

2 August 2021

Dear Investor

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

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

As authorised corporate director (“ACD”) of the Fund, we are writing to provide you with an update on the progress of the Fund’s wind up, and to provide additional information to accompany the Company’s annual audited accounts which have been published today. A copy of the accounts, which cover the period 1 April 2020 to 31 March 2021, can be found on our website at <https://equityincome.linkfundsolutions.co.uk/investor-documentation/>.

We appreciate that this continues to be a difficult time for investors and we would like to reassure you that we have taken all possible steps to act in investors’ best interests in returning cash to you at the earliest opportunity by not conducting a fire sale of assets, whilst also seeking to protect value in the Fund’s remaining investments by making limited investments in Mafic and Origin.

A copy of this letter and all of the previous letters to investors since the Fund’s suspension can also be found on our website at <https://equityincome.linkfundsolutions.co.uk/investor-communications/>. Our website also has a Frequently Asked Questions and these include a reminder of the reasons for the Fund’s suspension and wind up.

Distributions to date and the remaining portfolio

To date we have made four capital distributions to investors which amount to a total of £2.54 billion from the sale of the Fund’s assets.

As of 30 July 2021, the value of the Fund’s remaining assets is £123.57million and comprises assets in the following companies:-

1. Atom Bank
2. Benevolent AI
3. Cambridge Innovation Capital
4. Mafic
5. Nexeon
6. RM2
7. Rutherford Healthcare
8. Sabina Estates
9. BlackRock ICS Sterling Liquidity Fund (used to invest proceeds of sales prior to making a capital distribution)

The total value of these remaining assets may change and, therefore, the amount received from the sale of the individual assets may be higher or lower than their current valuations.

As part of the ACD's objective of seeking to preserve capital value, the Fund has, along with other investors, made a limited number of follow-on investments, with the most notable being into Mafic (see pages 15 and 49 of the 2021 Annual Report). Mafic is involved in the production of basalt fibre in the United States, where its new production facility is progressing toward optimal capacity. The total financing by the Fund, since 1 April 2020, has amounted to £1.53million, which has enabled the company to simplify its corporate structure, to meet required cashflow and appoint an investment bank to progress the Company to the next stage of its growth. In July 2020, £0.28million was invested, by the Fund, in Origin, a clinical biotechnology company that is seeking to develop and commercialise a technology that delivers therapeutic doses of nitric oxide to treat wounds.

The ACD does not anticipate the Fund making any further investments.

Fees

Although there have been no fees payable by the Fund to us for our services as the Fund's ACD since it went into wind up on 18 January 2020, some costs have continued to be payable by the Fund as advised in our letters dated 15 October 2019 and 29 January 2020. Costs that are payable directly from the Fund relating to its orderly wind up were included in the Company's Report and Accounts for the year-end 31 March 2020. During the year to 31 March 2021, and as detailed in the Report and Accounts published today, there has been no significant additional fees incurred by the Fund. The fees that have been incurred relate primarily to the costs associated with the disposal of the Fund's assets.

Due to the winding-up of the Company and its sub-fund starting on 18 January 2020, the Company's Report and Accounts for the period to 31 March 2021 have been prepared on a break-up basis (i.e. recognising that the Fund's assets are being sold as part of the process of it being wound up). This means that all known current and future liabilities payable by the Fund in completing the winding up of the Fund are captured.

Further updates

You are reminded that we have now sold the majority of the Fund's assets and it is anticipated that the sale of the remaining assets will continue, but at a pace which is commensurate with seeking to achieve the best outcome for investors. We continue to make progress regarding the sale of the remaining assets, and whilst it is not possible to provide a definitive end date to the realisation process, it is hoped that the sale of the remaining assets will be concluded in 2022.

This means that we are unable at this time to provide a specific date by which the Fund's wind up will be complete and all cash returned to investors.

As the remaining assets of the Fund are sold we will seek to make a fifth capital distribution to investors when there is sufficient cash to do so. We will continue to keep you updated on the progress of asset sales and we will write to you either when we are able to make the fifth capital distribution or before 30 November 2021 with a further update.

In the meantime, the Fund's Net Asset Value ("NAV") will continue to be calculated and published on a monthly basis on our website at <https://equityincome.linkfundsolutions.co.uk>.

If you require any further information, please refer to the frequently asked questions and answers document on our website: <https://equityincome.linkfundsolutions.co.uk>. If you have any other questions, please contact us on 0333 300 0381 or alternatively email us at lfsinvestors@ntrs.com.

Yours sincerely



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