whole, rather than the performance of any individual fund. Bonuses may then be paid to staff to reflect their contribution to LFSL's success. The precise metrics used vary by function, but consideration is given to both qualitative and quantitative measures.

Further details can be found at:

www.linkfundsolutions.co.uk/assets/media/LFS_Explanation_of_Compliance_with_Remuneration_Code.pdf

ACD'S REPORT *continued*

for the period from 1 January 2019 to 31 March 2020

Securities Financing Transactions

The Company has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

COVID-19

The outbreak of COVID-19, declared by the World Health Organisation as a pandemic on 11 March 2020, caused significant disruption to business and economic activity which was reflected in the fluctuations seen in the global stock markets. In the short time since its emergence the ramifications of COVID-19 and its long term impacts are now being fully recognised, as various national governments continue to provide financial support and stimulus to their economies. In the immediate aftermath of the global recognition of the seriousness of the pandemic there were sharp declines in asset prices and whilst there has been an element of recovery since then, there is now the unknown factor of the most dramatic global recession seen in living memory and how this will translate into future asset pricing. This combined with the fear, in many countries, of a second wave of COVID-19 would indicate that an extended period of instability will exist for some time as governments, society and business seek to understand how COVID-19 can be managed until such time there is a means of immunising the population.

LINK FUND SOLUTIONS LIMITED

ACD of LF Investment Fund

30 September 2020

DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued and amended by the FCA.

N. BOYLING
LINK FUND SOLUTIONS LIMITED
ACD of LF Investment Fund
30 September 2020

STATEMENT OF ACD'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Collective Investment Schemes sourcebook published by the FCA ('the COLL Rules') requires the ACD to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the Company, comprising its sub-fund, and of the net revenue/expense and net capital gains/losses on the property of the Company's sub-fund for the period.

In preparing the financial statements the ACD is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Company and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Company or its sub-fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

In relation to the going concern requirement, and for the reasons stated in the ACD's report and as disclosed in Note 1(A), the ACD has prepared the financial statements of the Company on a break-up basis as the Company is not a going concern.

The ACD is responsible for the management of the Company in accordance with its Instrument of Incorporation, the Prospectus and the COLL Rules.

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF LF INVESTMENT FUND ('THE COMPANY')

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Authorised Fund Manager ('the AFM'), which is the UCITS Management Company, are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES IN RESPECT OF THE SCHEME AND REPORT OF THE DEPOSITARY TO THE SHAREHOLDERS OF LF INVESTMENT FUND ('THE COMPANY')

Dealing in shares in the LF Equity Income Fund (formerly the LF Woodford Equity Income Fund) were suspended on 3 June 2019. Termination of the Fund commenced on 18 January 2020. A consequence of the commencement of termination is that the Regulations in relation to dealing, valuation and pricing, assessment of value, and investment and borrowing powers ceased to apply to the LF Equity Income Fund from this date.

NORTHERN TRUST GLOBAL SERVICES SE UK BRANCH

UK Trustee and Depositary Services

30 September 2020

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LF INVESTMENT FUND

Opinion

We have audited the financial statements of LF Investment Fund ('the Company') for the period ended 31 March 2020. These financial statements comprise the financial statements of the following sub-fund of the Company:

- LF Equity Income Fund (the 'Fund')

The financial statements of the Fund comprise the statement of total return, statement of change in net assets attributable to shareholders, the balance sheet, notes to the financial statements and the distribution tables.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company and the Fund as at 31 March 2020 and of the net revenue and the gains/losses on the property of the Company and the Fund for the period then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014, the Collective Investment Schemes sourcebook, and the Company's Instrument of Incorporation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – winding up of LF Investment Fund

We draw attention to note 1(A) to the financial statements of the Company, which describes the basis of preparation of the financial statements. As described in that note, due to the winding up of the Fund starting on 18 January 2020, the financial statements have been prepared on a break-up basis. Our opinion is not modified in respect of this matter.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as COVID-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LF INVESTMENT FUND *continued*

The impact of macro-economic uncertainties on our audit *continued*

COVID-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Other information

The ACD is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Collective Investment Schemes sourcebook

In our opinion:

- we have been given all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- the information given in the ACD's Report (which comprises the information on the inside cover, the Authorised Status, the Important Information, the Investment Objective and Policy, the Investment Manager's Report, the Portfolio Statement and the Summary of Material Portfolio Changes) is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Collective Investment Schemes sourcebook requires us to report to you if, in our opinion:

- proper accounting records for the Company or the Fund have not been kept; or
- the financial statements are not in agreement with those accounting records.

Responsibilities of the ACD

As explained more fully in the Statement of the ACD's Responsibilities on page 11, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LF INVESTMENT FUND *continued*

Responsibilities of the ACD *continued*

In preparing the financial statements, the ACD is responsible for assessing the Company's and the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to terminate the Fund, wind-up the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with regulation 67(2) of the Open-Ended Investment Companies Regulations 2001, and with Rule 4.5.12 of the Collective Investment Schemes sourcebook. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

GRANT THORNTON UK LLP
Statutory Auditor, Chartered Accountants
London, United Kingdom
30 September 2020

LF EQUITY INCOME FUND

ACD'S REPORT

for the period from 1 January 2019 to 31 March 2020

Important Information

Refer to the 'Important Information' section for the Company on page 3.

With effect from 18 January 2020, when the Fund commenced wind-up the requirement to meet the Investment Objective and Policy of the Fund and its returns compared to the comparator Benchmarks fell away.

Investment Objective and Policy of the Fund prior to 18 January 2020

LF Equity Income Fund ('the Fund') had a stated aim to provide a reasonable level of income together with capital growth. This was to be achieved by investing primarily in UK listed companies. The Fund could also invest in unlisted companies and overseas entities as well as in other transferable securities, money market instruments, warrants, collective investment schemes and deposits.

The Investment Manager could also make use of derivatives for investment purposes (gaining both long and short exposure to the underlying assets) and for efficient portfolio management. Such use of derivatives did not have a significant adverse effect on the risk profile of this Fund.

Benchmarks

The Fund's comparator benchmarks were the FTSE All Share Total Return Index and the IA UK All Companies Equities Sector.

The FTSE All Share Total Return Index is representative of the universe of assets in which the Fund could invest and could assist investors in evaluating the Fund's performance against UK equity returns. The Fund also used the IA UK All Companies Equity Sector as a comparator as investors could find it useful to compare the performance of the Fund with the performance of a group of the Fund's peers. The Fund was not constrained by the benchmarks and could take positions that differed significantly from the benchmarks.

LINK FUND SOLUTIONS LIMITED

ACD of LF Equity Income Fund

30 September 2020

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

INVESTMENT MANAGER'S REPORT

for the period from 1 January 2019 to 31 March 2020

The interim accounts of the Fund incorporate the report of the then Investment Manager, Woodford Investment Management Limited, for the period 1 January 2019 to 30 June 2019. In the period from 1 July 2019 to 15 October 2019, when Woodford Investment Management Limited was replaced as the Investment Manager of the Fund, its main activity was to seek to reposition the portfolio into more liquid assets to enable the Fund to return from suspension.

In view of the limited progress made in the period from suspension until 15 October 2019, the decision was taken by LFSL, in its capacity as ACD of the Fund, to take direct control of investment management activities from that date and at the same time to commence the process to bring the Fund to an orderly wind-up.

From 15 October 2019 the assets within the Fund were initially allocated to two portfolios, Portfolio A and Portfolio B.

Portfolio A, which comprised the vast majority of the Fund's quoted assets, was allocated to BlackRock Advisors (UK) Limited ('BlackRock'). BlackRock was tasked with liquidating those assets in an effective manner, whilst seeking to maintain value. From 15 October 2019 until the last formal valuation of the Fund on 17 January 2020, monies realised from the sale of assets of the Fund were invested in a combination of money market funds, term deposits and UK Government Gilts. A FTSE 100 futures overlay was put in place, thereby enabling the Fund to adhere to its objective of being invested primarily in UK listed companies. From 18 January 2020 the Fund was in wind-up and was no longer required to meet the investment objective, as a result the use of the FTSE futures overlay ceased. From 17 January 2020 BlackRock continued to liquidate the remaining assets within Portfolio A, with the exception of certain assets as noted below. From 15 October 2019 to 17 January 2020 BlackRock realised through the sale of assets in the Fund, £1,964 million, in which time Portfolio A gained 8.35% and outperformed the FTSE All-Share index by 1.22%. Post the period end date of 31 March 2020, BlackRock continued to liquidate the remaining assets within Portfolio A, such that by 14 August 2020 no assets remained in Portfolio A, other than Safe Harbour which is in wind-up and distributed the majority of its value, by way of a return of cash, in late September 2020. (Refer to Note 19, Post Balance Sheet Events).

The liquidation of Portfolio B, which comprised the unquoted and certain of the less liquid quoted healthcare assets, was managed by LFSL with the assistance of PJT Partners (UK) Limited ('PJT'). In evaluating each opportunity for liquidity, it was apparent that to achieve an appropriate outcome for investors, a number of the healthcare assets (both unquoted and less liquid quoted assets) should be consolidated into the "Healthcare Portfolio". This approach then enabled an assessment to be made as to whether a risk diversified portfolio would achieve a more desirable outcome than an asset by asset sale. On 5 June 2020, LFSL announced the sale of up to 19 of the Fund's healthcare portfolio to Acacia Research Corporation for £223.9mn (refer to Note 19, Post Balance Sheet Events, Acacia Transaction). Since taking over the direct management of Portfolio B, LFSL has engaged with each of the other investee companies whilst at the same time actively seeking, in conjunction with PJT, parties who may be interested in acquiring the shares in those companies. In addition to the transaction with Acacia (as noted above) a limited number of asset sales have been made. Subsequent to 31 March 2020, LFSL continues to pursue the sales of the remaining assets within Portfolio B. It is expected that some of these assets will not be realised until 2021.

For details of the movement in the Net Asset Value of the Fund from 3 June 2019, the date of suspension, until 1 September 2020, please refer to the ACD's Report on page 3.

LINK FUND SOLUTIONS LIMITED

ACD of LF Equity Income Fund
30 September 2020

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION

for the period from 1 January 2019 to 31 March 2020

Risk and Reward Profile

As the Fund is now in the process of an orderly wind-up and returning capital to investors, the Risk and Reward Profile is no longer reported.

Fund Performance

The performance of the Fund from 1 January 2019 to the 17 January 2020, the last valuation date prior to the commencement of wind-up, was -25.64%, based on Z Sterling Accumulation shares (the Funds primary share class), compared to the FTSE All Share Total Return of 20.98%¹ and 23.63%¹ returned by the IA UK All Companies Sector.

¹ Source: Bloomberg

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

for the period from 1 January 2019 to 31 March 2020

Comparative Tables

A Sterling Accumulation shares

	01.01.19 to 31.03.20 pence per share ¹	01.01.18 to 31.12.18 pence per share	01.01.17 to 31.12.17 pence per share
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	107.48	128.01	126.40
Return before operating charges*	(31.84)	(19.34)	2.92
Operating charges	(1.01)	(1.19)	(1.31)
Return after operating charges	(32.85)	(20.53)	1.61
Distributions ²	(65.54)	(4.48)	(4.37)
Retained distributions on accumulation shares	3.71	4.48	4.37
Closing net asset value per share	12.80	107.48	128.01
* after direct transaction costs of: ³	0.15	–	0.13

PERFORMANCE

Return after charges	(30.57)%	(16.04)%	1.27%
----------------------	----------	----------	-------

OTHER INFORMATION

Closing net asset value (£'000)	2,437	29,667	58,161
Closing number of shares	19,033,522	27,601,544	45,435,894
Operating charges ⁴	0.82%	1.00%	1.00%
Non-recurring charges ⁵	0.42%	–%	–%
Direct transaction costs ³	0.15%	–%	0.10%

	01.01.19 to 17.01.20	01.01.18 to 31.12.18	01.01.17 to 31.12.17
PRICES			
Highest share price	112.03	128.58	139.02
Lowest share price	78.93	105.03	123.73

¹ Accounting period end extended from 31 December 2019 to 31 March 2020.

² Includes capital distributions made on 30 January 2020 and 25 March 2020 and a special revenue distribution made on 17 March 2020 as part of the Fund's winding up.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Annualised figure due to the Fund's extended period from 1 January 2019 to 31 March 2020.

⁵ Non-recurring charges are one off exceptional costs, not expected to recur in subsequent periods. Included in the 0.42% are costs relating to transaction charges, legal fees and other expense provisions as a result of the Financial Statements being prepared on a break up basis – see Accounting Policies note 1 (A).

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

for the period from 1 January 2019 to 31 March 2020

Comparative Tables *continued*

A Sterling Income shares

	01.01.19 to 31.03.20 pence per share ¹	01.01.18 to 31.12.18 pence per share	01.01.17 to 31.12.17 pence per share
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	92.05	114.03	116.41
Return before operating charges*	(26.76)	(16.99)	2.79
Operating charges	(0.83)	(1.05)	(1.19)
Return after operating charges	(27.59)	(18.04)	1.60
Distributions on income shares ²	(53.94)	(3.94)	(3.98)
Closing net asset value per share	10.52	92.05	114.03
* after direct transaction costs of: ³	0.13	–	0.12

PERFORMANCE

Return after charges	(29.97)%	(15.82)%	1.37%
----------------------	----------	----------	-------

OTHER INFORMATION

Closing net asset value (£'000)	1,103	11,681	29,788
Closing number of shares	10,484,995	12,689,586	26,123,435
Operating charges ⁴	0.81%	1.00%	1.00%
Non-recurring charges ⁵	0.42%	–%	–%
Direct transaction costs ³	0.15%	–%	0.10%

PRICES

	01.01.19 to 17.01.20	01.01.18 to 31.12.18	01.01.17 to 31.12.17
Highest share price	95.95	114.54	127.06
Lowest share price	65.09	91.22	110.96

¹ Accounting period end extended from 31 December 2019 to 31 March 2020.

² Includes capital distributions made on 30 January 2020 and 25 March 2020 and a special revenue distribution made on 17 March 2020 as part of the Fund's winding up.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Annualised figure due to the Fund's extended period from 1 January 2019 to 31 March 2020.

⁵ Non-recurring charges are one off exceptional costs, not expected to recur in subsequent periods. Included in the 0.42% are costs relating to transaction charges, legal fees and other expense provisions as a result of the Financial Statements being prepared on a break up basis – see Accounting Policies note 1 (A).

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

for the period from 1 January 2019 to 31 March 2020

Comparative Tables *continued*

C Sterling Accumulation shares

	01.01.19 to 31.03.20 pence per share ¹	01.01.18 to 31.12.18 pence per share	01.01.17 to 31.12.17 pence per share
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	108.65	129.07	127.14
Return before operating charges*	(32.30)	(19.52)	2.92
Operating charges	(0.75)	(0.90)	(0.99)
Return after operating charges	(33.05)	(20.42)	1.93
Distributions ²	(66.39)	(4.53)	(4.40)
Retained distributions on accumulation shares	3.76	4.53	4.40
Closing net asset value per share	12.97	108.65	129.07
* after direct transaction costs of: ³	0.15	–	0.13

PERFORMANCE

Return after charges	(30.42)%	(15.82)%	1.52%
----------------------	----------	----------	-------

OTHER INFORMATION

Closing net asset value (£'000)	113,296	1,207,228	2,133,934
Closing number of shares	873,672,765	1,111,066,148	1,653,251,857
Operating charges ⁴	0.61%	0.75%	0.75%
Non-recurring charges ⁵	0.42%	–%	–%
Direct transaction costs ³	0.15%	–%	0.10%

	01.01.19 to 17.01.20	01.01.18 to 31.12.18	01.01.17 to 31.12.17
PRICES			
Highest share price	113.30	129.66	139.99
Lowest share price	79.95	106.17	124.74

¹ Accounting period end extended from 31 December 2019 to 31 March 2020.

² Includes capital distributions made on 30 January 2020 and 25 March 2020 and a special revenue distribution made on 17 March 2020 as part of the Fund's winding up.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Annualised figure due to the Fund's extended period from 1 January 2019 to 31 March 2020.

⁵ Non-recurring charges are one off exceptional costs, not expected to recur in subsequent periods. Included in the 0.42% are costs relating to transaction charges, legal fees and other expense provisions as a result of the Financial Statements being prepared on a break up basis – see Accounting Policies note 1 (A).

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

for the period from 1 January 2019 to 31 March 2020

Comparative Tables *continued*

C Sterling Income shares

	01.01.19 to 31.03.20 pence per share ¹	01.01.18 to 31.12.18 pence per share	01.01.17 to 31.12.17 pence per share
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	93.13	115.07	117.18
Return before operating charges*	(27.15)	(17.16)	2.80
Operating charges	(0.64)	(0.80)	(0.90)
Return after operating charges	(27.79)	(17.96)	1.90
Distributions on income shares ²	(54.68)	(3.98)	(4.01)
Closing net asset value per share	10.66	93.13	115.07
* after direct transaction costs of: ³	0.13	–	0.12

PERFORMANCE

Return after charges	(29.84)%	(15.61)%	1.62%
----------------------	----------	----------	-------

OTHER INFORMATION

Closing net asset value (£'000)	45,421	526,044	1,244,835
Closing number of shares	425,922,649	564,826,559	1,081,785,070
Operating charges ⁴	0.61%	0.75%	0.75%
Non-recurring charges ⁵	0.42%	–%	–%
Direct transaction costs ³	0.15%	–%	0.10%

	01.01.19 to 17.01.20	01.01.18 to 31.12.18	01.01.17 to 31.12.17
PRICES			
Highest share price	97.11	115.60	128.06
Lowest share price	65.98	92.28	111.96

¹ Accounting period end extended from 31 December 2019 to 31 March 2020.

² Includes capital distributions made on 30 January 2020 and 25 March 2020 and a special revenue distribution made on 17 March 2020 as part of the Fund's winding up.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Annualised figure due to the Fund's extended period from 1 January 2019 to 31 March 2020.

⁵ Non-recurring charges are one off exceptional costs, not expected to recur in subsequent periods. Included in the 0.42% are costs relating to transaction charges, legal fees and other expense provisions as a result of the Financial Statements being prepared on a break up basis – see Accounting Policies note 1 (A).

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

for the period from 1 January 2019 to 31 March 2020

Comparative Tables *continued*

Z Sterling Accumulation shares

	01.01.19 to 31.03.20 pence per share ¹	01.01.18 to 31.12.18 pence per share	01.01.17 to 31.12.17 pence per share
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	109.18	129.57	127.50
Return before operating charges*	(32.51)	(19.60)	2.93
Operating charges	(0.65)	(0.79)	(0.86)
Return after operating charges	(33.16)	(20.39)	2.07
Distributions ²	(66.76)	(4.55)	(4.42)
Retained distributions on accumulation shares	3.78	4.55	4.42
Closing net asset value per share	13.04	109.18	129.57
* after direct transaction costs of: ³	0.15	–	0.13

PERFORMANCE

Return after charges	(30.37)%	(15.74)%	1.62%
----------------------	----------	----------	-------

OTHER INFORMATION

Closing net asset value (£'000)	204,717	2,015,331	3,210,940
Closing number of shares	1,569,816,936	1,845,897,189	2,478,116,625
Operating charges ⁴	0.53%	0.65%	0.65%
Non-recurring charges ⁵	0.42%	–%	–%
Direct transaction costs ³	0.15%	–%	0.10%

	01.01.19 to 17.01.20	01.01.18 to 31.12.18	01.01.17 to 31.12.17
PRICES			
Highest share price	113.86	130.16	140.46
Lowest share price	80.39	106.68	125.21

¹ Accounting period end extended from 31 December 2019 to 31 March 2020.

² Includes capital distributions made on 30 January 2020 and 25 March 2020 and a special revenue distribution made on 17 March 2020 as part of the Fund's winding up.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Annualised figure due to the Fund's extended period from 1 January 2019 to 31 March 2020.

⁵ Non-recurring charges are one off exceptional costs, not expected to recur in subsequent periods. Included in the 0.42% are costs relating to transaction charges, legal fees and other expense provisions as a result of the Financial Statements being prepared on a break up basis – see Accounting Policies note 1 (A).

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

for the period from 1 January 2019 to 31 March 2020

Comparative Tables *continued*

Z Sterling Income shares

	01.01.19 to 31.03.20 pence per share ¹	01.01.18 to 31.12.18 pence per share	01.01.17 to 31.12.17 pence per share
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	93.54	115.46	117.45
Return before operating charges*	(27.32)	(17.23)	2.81
Operating charges	(0.54)	(0.69)	(0.78)
Return after operating charges	(27.86)	(17.92)	2.03
Distributions on income shares ²	(54.96)	(4.00)	(4.02)
Closing net asset value per share	10.72	93.54	115.46
* after direct transaction costs of: ³	0.13	–	0.12

PERFORMANCE

Return after charges	(29.78)%	(15.52)%	1.73%
----------------------	----------	----------	-------

OTHER INFORMATION

Closing net asset value (£'000)	99,887	857,962	1,417,843
Closing number of shares	931,809,232	917,196,155	1,227,995,028
Operating charges ⁴	0.52%	0.65%	0.65%
Non-recurring charges ⁵	0.42%	–%	–%
Direct transaction costs ³	0.15%	–%	0.10%

PRICES

	01.01.19 to 17.01.20	01.01.18 to 31.12.18	01.01.17 to 31.12.17
Highest share price	97.55	115.99	128.42
Lowest share price	66.32	92.69	112.33

¹ Accounting period end extended from 31 December 2019 to 31 March 2020.

² Includes capital distributions made on 30 January 2020 and 25 March 2020 and a special revenue distribution made on 17 March 2020 as part of the Fund's winding up.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Annualised figure due to the Fund's extended period from 1 January 2019 to 31 March 2020.

⁵ Non-recurring charges are one off exceptional costs, not expected to recur in subsequent periods. Included in the 0.42% are costs relating to transaction charges, legal fees and other expense provisions as a result of the Financial Statements being prepared on a break up basis – see Accounting Policies note 1 (A).

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

for the period from 1 January 2019 to 31 March 2020

Comparative Tables *continued*

X Sterling Accumulation shares

	01.01.19 to 31.03.20 pence per share ¹	01.01.18 to 31.12.18 pence per share	01.01.17 to 31.12.17 pence per share
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	105.20	125.91	124.96
Return before operating charges*	(30.99)	(18.96)	2.89
Operating charges	(1.45)	(1.75)	(1.94)
Return after operating charges	(32.44)	(20.71)	0.95
Distributions ²	(63.90)	(4.40)	(4.31)
Retained distributions on accumulation shares	3.62	4.40	4.31
Closing net asset value per share	12.48	105.20	125.91
* after direct transaction costs of: ³	0.15	–	0.13

PERFORMANCE

Return after charges	(30.84)%	(16.45)%	0.76%
----------------------	----------	----------	-------

OTHER INFORMATION

Closing net asset value (£'000)	2,036	21,971	39,419
Closing number of shares	16,314,315	20,885,815	31,306,520
Operating charges ⁴	1.22%	1.50%	1.50%
Non-recurring charges ⁵	0.42%	–%	–%
Direct transaction costs ³	0.15%	–%	0.10%

	01.01.19 to 17.01.20	01.01.18 to 31.12.18	01.01.17 to 31.12.17
PRICES			
Highest share price	109.57	126.47	137.11
Lowest share price	76.95	102.81	121.74

¹ Accounting period end extended from 31 December 2019 to 31 March 2020.

² Includes capital distributions made on 30 January 2020 and 25 March 2020 and a special revenue distribution made on 17 March 2020 as part of the Fund's winding up.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Annualised figure due to the Fund's extended period from 1 January 2019 to 31 March 2020.

⁵ Non-recurring charges are one off exceptional costs, not expected to recur in subsequent periods. Included in the 0.42% are costs relating to transaction charges, legal fees and other expense provisions as a result of the Financial Statements being prepared on a break up basis – see Accounting Policies note 1 (A).

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

FUND INFORMATION *continued*

for the period from 1 January 2019 to 31 March 2020

Comparative Tables *continued*

X Sterling Income shares

	01.01.19 to 31.03.20 pence per share ¹	01.01.18 to 31.12.18 pence per share	01.01.17 to 31.12.17 pence per share
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	90.14	112.22	115.14
Return before operating charges*	(25.97)	(16.67)	2.77
Operating charges	(1.31)	(1.54)	(1.76)
Return after operating charges	(27.28)	(18.21)	1.01
Distributions on income shares ²	(52.60)	(3.87)	(3.93)
Closing net asset value per share	10.26	90.14	112.22
* after direct transaction costs of: ³	0.13	–	0.12

PERFORMANCE

Return after charges	(30.26)%	(16.23)%	0.88%
----------------------	----------	----------	-------

OTHER INFORMATION

Closing net asset value (£'000)	193	3,167	5,709
Closing number of shares	1,883,152	3,513,738	5,087,641
Operating charges ⁴	1.26%	1.50%	1.50%
Non-recurring charges ⁵	0.42%	–%	–%
Direct transaction costs ³	0.15%	–%	0.10%

	01.01.19 to 17.01.20	01.01.18 to 31.12.18	01.01.17 to 31.12.17
PRICES			
Highest share price	93.88	112.72	125.38
Lowest share price	63.47	89.33	109.24

¹ Accounting period end extended from 31 December 2019 to 31 March 2020.

² Includes capital distributions made on 30 January 2020 and 25 March 2020 and a special revenue distribution made on 17 March 2020 as part of the Fund's winding up.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ Annualised figure due to the Fund's extended period from 1 January 2019 to 31 March 2020.

⁵ Non-recurring charges are one off exceptional costs, not expected to recur in subsequent periods. Included in the 0.42% are costs relating to transaction charges, legal fees and other expense provisions as a result of the Financial Statements being prepared on a break up basis – see Accounting Policies note 1 (A).

LF EQUITY INCOME FUND**ACD'S REPORT** *continued***FUND INFORMATION** *continued*

for the period from 1 January 2019 to 31 March 2020

Comparative Tables *continued*F Sterling Accumulation shares¹

	01.01.19 to 31.03.20 pence per share ²	01.01.18 to 31.12.18 pence per share	01.01.17 to 31.12.17 pence per share
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	85.34	100.71	98.46
Return before operating charges*	(25.60)	(15.37)	2.25
Operating charges	–	–	–
Return after operating charges	(25.60)	(15.37)	2.25
Distributions ³	(52.51)	(3.54)	(3.47)
Retained distributions on accumulation shares	3.02	3.54	3.47
Closing net asset value per share	10.25	85.34	100.71
* after direct transaction costs of: ⁴	0.12	–	0.10

PERFORMANCE

Return after charges	(29.99)%	(15.26)%	2.29%
----------------------	----------	----------	-------

OTHER INFORMATION

Closing net asset value (£'000)	449	5,267	68,274
Closing number of shares	4,381,590	6,171,261	67,790,864
Operating charges ⁵	–%	–%	–%
Non-recurring charges ⁶	0.42%	–%	–%
Direct transaction costs ⁴	0.15%	–%	0.10%

PRICES

	01.01.19 to 17.01.20	01.01.18 to 31.12.18	01.01.17 to 31.12.17
Highest share price	89.09	101.18	108.80
Lowest share price	63.13	83.39	97.12

¹ This class is only available for investment by the Woodford Feeder Fund (Ireland) and the Group Self Invested Pension Plan of the Investment Manager.

² Accounting period end extended from 31 December 2019 to 31 March 2020.

³ Includes capital distributions made on 30 January 2020 and 25 March 2020 and a special revenue distribution made on 17 March 2020 as part of the Fund's winding up.

⁴ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs. A negative transaction costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁵ Annualised figure due to the Fund's extended period from 1 January 2019 to 31 March 2020.

⁶ Non-recurring charges are one off exceptional costs, not expected to recur in subsequent periods. Included in the 0.42% are costs relating to transaction charges, legal fees and other expense provisions as a result of the Financial Statements being prepared on a break up basis – see Accounting Policies note 1 (A).

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT

as at 31 March 2020

Portfolio weightings show as at 31 March 2020 are based on the net asset value of £469,539,000. Comparative weights are based on the 31 December 2018 net asset value of £4,678,318,000.

Holding	Portfolio of investments	Value £'000	31.03.20 %
	UNITED KINGDOM – 56.22% (31.12.18 – 72.79%)		
	BASIC MATERIALS – 0.00% (31.12.18 – 0.04%)		
	Chemicals – 0.00% (31.12.18 – 0.04%)		
	INDUSTRIALS – 0.51% (31.12.18 – 7.26%)		
	Construction & Materials – 0.18% (31.12.18 – 1.46%)		
1,151,220	Kier ⁶	857	0.18
	Industrial Engineering – 0.33% (31.12.18 – 0.41%)		
47,613	Metalysis Preference ¹	–	0.00
144,000	Nexxon ¹	1,304	0.28
23,786	Nexxon Limited ¹	215	0.05
		1,519	0.33
	Industrial Transportation – 0.00% (31.12.18 – 1.62%)		
	Support Services – 0.00% (31.12.18 – 3.77%)		
14,296,030	Utilitywise ^{1,2}	–	0.00
	CONSUMER GOODS – 0.10% (31.12.18 – 20.73%)		
	Household Goods & Home Construction – 0.10% (31.12.18 – 13.63%)		
35,486,146	Eve Sleep ^{3,6}	443	0.10

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 31 March 2020

Holding	Portfolio of investments	Value £'000	31.03.20 %
Tobacco – 0.00% (31.12.18 – 7.10%)			
HEALTH CARE – 46.93% (31.12.18 – 17.86%)			
Health Care Equipment & Services – 23.37% (31.12.18 – 4.27%)			
4,347,826	Induction Healthcare Group ^{3,4}	3,913	0.83
38,618,608	Open Orphan ^{3,4}	2,394	0.51
1,846,376	Oxford Nanopore Technologies ^{1,4}	20,754	4.42
9,635,768	Oxford Pharmascience ^{1,6}	25	0.01
57,027,018	Rutherford Health ⁵	76,131	16.21
15,176,204	Sensyne Health ^{3,4}	6,526	1.39
11,750,000	Sphere Medical Holdings ¹	–	0.00
		<u>109,743</u>	<u>23.37</u>
Pharmaceuticals & Biotechnology – 23.56% (31.12.18 – 13.59%)			
13,091,131	4D Pharma ^{3,4}	3,194	0.68
40,934	AMO Pharmaceuticals Preference ^{1,4}	2,535	0.54
26,819,617	Arix Bioscience ⁴	15,287	3.25
236,827	BenevolentAI ¹	64,261	13.69
24,737	Immunocore ^{1,4}	436	0.09
239,003	Immunocore 'A' Preference ^{1,4}	4,474	0.95
3,454,231	Kymab Series 'B' Preference ^{1,4}	1,209	0.26
1,162,655	Kymab Series 'C' Preference ^{1,4}	477	0.10
19,031,915	Mereo Biopharma ^{3,4}	3,426	0.73
3,891,284	Midatech Pharma ^{3,4}	973	0.21
31,371,547	Midatech Pharma Warrants 04/02/2022 ¹	–	0.00
15,634,240	NetScientific ^{3,4}	313	0.07
683,995	NovaBiotics ^{1,4}	406	0.09
21,341,293	Synairgen ^{3,4}	12,805	2.73
234,212,642	Tissue Regenix ^{3,4}	820	0.17
		<u>110,616</u>	<u>23.56</u>

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 31 March 2020

Holding	Portfolio of investments	Value £'000	31.03.20 %
	CONSUMER SERVICES – 0.00% (31.12.18 – 1.45%)		
	Support Services – 0.00% (31.12.18 – 0.65%)		
	General Retailers – 0.00% (31.12.18 – 0.48%)		
	Media – 0.00% (31.12.18 – 0.32%)		
	FINANCIALS – 8.68% (31.12.18 – 25.40%)		
	Real Estate Investment & Services – 3.69% (31.12.18 – 4.55%)		
40,586,343	Purplebricks ^{3,6}	17,323	3.69
	Real Estate Investment Trusts – 0.00% (31.12.18 – 2.70%)		
	Financial Services – 2.62% (31.12.18 – 14.84%)		
11,802,229	Atom Bank ¹	8,120	1.73
8,144,872	Cambridge Innovation Capital ¹	4,203	0.89
		12,323	2.62
	Equity Investment Instruments – 2.37% (31.12.18 – 3.31%)		
52,966,768	Schroder UK Public Private Trust ⁶	11,123	2.37
	TECHNOLOGY – 0.00% (31.12.18 – 0.05%)		
	Software & Computer Services – 0.00% (31.12.18 – 0.05%)		
8,131,847	Drayson Technologies ¹	–	0.00

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 31 March 2020

Holding	Portfolio of investments	Value £'000	31.03.20 %
	CHANNEL ISLANDS – 4.92% (31.12.18 – 13.82%)		
	INDUSTRIALS – 0.00% (31.12.18 – 4.45%)		
	Industrial Engineering – 0.00% (31.12.18 – 2.46%)		
	Industrial Transportation – 0.00% (31.12.18 – 1.99%)		
	FINANCIALS – 4.92% (31.12.18 – 9.37%)		
	Real Estate Investment & Services – 1.89% (31.12.18 – 1.83%)		
1,000	Sabina Estates Preference 3 ¹	1,771	0.38
1,000	Sabina Estates Preference 4 ¹	1,771	0.38
3,000	Sabina Estates Preference 5 ¹	5,315	1.13
		<u>8,857</u>	<u>1.89</u>
	Financial Services – 2.77% (31.12.18 – 6.79%)		
2,300,973	OMBU ¹	–	0.00
168,773	OMBU Preference 1 ¹	4,737	1.01
74,807	OMBU Preference 2 ¹	2,060	0.44
34,910	OMBU Preference 4 ¹	927	0.20
103,571	OMBU Preference 8 ¹	2,637	0.56
103,571	OMBU Preference 9 ¹	2,660	0.56
		<u>13,021</u>	<u>2.77</u>
	Equity Investment Instruments – 0.00% (31.12.18 – 0.71%)		
	Non-equity Investment Instruments – 0.26% (31.12.18 – 0.04%)		
1,597,275	Safe Harbour ^{3,7}	1,214	0.26
	IRELAND – 2.83% (31.12.18 – 3.67%)		
	HEALTH CARE – 2.83% (31.12.18 – 2.84%)		
	Health Care Equipment & Services – 2.83% (31.12.18 – 1.40%)		
28,089,888	Malin J1 Limited 'B' Preference ^{1,4}	13,302	2.83

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 31 March 2020

Holding	Portfolio of investments	Value £'000	31.03.20 %
	Pharmaceuticals & Biotechnology – 0.00% (31.12.18 – 1.44%)		
	FINANCIALS – 0.00% (31.12.18 – 0.83%)		
	Financial Services – 0.00% (31.12.18 – 0.83%)		
	CONTINENTAL EUROPE – 3.59% (31.12.18 – 2.41%)		
	LUXEMBOURG – 3.46% (31.12.18 – 0.75%)		
	BASIC MATERIALS – 3.41% (31.12.18 – 0.50%)		
	Chemicals – 3.41% (31.12.18 – 0.50%)		
4,052,800	Mafic Convertible Preference Shares 'A' ¹	9,615	2.05
985,360	Mafic Convertible Preference Shares 'B' ¹	3,187	0.68
1,500,000	Mafic Convertible Preference Shares 'D' ¹	3,186	0.68
		<u>15,988</u>	<u>3.41</u>
	INDUSTRIALS – 0.05% (31.12.18 – 0.25%)		
	General Industrials – 0.05% (31.12.18 – 0.25%)		
20,001,629	RM2 International [®]	<u>250</u>	<u>0.05</u>
	NORWAY – 0.00% (31.12.18 – 0.97%)		
	INDUSTRIALS – 0.00% (31.12.18 – 0.97%)		
	Industrial Goods & Services – 0.00% (31.12.18 – 0.97%)		
	SWITZERLAND – 0.13% (31.12.18 – 0.69%)		
	HEALTH CARE – 0.13% (31.12.18 – 0.69%)		
	Health Care Equipment & Services – 0.13% (31.12.18 – 0.69%)		
21,949,832	CeQur S.A. Series 'C' Preference ²	<u>628</u>	<u>0.13</u>

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 31 March 2020

Holding	Portfolio of investments	Value £'000	31.03.20 %
	NORTH AMERICA – 28.39% (31.12.18 – 7.86%)		
	BERMUDA – 0.00% (31.12.18 – 1.33%)		
	FINANCIALS – 0.00% (31.12.18 – 1.33%)		
	Financial Services – 0.00% (31.12.18 – 1.33%)		
	BRITISH VIRGIN ISLANDS – 0.00% (31.12.18 – 0.02%)		
	BASIC MATERIALS – 0.00% (31.12.18 – 0.02%)		
	Chemicals – 0.00% (31.12.18 – 0.02%)		
76,157,453	Halosource ¹	–	0.00
67,436,226	Halosource Reg S ¹	–	0.00
		–	0.00
	UNITED STATES – 28.39% (31.12.18 – 6.51%)		
	HEALTH CARE – 27.81% (31.12.18 – 6.33%)		
	Health Care Equipment & Services – 8.59% (31.12.18 – 0.61%)		
9,138,504	Evoform Biosciences ⁴	39,628	8.44
3,664,922	Viamet Pharmaceuticals ^{1,4}	726	0.15
		40,354	8.59
	Pharmaceuticals & Biotechnology – 19.22% (31.12.18 – 5.72%)		
4,836,864	Theravance Biopharma ⁴	90,238	19.22
	TECHNOLOGY – 0.58% (31.12.18 – 0.18%)		
	Technology – 0.58% (31.12.18 – 0.18%)		
40,998	Origin ¹	1,980	0.42
10,000	Origin 1 A Series 'B' Preference ¹	346	0.07
10,000	Origin Convertible Preference 'A' ¹	400	0.09
8	Origin Warrants ¹	–	0.00
		2,726	0.58

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

PORTFOLIO STATEMENT *continued*

as at 31 March 2020

Holding	Portfolio of investments	Value £'000	31.03.20 %
Forward FX Currency Contracts – 0.00% (31.12.18 – (0.27%))			
	Portfolio of investments	450,525	95.95
	Net other assets	19,014	4.05
	Net assets	469,539	100.00

The investments have been valued in accordance with note 1(F) of the Accounting Policies and are ordinary shares listed on a regulated market unless stated otherwise.

¹ Unquoted security

² Delisted security

³ AIM quoted security

⁴ Assets included in the Acacia transaction

⁵ AQUIS quoted security

⁶ Sold post 31 March 2020

⁷ Delisted from AIM 10 August 2020

LF EQUITY INCOME FUND

ACD'S REPORT *continued*

SUMMARY OF MATERIAL PORTFOLIO CHANGES

for the period from 1 January 2019 to 31 March 2020

Total purchases for the period £'000 (note 17)	1,354,561
Major purchases	Cost £'000
Imperial Brands	127,832
BT	111,771
Taylor Wimpey	109,557
British American Tobacco	81,225
Royal Bank of Scotland	79,296
International Consolidated Airlines	75,396
Kier	41,490
Lloyds Banking	40,418
Amigo	37,842
Legal and General	34,362
Total sales for the period £'000 (note 17)	4,318,360
Major sales	Proceeds £'000
Imperial Brands	463,999
Barratt Developments	444,616
Taylor Wimpey	247,399
Provident Financial	185,086
Burford Capital	169,079
Countryside Properties	145,117
NewRiver REIT	130,706
BT	116,553
BCA Marketplace	112,853
Theravance Biopharma	96,448

In addition to the above, purchases totalling £2,993,369,000 and sales totalling £2,994,901,000 were made in short term investments, such as Money Market Funds, Gilts, Commercial Papers and Term Deposits, during the period.

The summary of material portfolio changes represents the 10 largest purchases and sales during the period which may include new and follow on investments for purchases and include full or partial sales.

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF TOTAL RETURN

for the period from 1 January 2019 to 31 March 2020

	Notes	£'000	01.01.19 to 31.03.20 £'000	£'000	01.01.18 to 31.12.18 £'000
Income					
Net capital losses	3		(1,324,285)		(1,260,683)
Revenue	4	145,933		236,019	
Expenses	5	(24,727)		(43,413)	
Interest payable and similar charges	7	(273)		(657)	
Net revenue before taxation		120,933		191,949	
Taxation	6	(382)		—	
Net revenue after taxation			120,551		191,949
Total return before distributions			(1,203,734)		(1,068,734)
Distributions	8		(142,208)		(230,155)
Change in net assets attributable to shareholders from investment activities			(1,345,942)		(1,298,889)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the period from 1 January 2019 to 31 March 2020

	£'000	01.01.19 to 31.03.20 £'000	£'000	01.01.18 to 31.12.18 £'000
Opening net assets attributable to shareholders		4,678,318		8,208,903
Amounts receivable on issue of shares	244,487		612,709	
Amounts payable on redemption of shares	(938,795)		(3,005,231)	
		(694,308)		(2,392,522)
Dilution adjustment ¹		3,438		7,811
Change in net assets attributable to shareholders from investment activities		(1,345,942)		(1,298,889)
Retained distribution on accumulation shares		94,906		153,015
De-minimis reinvestment		385		—
Capital distribution ²		(2,267,258)		—
Closing net assets attributable to shareholders		469,539		4,678,318

The current accounting period is from 1 January 2019 to 31 March 2020, whereas the comparative figures are for the year ended 31 December 2018.

¹ See note 1(f)

² As part of the Fund's winding up, capital distributions were made on 30 January 2020 and 25 March 2020.

LF EQUITY INCOME FUND
ANNUAL FINANCIAL STATEMENTS *continued*
BALANCE SHEET
as at 31 March 2020

	Notes	31.03.20 £'000	31.12.18 £'000
ASSETS			
Fixed assets			
Investments		–	4,706,824
Current assets			
Investments	1(A)	450,525	–
Debtors	9	9,120	14,570
Cash and bank balances	10	25,129	58,750
Total assets		484,774	4,780,144
LIABILITIES			
Investment liabilities		–	(15,279)
Creditors			
Bank overdrafts	10	(11)	(52,752)
Distributions payable	11	–	(19,651)
Other creditors	11	(15,224)	(14,144)
Total liabilities		(15,235)	(101,826)
Net assets attributable to shareholders		469,539	4,678,318

The current accounting period is from 1 January 2019 to 31 March 2020, whereas the comparative figures are as at 31 December 2018.

LF EQUITY INCOME FUND
ANNUAL FINANCIAL STATEMENTS *continued*
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the period from 1 January 2019 to 31 March 2020

1. Accounting Policies

The principal accounting policies, which have been applied in the current period and prior year, are set out below.

(A) BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

Due to the winding up of the Company and its sub-fund starting on 18 January 2020, the financial statements have been prepared on a break-up basis. Under this basis assets were recorded at their net realisable value and all currently known liabilities payable by the Fund were recorded at their expected settlement value. No other adjustments were necessary except for reclassifying fixed assets as current assets.

(B) RECOGNITION OF REVENUE

Revenue from quoted equities and non-equity shares is recognised net of attributable tax credits when the security is quoted ex-dividend.

Overseas revenue received after the deduction of withholding tax is shown gross of taxation, with the taxation consequences shown within the taxation charge.

Distributions from collective investment schemes are recognised when the schemes are quoted ex-distribution. Equalisation returned with the distribution is deducted from the cost of the investment in the scheme and does not form part of the distributable revenue.

Revenue from unquoted equity investments is recognised when the dividend is declared.

Revenue on debt securities is accounted for on an effective yield basis.

Interest on bank and other cash deposits is recognised on an accruals basis.

All other revenue is recognised on an accruals basis.

(C) TREATMENT OF EXPENSES

All expenses, except for those relating to the purchase and sale of investments are charged initially against revenue.

(D) ALLOCATION OF REVENUE AND EXPENSES TO MULTIPLE SHARE CLASSES

Any revenue or expense not directly attributable to a particular share class will normally be allocated pro-rata to the net assets of the relevant share classes unless a different allocation method is more appropriate.

All share classes are ranked pari passu and have no particular rights or terms attached, including rights on winding up.

(E) TAXATION

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against the corporation tax payable by way of double tax relief and where this is the case the offset is reflected in the tax charge.

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

1. Accounting Policies *continued*

(E) TAXATION *continued*

Deferred tax is provided on all timing differences that have originated but not reversed by the balance sheet date, other than those differences that are regarded as permanent. Any liability to deferred tax is provided at the average rate of tax expected to apply. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

(F) VALUATION OF INVESTMENTS

The valuation of assets as at 31 March 2020 can be categorised into three groupings:

1. Quoted assets;
2. Unquoted assets; and
3. Assets subject to the Acacia Transaction ('the Acacia Transaction')

In determining the valuation of the assets within each group the below should be read in conjunction with Note 1 (G) Significant Judgement and Estimations.

Quoted assets are valued by reference to the closing exchange bid price on 31 March 2020 (being the last business day of the financial period). If there is no active market for any asset, it will be treated, for valuation purposes, as an Unquoted asset.

Unquoted assets are valued in accordance with the Unquoted valuation process described below.

Assets subject to the Acacia Transaction are listed in the Portfolio Statement by reference to footnote 4, see pages 29 to 35. The Quoted assets which are part of the Acacia Transaction have been valued in accordance with the Quoted assets methodology described above. The Unquoted assets which are part of the Acacia Transaction have been valued using an adjusted fair value price. The adjusted fair value price of each Unquoted asset (when combined with the Quoted asset values) reflects the consideration paid by Acacia. This means that the adjusted fair value price may differ from the non-adjusted fair value price at which the asset was previously held.

Unquoted valuation process - Investments in the shares of companies that are not quoted on any Stock Exchange (unquoted investments) continue to be a significant portion of the Fund's assets. Such investments are valued in accordance with the ACD's Fair Value Policy. In order to determine the fair value of the Unquoted assets held by the Fund, the ACD is required to exercise significant judgment, based on certain information and assumptions about the relevant companies. Whilst there is a robust and consistent valuation process undertaken by the ACD, it is recognised that there is a significant element of uncertainty as regards the estimated fair value of each Unquoted asset. For example, as part of estimating the fair value of an asset, the ACD assumes that the relevant company will continue to perform in line with their stated business plan and projections. However, should the company fail to perform in accordance with their business plan and projections, this could result in a material difference between the fair value price at which the asset is held and the price at which the asset can be sold to a third party.

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

1. Accounting Policies *continued*

(F) VALUATION OF INVESTMENTS *continued*

The ACD does not believe that the decision to wind-up the Fund had, in itself, a material impact on the business and operations of the Fund's investee companies, and, therefore, the fair valuation of those companies. However, the successful disposals since the commencement of the winding up of the Fund and the indications of interest received in relation to the remaining Unquoted investments indicate that in order to conclude the realisation process in an orderly and efficient manner, the ACD may be required to sell certain of the Unquoted assets at a price which is less than the price at which those assets have been held previously. Therefore, the ACD has decided to apply a liquidity adjustment to the fair value price of the Fund's remaining assets. In determining the relevant adjustment, the ACD has taken account of the price and terms of any offers made by third parties for that asset, and has carefully considered the need to balance maximising the returns to investors against ensuring that the winding up process can be completed in an appropriate time frame. In line with the ACD's Fair Value Policy for reviewing investment valuations, the assumptions and estimates made in determining the fair value of each unquoted investment are considered at least every six months, or sooner if there is a triggering event. Examples of triggering events are: (i) the failure of a drug under development to meet an anticipated outcome of its trial; (ii) under performance of a company against tangible development milestones; or (iii) where the company seeks additional funding. The ACD's Fair Value Pricing Committee will determine and document the fair value of each investee company utilising an independent valuation assessment completed by IHSMarkit from publicly available information and information supplied by the investee companies, along with any valuation adjustment it may determine as appropriate (including an estimate to recognise the limited liquidity available in the market and the fact that the accounts of the Fund are prepared on a net realisable basis, see Note 1(A)).

The ACD's estimations of fair value are considered on an ongoing basis, including with regard to the impact of events in the wider market. Appropriate care is taken to consider the nature and inherent uncertainties of market events and their impact on the fair value of Unquoted assets. A specific example of this was the consideration given by the ACD to the International Private Equity and Venture Capital ('IPEV') Special Valuation Guidelines issued on 31 March 2020 which set out, given the magnitude of the COVID 19 pandemic and the significant uncertainty this created, information asset valuers may consider when applying the International Private Equity and Venture Capital Valuation Guidelines ('the Guidelines'). The Guidelines were revised in December 2018 and became effective from 1 January 2019 and were adopted at that time by the ACD. The key enhancement in the revised Guidelines is the removal of the price of a recent investment as a specific valuation technique. This revision was made to reinforce the premise that fair value must be estimated at each measurement date, thus ensuring a level of consistency with applicable accounting standards.

While there may be market speculation about potential transaction activity in certain portfolio companies, such matters are not taken into account in the valuation process until the information is public and can be considered as an observable market transaction, see Post Balance Sheet Event (1).

In determining the fair value of the unquoted investments, the ACD has adhered to the principles set out below (which are consistent with the Guidelines). The following factors may be considered in determining the fair value of an asset:

- i. the price of a recent investment, whilst an indicator of fair value, is not a default that would preclude re-estimating the valuation at the valuation date. However, if the price of recent investment is determined to be fair value then it is used to calibrate inputs to the valuation model(s); or

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

1. Accounting Policies *continued*

(F) VALUATION OF INVESTMENTS *continued*

- ii. where a value is indicated by a recent material arms-length transaction by an independent third party in the shares of a company, and after it is established that this is fair then this value will be used, unless the rights attributable to the shares impact the overall capital structure and rights of existing investors; or
- iii. in the absence of (i) and (ii), and depending upon both the subsequent trading performance and investment structure of an investee company, the valuation basis will usually move to an earnings multiple basis or, if appropriate, other valuation models such as:
 - a. Probability-weighted expected return method (PWERM), which considers on a probability weighted basis the future outcomes for the investment;
 - b. Option priced modelling (OPM) is used to value early stage companies where outcomes are uncertain;
 - c. Adjusted recent transaction prices (which consider the company's performance against key milestones and the complexity of the capital structure) are also used; or
 - d. Discounted cash flow model which values a business based on estimates of future cash-flows with an appropriate discount rate.
- iv. if the investment is in a fund then the valuation will be based on the Net Asset Value of the fund (which is invariably comprised of early-stage unquoted investments), or on an adjusted basis to recognise the underlying performance of the investments.

Where models are used in valuing an investment, significant judgements are made in estimating the various inputs into the models and recognising the sensitivity of such estimates, especially in early-stage pre-revenue enterprises. Examples of the factors where significant judgement is made include, but are not limited to – the probability assigned to the relative success or failure of an enterprise; the probable future outcome paths; discount rates; growth rates; terminal value; selection of appropriate market comparable companies, the reliability of future revenue and growth forecasts and the likely exit scenarios for the investee company, for example, IPO or trade sale. In making judgements in regard to the probability of an investee outcome, it must be noted that due to the nature of the investee company's activity, its future outcome may, to a greater or lesser extent, be binary, for example, if an investee company is developing one particular drug and that fails its required trials then the outcome may be terminal for that enterprise. It should be noted that the most significant events that will drive valuation change in investee companies are company-specific events that would give rise to a valuation inflexion point (known also as a 'triggering event'). An example of a material inflexion point in a bio-pharma company would be the successful completion of a drug trial or its approval by a regulatory authority.

These valuation methods may lead to a company being valued on a suitable price-earnings ratio to that company's historic, current or forecast post-tax earnings before interest and amortisation (the ratio used being based on a comparable sector but the resulting value being adjusted to reflect points of difference identified when compared to the market sector (which the investment would reside in were it listed) including, inter alia, a lack of marketability).

At 31 March 2020, 51.38% (31 December 2018: 19.72%) of the NAV is valued as unquoted assets, of which 41.94% is valued in accordance the Unquoted valuation process and 9.44% as unquoted assets subject to the Acacia Transaction.

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

1. Accounting Policies *continued*

(G) SIGNIFICANT JUDGEMENTS, ESTIMATIONS AND UNCERTAINTY

Judgement

The ACD has considered that in preparing the accounts, and, in its judgement, the application of the Fair Valuation Policy is a significant accounting policy that has a significant effect on the amounts recognised in the accounts and in particular the values ascribed to the held investments.

Estimations

In applying the Fair Value Policy a number of estimations are made when determining the fair value of each investment, depending on which grouping an investment has been assigned to – Quoted assets; Unquoted assets; and the Acacia Transaction.

No estimations are made in respect of Quoted assets, that form part of the Acacia Transaction. Where a Quoted asset is listed on an exchange and there is no active market in that asset and/or the market price is not considered reliable, then it is treated as an Unquoted asset for valuation purposes.

In respect of Unquoted assets, which are not part of the Acacia Transaction, the significant estimations in determining the fair valuation are:

- i. the ACD does not believe that the decision to wind-up the Fund had, in itself, a material impact on the business and operations of the Fund's investee companies, and, therefore, the fair valuation of those companies.
- ii. the determination of the initial fair value makes certain estimations on each investee company, namely
 - a. progress or not against its business plan and the probability of success or failure;
 - b. the reliability of future financial projections and the determination of appropriate discount rates; growth rates and terminal value to be applied; and
 - c. the application of an appropriate pricing model.
- iii. the initial fair value is, for certain Unquoted assets, then adjusted to recognise a liquidity adjustment. The liquidity adjustment is based on an estimation derived from:
 - d. the price at which disposals of unquoted companies have been made compared to the initial fair value;
 - e. the price at which expressions of interest have been received from interested third parties and their substance; and
 - f. the price at which the ACD is willing to sell at, whilst maintaining investor value and the efficiency of the orderly realisation process;
- iv. Unquoted assets within the Acacia Transaction are valued at an adjusted fair value price which (when combined with the Quoted asset values) reflects the consideration paid by Acacia.

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

1. Accounting Policies *continued*

(H) EXCHANGE RATES

The base and functional currency of the Fund is pounds sterling. Transactions in foreign currencies are translated at the rate of exchange ruling on the date of the transaction. Where applicable, assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates prevailing at close of business on the last business day of the financial period.

(I) DILUTION ADJUSTMENTS

The ACD, prior to the Fund's suspension, may have required a dilution adjustment on the purchase and redemption of shares if, in its opinion, the existing shareholders (for purchases) or remaining shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution adjustment may be charged in the following circumstances: where the Fund is expanding or contracting; where the Fund is experiencing a large net subscription position or a large net redemption position relative to its size on any Dealing Day; and in any case where the ACD is of the opinion that the interests of shareholders requires the imposition of a dilution adjustment.

The ACD reserved the right to make a dilution adjustment every Dealing Day. The dilution adjustment is calculated using the estimated dealing costs of the Fund's underlying investments and taking into consideration any dealing spreads, commission and transfer taxes.

(J) DIRECT TRANSACTION COSTS

Direct transaction costs may consist of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Direct transaction costs do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. The average portfolio dealing spread is the difference between the bid and offer prices of investments at the balance sheet date, including the effect of foreign exchange expressed as a percentage of the value determined by reference to the offer price.

2. Distribution Policies

Surplus revenue after expenses and taxation, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders. Any deficit of revenue is deducted from capital.

Interim distributions may be made at the ACD's discretion and the balance of revenue is distributed in accordance with the COLL Sourcebook.

All expenses are transferred to capital for distribution purposes in line with the Fund's investment objective. This will increase the amount of revenue available for distribution; however, will erode capital and may constrain capital growth.

In calculating the amount of distribution, tax relief on expenses charged to capital is applied and transferred between the revenue and capital property of the Fund. In calculating how much tax relief should be allocated, revenue expenses are matched first against taxable income arising in revenue, and tax deductible capital expenses are matched first against taxable income arising in capital.

The ordinary element of stock dividends is treated as revenue and forms part of the distribution. In the case of an enhanced stock dividend, the value of the enhancement is treated as capital and does not form part of the distribution.

Special dividends are reviewed on a case by case basis in determining whether the dividend is to be treated as revenue or capital. Amounts recognised as revenue will form part of the distributable revenue. Amounts recognised as capital are deducted from the cost of the investment. The tax accounting treatment follows the treatment of the principal amount.

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

2. Distribution Policies *continued*

On the 17 January 2020 the ACD announced the payment of a special revenue distribution, payable on the 17 March 2020. This special revenue distribution represented the income earned by the Fund in the period from 1 January 2020 to 17 January 2020.

Revenue received post that distribution has, in agreement with the Depositary, been deemed to be effectively de-minimis in the hands of the ultimate investor in the Fund, and that such revenue is now treated as capital. It is expected that this treatment will apply to all future revenue received by the Fund.

Distributions which have remained unclaimed by shareholders for over six years are credited to the capital property of the Fund.

3. Net Capital Losses

The net capital losses during the period comprise:

	01.01.19 to 31.03.20 £'000	01.01.18 to 31.12.18 £'000
Non-derivative securities ¹	(1,367,303)	(1,208,297)
Derivative securities ²	77,861	–
Forward currency contracts ³	(35,017)	(50,551)
Transaction charges ⁴	(12,993)	(91)
Currency gains/(losses) ⁵	13,167	(1,744)
Net capital losses	<u>(1,324,285)</u>	<u>(1,260,683)</u>

¹ Including realised losses of £1,611,773,603 and unrealised gains of £244,471,607.

² Including realised gains of £77,861,039.

³ Including realised losses of £47,345,368 and unrealised gains of £12,328,085.

⁴ Included in the transaction charges is £11,042,743 payable to BlackRock Advisors (UK), £3,161,534 payable to PJT Partners (UK) of which, £2,849,239 is payable on completion of the Acacia Transaction and a rebate of £1,173,860 from the ACD.

⁵ Including realised gains of £13,166,472 and unrealised gains of £795.

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

4. Revenue

	01.01.19 to 31.03.20 £'000	01.01.18 to 31.12.18 £'000
Bank interest	475	5
Non-taxable dividends	114,689	178,564
Interest on debt securities	1,588	–
Offshore CIS interest revenue	772	–
Overseas dividends	23,490	28,637
Unfranked property income distributions	4,919	12,309
Unfranked revenue	–	14,378
Franked stock dividends	–	2,126
Total revenue	145,933	236,019

5. Expenses

	01.01.19 to 31.03.20 £'000	01.01.18 to 31.12.18 £'000
Payable to the ACD or associates of the ACD:		
Annual Management Charge:		43,327
1 January 2019 to 14 October 2019	21,472	–
15 October 2019 to 17 January 2020	5,439	–
Rebate from ACD	(4,893)	–
	22,018	43,327
Other expenses:		
Administration fees	170	85
Legal fees ¹	2,489	1
Audit fee ²	50	–
	2,709	86
Total expenses	24,727	43,413

Expenses due to the Investment Manager, Depositary, Administrator and Auditor are paid by the ACD out of its remuneration. Fee payable to the auditor for the audit of the Company's financial statements for the period ended 31 March 2020 is £240,000 (£200,000 + VAT) (31.12.18: £72,000 (£60,000 + VAT)).

¹ The legal fees are payable to Debevoise & Plimpton LLP and relate to fees incurred in arranging the sale of unquoted and certain illiquid quoted assets held by the Fund.

² Audit provision for the year ended 31 March 2021. See Accounting Policies note 1 (A).

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

6. Taxation

	01.01.19 to 31.03.20 £'000	01.01.18 to 31.12.18 £'000
a) Analysis of charge for the period		
Corporation tax at 20%	–	–
Overseas withholding tax	382	–
Total taxation	382	–

b) Factors affecting the tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK for an authorised fund (20%). The difference is explained below:

	01.01.19 to 31.03.20 £'000	01.01.18 to 31.12.18 £'000
Net revenue before tax	120,933	191,949
Corporation tax at 20% (2018: 20%)	24,187	38,390
Effects of:		
Unutilised excess management expenses	1,355	3,422
Non-taxable dividends	(22,938)	(35,713)
Non-taxable overseas dividends	(3,122)	(6,930)
Overseas withholding tax	382	–
Taxation due to timing differences	518	831
Total tax charge (note 6a)	382	–

c) Deferred tax

At the period end, there is a potential deferred tax asset of £31,646,000 (31.12.18: £30,291,000) in relation to unutilised management expenses and £43,000 (31.12.18: £43,000) in relation to unutilised non trade loan relationships. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current period or prior year.

7. Interest Payable and Similar Charges

	01.01.19 to 31.03.20 £'000	01.01.18 to 31.12.18 £'000
Interest	273	657
Interest payable and similar charges	273	657

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

8. Distributions

The distributions take account of revenue received on the creation of shares and revenue deducted on the redemption of shares and comprise:

	01.01.19 to 31.03.20 £'000	01.01.18 to 31.12.18 £'000
First interim	22,163	38,369
Second interim	48,878	88,726
Third interim	37,065	28,314
Fourth interim	30,974	65,080
Special distribution ¹	452	–
De-minimis Distribution reinvested ²	385	–
	<u>139,917</u>	<u>220,489</u>
Add: Revenue deducted on redemption of shares	2,851	12,005
Deduct: Revenue received on shares created	(560)	(2,339)
Net distribution for the period	<u>142,208</u>	<u>230,155</u>

Details of the distributions per share are set out in the Distribution Tables on pages 58 to 67.

	01.01.19 to 31.03.20 £'000	01.01.18 to 31.12.18 £'000
Distributions represented by:		
Net revenue after taxation	120,551	191,949
Add: Expenses charged to capital	24,727	43,413
Add: Distribution brought forward	3	3
Less: Distribution carried forward ²	–	(3)
Tax relief on capital expenses	(3,073)	(5,207)
Net distribution for the period	<u>142,208</u>	<u>230,155</u>

¹ As part of the Fund's winding up, a special revenue distribution was made on 17 March 2020 for the period from 1 January 2020 to 17 January 2020.

² The remaining revenue will be paid out to investors in future capital distributions.

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

9. Debtors

	31.03.20 £'000	31.12.18 £'000
Amount receivable for issue of shares	–	3,110
Amounts due from ACD ¹	4,893	–
Sales awaiting settlement	4,091	–
Accrued revenue:		
Non-taxable dividends	–	6,895
Taxable dividends	–	1,393
Unfranked property income distributions	–	2,589
	<u>–</u>	<u>10,877</u>
Taxation recoverable:		
Overseas withholding tax	76	583
Property income distributions tax	60	–
	<u>136</u>	<u>583</u>
Total debtors	<u>9,120</u>	<u>14,570</u>

¹ Paid 18 May 2020

10. Cash and Bank Balances

	31.03.20 £'000	31.12.18 £'000
Bank balances	<u>25,129</u>	<u>58,750</u>
Total cash and bank balances	<u>25,129</u>	<u>58,750</u>
Bank overdrafts	<u>(11)</u>	<u>(52,752)</u>
Total bank overdraft	<u>(11)</u>	<u>(52,752)</u>

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

11. Other Creditors

	31.03.20 £'000	31.12.18 £'000
Distribution payable	—	19,651
Other creditors:		
Amount payable for redemption of shares	—	10,701
Purchases awaiting settlement	—	503
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Annual Management Charge	—	2,818
	—	2,818
Other expenses:		
Audit fees	50	—
Interest payable	—	122
Legal fees	2,456	—
Transaction charges	12,718	—
Total other creditors	15,224	14,144

12. Related Party Transactions

Annual Management Charge payable to Link Fund Solutions Limited ('the ACD') is disclosed in note 5 and amounts due at the period end are disclosed in note 11.

The aggregate monies received by the ACD through the issue of shares and paid on redemption of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders on page 37. There were no amounts receivable through issue of shares at the period end (31.12.18: £3,110,000). There were no amounts payable through redemption of shares at the period end (31.12.18: £10,701,000).

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date, the following shareholder held in excess of 20% of the shares in issue of the Fund:

Hargreaves Lansdown Asset Management Limited	30.18% (31.12.18: 30.51%)
--	---------------------------

13. Contingent Liabilities and Commitments

There are no contingent liabilities or unrecorded outstanding commitments.

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

14. Contingent Assets

As part of the disposal of CeQur and on its achievement of a certain milestone, a further payment of CHF 1,750,000 will become payable.

15. Shares in Issue

	A Sterling Accumulation Shares	A Sterling Income Shares	C Sterling Accumulation Shares	C Sterling Income Shares
Annual Management Charge	1.00%	1.00%	0.75%	0.75%
Opening shares in issue	27,601,544	12,689,586	1,111,066,148	564,826,559
Issues	394,418	151,481	33,655,718	19,349,866
Redemptions	(8,915,190)	(2,330,487)	(270,691,949)	(158,645,516)
Conversions	(47,250)	(25,585)	(357,152)	391,740
Closing shares in issue	19,033,522	10,484,995	873,672,765	425,922,649
	Z Sterling Accumulation Shares	Z Sterling Income Shares	X Sterling Accumulation Shares	X Sterling Income Shares
Annual Management Charge	0.65%	0.65%	1.50%	1.50%
Opening shares in issue	1,845,897,189	917,196,155	20,885,815	3,513,738
Issues	40,581,437	148,597,538	595,099	–
Redemptions	(316,694,235)	(134,051,188)	(5,166,599)	(1,630,586)
Conversions	32,545	66,727	–	–
Closing shares in issue	1,569,816,936	931,809,232	16,314,315	1,883,152
				F Sterling Accumulation Shares
Annual Management Charge				0.00%
Opening shares in issue				6,171,261
Issues				210,844
Redemptions				(2,000,515)
Conversions				–
Closing shares in issue				4,381,590

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

16. Risk Management Policies

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for Efficient Portfolio Management (including hedging) and Investment Purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives.

(A) CREDIT RISK

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its obligations. As part of its due diligence process, the ACD undertakes a review of the controls operated over counterparties by the Investment Manager, including initial and ongoing due diligence and business volumes placed with each counterparty. In cases which are dependent on the counterparty settling at the transaction's maturity date, the ACD has policies in place which set out the minimum credit quality expected of a market counterparty or deposit taker at the outset of the transaction.

There were no futures and forward currency contracts held at the balance sheet date.

The total position by counterparty held at 31 December 2018 was as follow:

31.12.18 Counterparty	Forward currency contracts £'000	Futures £'000	Net cash collateral pledged £'000
Northern Trust	2,951	–	–

(B) INTEREST RATE RISK

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. Investment in collective investment schemes exposes the Fund to indirect interest rate risk to the extent that they invest in interest bearing securities, the returns from which will be affected by fluctuations in interest rates.

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

16. Risk Management Policies *continued*

(B) INTEREST RATE RISK *continued*

As the Fund seeks to obtain its return from investing mainly in equities and has no significant exposure to interest rate risk, no interest rate risk table or sensitivity analysis has been presented.

(C) FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the Sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than Sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the Sterling equivalent value. Forward currency contracts are employed by the Investment Manager, where deemed appropriate, to mitigate the foreign exchange risk. Subsequent to the commencement of the wind-up of the fund, forward currency contracts are no longer employed by the Investment Manager.

The table below shows the direct foreign currency risk profile:

31.03.20 Currency	Forward Contracts £'000	Non Monetary exposures £'000	Monetary exposures £'000	Total £'000
Euro	–	8,858	–	8,858
Sterling	–	269,050	19,014	288,064
Swiss Franc	–	628	–	628
US Dollar	–	171,989	–	171,989
	–	450,525	19,014	469,539

31.12.18 Currency	Forward Contracts £'000	Non Monetary exposures £'000	Monetary exposures £'000	Total £'000
Euro	(111,253)	124,192	–	12,939
Norwegian Krone	(40,930)	45,289	–	4,359
Sterling	794,627	3,764,940	(13,227)	4,546,340
Swiss Franc	(28,342)	32,413	–	4,071
US Dollar	(626,430)	737,039	–	110,609
	(12,328)	4,703,873	(13,227)	4,678,318

A 5% change in the pounds sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £9,074,000 on the net assets of the Fund (31.12.18: £6,599,000).

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

16. Risk Management Policies *continued*

(D) LIQUIDITY RISK

The main liability of the Fund is the repayment of capital to investors from the sale of the remaining investments within the Fund, which will be sold as and when the opportunity arises. When there is sufficient capital realised from those sales further capital distributions will be made to investors. It is anticipated that the final capital distribution will not be made until 2021.

All financial liabilities are payable in one year or less, or on demand.

(E) MARKET PRICE RISK

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

Market price risk represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Fund's investment portfolio is exposed to price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy. The risk is generally regarded as consisting of two elements – stock specific risk and market risk. Adhering to investment guidelines and avoiding excessive exposure to one particular issuer can limit stock specific risk. Subject to compliance with the investment objective, spreading exposure across a broad range of global stocks can mitigate market risk.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £22,526,000 (31.12.18: £235,194,000). A 5% decrease would have an equal and opposite effect.

(F) FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

(G) DERIVATIVE RISK

The Fund held forward currency contracts and futures contracts during the current period and prior year, and were not of a material nature.

Refer to note 3 for the impact of derivatives and forward currency contracts in the current period and prior year, and to the Portfolio Statement for the position of derivatives and forward currency contracts held at the period end and prior year end.

(H) LEVERAGE

The Fund did not employ any significant leverage in the current period or prior year.

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

17. Portfolio Transaction Costs

	Purchase/ Sales before transaction costs £'000	Commissions £'000	Taxes £'000	Gross purchases/ net sales £'000
31.03.20				
Ordinary shares	1,348,459	579	5,523	1,354,561
Purchases total	1,348,549	579	5,523	1,354,561
Transaction cost % of purchases total		0.04	0.41	
Transaction cost % of average NAV		0.02	0.15	
Ordinary shares	4,321,374	(3,008)	(6)	4,318,360
Sales total	4,321,374	(3,008)	(6)	4,318,360
Transaction cost % of sales total		0.07	–	
Transaction cost % of average NAV		0.08	–	
31.12.18				
Ordinary shares	1,521,385	661	4,795	1,526,841
Purchases total	1,521,385	661	4,795	1,526,841
Transaction cost % of purchases total		0.04	0.32	
Transaction cost % of average NAV		0.01	0.08	
Ordinary shares	3,767,112	(2,516)	(4)	3,764,592
Sales total	3,767,112	(2,516)	(4)	3,764,592
Transaction cost % of sales total		0.07	–	
Transaction cost % of average NAV		0.04	–	

Average portfolio dealing spread at 31 March 2020 is 0.51% (31.12.18: 1.09%).

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

18. Fair Value Hierarchy

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs (see note 1(F) of the Accounting Policies).

31.03.20	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
ASSETS				
Investment assets	157,133	52,130	241,262	450,525

31.12.18	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
ASSETS				
Investment assets	2,839,242	942,753	924,829	4,706,824
LIABILITIES				
Investment liabilities	–	(15,279)	–	(15,279)

19. Post Balance Sheet Events

1. Acacia Transaction ('Transaction')

On 4 June 2020 Acacia agreed to acquire a portfolio of up to 19 assets (both quoted and unquoted) for a total consideration of up to £223.9mn. The acquisition by Acacia of each unquoted asset is dependent of the process known as the Right of First Refusal ('ROFR'). This requires that prior to the acquisition by Acacia, the shares of the relevant company have to be offered to existing holders of shares in that company at the price at which the acquirer is offering to buy those shares. If the existing holders choose to exercise that option, that asset is then removed from the Transaction and the Fund receives the equivalent value from those existing holders rather than Acacia. As such the total consideration due from Acacia would then be reduced by that amount.

To represent the value of the Transaction in 31 March 2020 Portfolio Statement, the quoted assets are valued using the relevant bid price as recorded on the relevant exchange as at the Portfolio Statement date and an adjusted fair value price applied to the unquoted assets. The sum of these values equal the total maximum Transaction value.

As at 25 September 2020, of the 19 assets within the Transaction, 12 have been acquired by Acacia, 1 has been acquired by existing investors, with a combined value of £131.5mn, and 6 are progressing to conclusion.

Of the original 19 assets, the 1 asset acquired by existing shareholders through the Right Of First Refusal ('ROFR') process reduced the total consideration payable by Acacia by £4.5mn.

LF EQUITY INCOME FUND

ANNUAL FINANCIAL STATEMENTS *continued*

NOTES TO THE ANNUAL FINANCIAL STATEMENTS *continued*

for the period from 1 January 2019 to 31 March 2020

19. Post Balance Sheet Events *continued*

2. Other Disposals

Since 31 March 2020 full disposals of Kier Group, Eve Sleep, Purplebricks, Oxford Pharmascience and Schroder UK Public Private Trust have been made, realising c.£34mn.

In May 2020 CeQur was sold for an initial payment of CHF 750,000 with a further payment of CHF 1,750,000 payable in the next 12 months if the Company achieves a certain milestone.

On 10 August 2020, following the Annual General Meeting on 31 July 2020, Safe Harbour delisted from the Alternative Investment Market and appointed liquidators for the voluntary winding up of the Company. The first distribution to investors, including the Fund, was made in late September 2020.

3. Third Capital Distribution

On 26 August 2020 the Third Capital Distribution of £183.2mn was made by the Fund to investors, bringing the total capital distributed since the commencement of wind-up (18 January 2020), to investors of £2,450.4mn.

LF EQUITY INCOME FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLES

for the period from 1 January 2019 to 31 March 2020 - in pence per share

Equalisation

Equalisation applies only to shares purchased during the distribution period (Group 2 shares). It represents the accrued revenue included in the purchase price of the shares. After averaging it is returned with the distribution as a capital repayment. It is not liable to income tax but must be deducted from the cost of the shares for Capital Gains Tax purposes.

	First Interim	Second Interim	Third Interim	Fourth Interim	Special Distribution
From	01.01.19	01.04.19	01.07.19	01.10.19	01.01.20
To	31.03.19	30.06.19	30.09.19	31.12.19	17.01.20

LF EQUITY INCOME FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLES *continued*

for the period from 1 January 2019 to 31 March 2020 - in pence per share

A STERLING ACCUMULATION SHARES

First Interim	Net Revenue	Equalisation	Allocated 31.05.19	Allocated 31.05.18
Group 1	0.5467	–	0.5467	0.6715
Group 2	0.4420	0.1047	0.5467	0.6715
Second Interim	Net Revenue	Equalisation	Allocated 30.08.19	Allocated 31.08.18
Group 1	1.3192	–	1.3192	1.7153
Group 2	0.9987	0.3205	1.3192	1.7153
Third Interim	Net Revenue	Equalisation	Allocated 29.11.19	Allocated 30.11.18
Group 1	1.0042	–	1.0042	0.6047
Group 2	1.0042	0.0000	1.0042	0.6047
Fourth Interim	Net Revenue	Equalisation	Allocated 28.02.20	Allocated 28.02.19
Group 1	0.8418	–	0.8418	1.4897
Group 2	0.8418	0.0000	0.8418	1.4897
Special Distribution	Net Revenue	Equalisation	Paid ¹ 17.03.20	
Group 1	0.0123	–	0.0123	
Group 2	0.0123	0.0000	0.0123	

¹ Special distribution paid to investors of Accumulation shares.

LF EQUITY INCOME FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLES *continued*

for the period from 1 January 2019 to 31 March 2020 - in pence per share

A STERLING INCOME SHARES

First Interim	Net Revenue	Equalisation	Paid 31.05.19	Paid 31.05.18
Group 1	0.4682	–	0.4682	0.5982
Group 2	0.1551	0.3131	0.4682	0.5982
Second Interim	Net Revenue	Equalisation	Paid 30.08.19	Paid 31.08.18
Group 1	1.1241	–	1.1241	1.5192
Group 2	0.7444	0.3797	1.1241	1.5192
Third Interim	Net Revenue	Equalisation	Paid 29.11.19	Paid 30.11.18
Group 1	0.8436	–	0.8436	0.5260
Group 2	0.8436	0.0000	0.8436	0.5260
Fourth Interim	Net Revenue	Equalisation	Paid 28.02.20	Paid 28.02.19
Group 1	0.6988	–	0.6988	1.2939
Group 2	0.6988	0.0000	0.6988	1.2939
Special Distribution	Net Revenue	Equalisation	Paid 17.03.20	
Group 1	0.0100	–	0.0100	
Group 2	0.0100	0.0000	0.0100	

LF EQUITY INCOME FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLES *continued*

for the period from 1 January 2019 to 31 March 2020 - in pence per share

C STERLING ACCUMULATION SHARES

First Interim	Net Revenue	Equalisation	Allocated 31.05.19	Allocated 31.05.18
Group 1	0.5529	–	0.5529	0.6772
Group 2	0.3612	0.1917	0.5529	0.6772
Second Interim	Net Revenue	Equalisation	Allocated 30.08.19	Allocated 31.08.18
Group 1	1.3348	–	1.3348	1.7314
Group 2	0.9923	0.3425	1.3348	1.7314
Third Interim	Net Revenue	Equalisation	Allocated 29.11.19	Allocated 30.11.18
Group 1	1.0167	–	1.0167	0.6111
Group 2	1.0167	0.0000	1.0167	0.6111
Fourth Interim	Net Revenue	Equalisation	Allocated 28.02.20	Allocated 28.02.19
Group 1	0.8527	–	0.8527	1.5053
Group 2	0.8527	0.0000	0.8527	1.5053
Special Distribution	Net Revenue	Equalisation	Paid ¹ 17.03.20	
Group 1	0.0125	–	0.0125	
Group 2	0.0125	0.0000	0.0125	

¹ Special distribution paid to investors of Accumulation shares.

LF EQUITY INCOME FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLES *continued*

for the period from 1 January 2019 to 31 March 2020 - in pence per share

C STERLING INCOME SHARES

First Interim	Net Revenue	Equalisation	Paid 31.05.19	Paid 31.05.18
Group 1	0.4739	–	0.4739	0.6039
Group 2	0.3149	0.1590	0.4739	0.6039
Second Interim	Net Revenue	Equalisation	Paid 30.08.19	Paid 31.08.18
Group 1	1.1384	–	1.1384	1.5347
Group 2	0.8228	0.3156	1.1384	1.5347
Third Interim	Net Revenue	Equalisation	Paid 29.11.19	Paid 30.11.18
Group 1	0.8549	–	0.8549	0.5321
Group 2	0.8549	0.0000	0.8549	0.5321
Fourth Interim	Net Revenue	Equalisation	Paid 28.02.20	Paid 28.02.19
Group 1	0.7083	–	0.7083	1.3085
Group 2	0.7083	0.0000	0.7083	1.3085
Special Distribution	Net Revenue	Equalisation	Paid 17.03.20	
Group 1	0.0102	–	0.0102	
Group 2	0.0102	0.0000	0.0102	

LF EQUITY INCOME FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLES *continued*

for the period from 1 January 2019 to 31 March 2020 - in pence per share

Z STERLING ACCUMULATION SHARES

First Interim	Net Revenue	Equalisation	Allocated 31.05.19	Allocated 31.05.18
Group 1	0.5556	–	0.5556	0.6799
Group 2	0.3656	0.1900	0.5556	0.6799
Second Interim	Net Revenue	Equalisation	Allocated 30.08.19	Allocated 31.08.18
Group 1	1.3418	–	1.3418	1.7386
Group 2	0.9973	0.3445	1.3418	1.7386
Third Interim	Net Revenue	Equalisation	Allocated 29.11.19	Allocated 30.11.18
Group 1	1.0222	–	1.0222	0.6147
Group 2	1.0222	0.0000	1.0222	0.6147
Fourth Interim	Net Revenue	Equalisation	Allocated 28.02.20	Allocated 28.02.19
Group 1	0.8575	–	0.8575	1.5123
Group 2	0.8575	0.0000	0.8575	1.5123
Special Distribution	Net Revenue	Equalisation	Paid ¹ 17.03.20	
Group 1	0.0126	–	0.0126	
Group 2	0.0126	0.0000	0.0126	

¹ Special distribution paid to investors of Accumulation shares.

LF EQUITY INCOME FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLES *continued*

for the period from 1 January 2019 to 31 March 2020 - in pence per share

Z STERLING INCOME SHARES

First Interim	Net Revenue	Equalisation	Paid 31.05.19	Paid 31.05.18
Group 1	0.4761	–	0.4761	0.6057
Group 2	0.2445	0.2316	0.4761	0.6057
Second Interim	Net Revenue	Equalisation	Paid 30.08.19	Paid 31.08.18
Group 1	1.1438	–	1.1438	1.5404
Group 2	0.9530	0.1908	1.1438	1.5404
Third Interim	Net Revenue	Equalisation	Paid 29.11.19	Paid 30.11.18
Group 1	0.8591	–	0.8591	0.5362
Group 2	0.8591	0.0000	0.8591	0.5362
Fourth Interim	Net Revenue	Equalisation	Paid 28.02.20	Paid 28.02.19
Group 1	0.7120	–	0.7120	1.3139
Group 2	0.7120	0.0000	0.7120	1.3139
Special Distribution	Net Revenue	Equalisation	Paid 17.03.20	
Group 1	0.0102	–	0.0102	
Group 2	0.0102	0.0000	0.0102	

LF EQUITY INCOME FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLES *continued*

for the period from 1 January 2019 to 31 March 2020 - in pence per share

X STERLING ACCUMULATION SHARES

First Interim	Net Revenue	Equalisation	Allocated 31.05.19	Allocated 31.05.18
Group 1	0.5348	–	0.5348	0.6601
Group 2	0.3389	0.1959	0.5348	0.6601
Second Interim	Net Revenue	Equalisation	Allocated 30.08.19	Allocated 31.08.18
Group 1	1.2887	–	1.2887	1.6842
Group 2	0.9401	0.3486	1.2887	1.6842
Third Interim	Net Revenue	Equalisation	Allocated 29.11.19	Allocated 30.11.18
Group 1	0.9798	–	0.9798	0.5932
Group 2	0.9798	0.0000	0.9798	0.5932
Fourth Interim	Net Revenue	Equalisation	Allocated 28.02.20	Allocated 28.02.19
Group 1	0.8207	–	0.8207	1.4593
Group 2	0.8207	0.0000	0.8207	1.4593
Special Distribution	Net Revenue	Equalisation	Paid ¹ 17.03.20	
Group 1	0.0120	–	0.0120	
Group 2	0.0120	0.0000	0.0120	

¹ Special distribution paid to investors of Accumulation shares.

LF EQUITY INCOME FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLES *continued*

for the period from 1 January 2019 to 31 March 2020 - in pence per share

X STERLING INCOME SHARES

First Interim	Net Revenue	Equalisation	Paid 31.05.19	Paid 31.05.18
Group 1	0.4586	–	0.4586	0.5882
Group 2	0.4586	0.0000	0.4586	0.5882
Second Interim	Net Revenue	Equalisation	Paid 30.08.19	Paid 31.08.18
Group 1	1.0986	–	1.0986	1.4932
Group 2	1.0986	0.0000	1.0986	1.4932
Third Interim	Net Revenue	Equalisation	Paid 29.11.19	Paid 30.11.18
Group 1	0.8236	–	0.8236	0.5176
Group 2	0.8236	0.0000	0.8236	0.5176
Fourth Interim	Net Revenue	Equalisation	Paid 28.02.20	Paid 28.02.19
Group 1	0.6814	–	0.6814	1.2681
Group 2	0.6814	0.0000	0.6814	1.2681
Special Distribution	Net Revenue	Equalisation	Paid 17.03.20	
Group 1	0.0098	–	0.0098	
Group 2	0.0098	0.0000	0.0098	

LF EQUITY INCOME FUND

FINANCIAL STATEMENTS *continued*

DISTRIBUTION TABLES *continued*

for the period from 1 January 2019 to 31 March 2020 - in pence per share

F STERLING ACCUMULATION SHARES

First Interim	Net Revenue	Equalisation	Allocated 31.05.19	Allocated 31.05.18
Group 1	0.4350	–	0.4350	0.5289
Group 2	0.2563	0.1787	0.4350	0.5289
Second Interim	Net Revenue	Equalisation	Allocated 30.08.19	Allocated 31.08.18
Group 1	1.0511	–	1.0511	1.3544
Group 2	0.7796	0.2715	1.0511	1.3544
Third Interim	Net Revenue	Equalisation	Allocated 29.11.19	Allocated 30.11.18
Group 1	0.8018	–	0.8018	0.4773
Group 2	0.8018	0.0000	0.8018	0.4773
Fourth Interim	Net Revenue	Equalisation	Allocated 28.02.20	Allocated 28.02.19
Group 1	0.7277	–	0.7277	1.1813
Group 2	0.7277	0.0000	0.7277	1.1813
Special Distribution	Net Revenue	Equalisation	Paid ¹ 17.03.20	
Group 1	0.0099	–	0.0099	
Group 2	0.0099	0.0000	0.0099	

¹ Special distribution paid to investors of Accumulation shares.

GENERAL INFORMATION

SHARE CAPITAL

The minimum share capital of the Company is £1 and the maximum is £100,000,000,000.

STRUCTURE OF LF INVESTMENT FUND

The Company is structured as an umbrella Company, in that different sub-funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary.

The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that sub-fund.

It is not the intention of the ACD to launch any further sub-funds.

On 18 January 2020, the Financial Conduct Authority granted permission to wind-up the Company and its sub-fund.

BUYING AND SELLING SHARES

As the Company is being wound up on an orderly realisation basis dealing instructions are currently not being accepted.

OTHER INFORMATION

The Instrument of Incorporation, Prospectus, Key Investor Information Document and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on the ACD's website, www.linkfundsolutions.co.uk.

Shareholders who have any complaints about the operation of the Fund should contact the Administrator in writing. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

DATA PROTECTION ACT

Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list. Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not necessarily a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.



6th Floor, 65 Gresham Street, London EC2V 7NQ



0870 607 2555



0870 607 2550



linkfundsolutions.co.uk