

Scheme Supervisors' progress report for the period from 5 September 2024 to 4 March 2025

Scheme of Arrangement in respect of the LF Equity Income Fund (formerly known as the LF Woodford Equity Income Fund)

March 2025

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Abbreviations and definitions

The following table shows the abbreviations that may be used in this report:

Abbreviation or definition	Meaning
Additional LFSL Contribution	If the Reserve Amount is reduced or the amount standing to the credit of the Reserve Account as at a Review Date exceeds the Reserve Amount, LFSL shall within five business days transfer to the Settlement Account an amount by which LFSL's cash exceeds the Reserve Amount.
Effective Time	5 March 2024, 9.00am.
Excluded Liabilities	All liabilities of LFSL, and any costs and expenses that LFSL reasonably estimates that it may need to pay in relation to such liabilities, in each case other than the Scheme Liabilities.
Initial Settlement Account Distribution	The amount of £185.7 million paid by LSFL to the WEIF on 19 March 2024, in accordance with the terms of the Scheme.
Insurance Proceeds	Cash proceeds from LFSL's claims under LFSL's insurance policies.
LFSL	Link Fund Solutions Limited.
Parent	Link Administration Holdings Limited.
Period	5 September 2024 to 4 March 2025.
Reserve Account	A separate ring-fenced account in the name of LFSL where the cash assets of the Reserve Amount are held.
Reserve Amount	The cash and assets retained by LFSL to enable it to meet its Excluded Liabilities in full as they fall due, but excluding the amount that LFSL is required to contribute to the Scheme Costs Account.
Review Date	Six months after the Effective Time and every six months thereafter or such other date as the Scheme Supervisors may request LFSL to carry out a review of the Reserve Amount.
Scheme	The WEIF scheme of arrangement, made in accordance with Part 26 of the Companies Act 2006.
Scheme Claim	All actual, potential, alleged, threatened or disputed liabilities that a person who had a beneficial interest in a share or shares in the WEIF on 3 June 2019 is owed or may be owed by LFSL arising out of, or in connection with, the WEIF during any period up to and including 12 December 2023.
Scheme Costs	Costs which, in LFSL's view, acting reasonably, represent: (a) the costs of implementing and administering the Scheme; and (b) LFSL's professional and administrative costs of operating and managing the winding up of LFSL.
Scheme Costs Account	A separate ring-fenced account retained by LFSL from which Scheme costs are paid (and into which the Parent contribution to Scheme Costs is paid).
Scheme Creditor	Each person who holds a Scheme Claim as at 12 December 2023.
Scheme Liabilities	LFSL's liabilities in respect of the Scheme Claims.
Settlement Account	A bank account in the name of LFSL established and maintained primarily for the purposes of making payments to the WEIF.
WEIF	The LF Equity Income Fund (formerly the LF Woodford Equity Income Fund).

Key messages

The Scheme was approved by the High Court by a Court Order dated 27 February 2024 (having been approved by the required majority of Scheme Creditors who voted at the meeting of Scheme Creditors held on 13 December 2023). The Scheme became fully effective on 5 March 2024.

This is our second report as Scheme Supervisors and covers the six-month period ended on 4 March 2025.

This report is for Scheme Creditors' information only and has been prepared by Dan Schwarzmann and Nigel Rackham as Scheme Supervisors of the Scheme solely to provide an update to Scheme Creditors on the progress of the Scheme and for no other purpose. It is not suitable to be relied upon by Scheme Creditors or any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment or tax decision in relation to any debt or any financial investment.

Any person choosing to rely on this report for any purpose or in any context other than for assessing the progress of the Scheme does so at their own risk. To the fullest extent permitted by law, the Scheme Supervisors do not assume any liability in respect of this report to any person.

Dan Schwarzmann and Nigel Rackham have been appointed as Scheme Supervisors and act as agents of LFSL without personal liability. Both are licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales. The Scheme Supervisors are bound by the Insolvency Code of Ethics which can be found at: www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics.

LFSL will continue to update investors in the usual way about the sale of the WEIF's remaining assets and any further capital distributions, which would be in addition to each distribution made under the Scheme. All communications in relation to the winding up of the WEIF are published by LFSL at <https://equityincome.linkfundsolutions.co.uk/investor-documentation/>.

Overview of progress to date

As Scheme Supervisors we act as agents of LFSL and are required to act in good faith with reasonable skill and care in the interests of Scheme Creditors as a whole, and exercise our powers and functions under the Scheme with a view to ensuring that it is implemented in accordance with its terms. In summary, our role as Scheme Supervisors includes:

- Monitoring LFSL's compliance with the terms of the Scheme.
- Consulting with LFSL in relation to the setting, or revising of, the Reserve Amount.
- Confirming that Scheme Costs incurred by LFSL (other than Scheme Supervisors' costs) have been properly incurred.
- Once every six months preparing a report for Scheme Creditors on the progress of the Scheme.
- Confirming the completion of the Scheme.

During the Period we liaised with LFSL's directors to assess the activities that have been undertaken in respect of the Scheme. We provide updates on the key developments below.

Calculation of the distribution to Scheme Creditors

As detailed in our first report, on 19 March 2024 LFSL calculated and made the Initial Settlement Account Distribution in the amount of £185.7 million to the WEIF, and on 28 March 2024 the WEIF made a distribution to registered holders of shares in the WEIF. The following table sets out the pence per share distribution for each share class.

ISIN number	Share class	Pence per share
GB00BLRZQ406	A Sterling Income	4.1606
GB00BLRZQ513	A Sterling Accumulation	5.0634
GB00BLRZQ620	C Sterling Income	4.2183
GB00BLRZQ737	C Sterling Accumulation	5.1290
GB00BZ01L372	F Sterling Accumulation	4.0538
GB00BLRZQB71	Z Sterling Income	4.2399
GB00BLRZQC88	Z Sterling Accumulation	5.1581
GB00BLRZQ844	X Sterling Income	4.0602
GB00BLRZQ950	X Sterling Accumulation	4.9361

Scheme Creditors will have received payments through the same channels as previous capital distribution payments from the WEIF.

The timing of any Additional LFSL Contribution is currently uncertain. However, the Scheme Supervisors will continue to monitor the progress of the LFSL wind-down to assess whether a reduction could be made to the Reserve Amount, thus enabling an Additional LFSL Contribution be made to the Settlement Account for onward transfer to the WEIF.

Reserve Amount

In accordance with the Scheme, LFSL has established the Reserve Amount to enable it to meet the Excluded Liabilities.

The initial Reserve Amount was set by LFSL, in consultation with the Scheme Supervisors, at £46.5 million. This was reassessed as at 2 September 2024 by LFSL in consultation with the Scheme Supervisors, and it was agreed that the Reserve Amount should be maintained at up to the maximum amount permitted under the Scheme, namely £46.5 million.

As at 31 January 2024, which was the most recent month end position, after payment of Scheme Costs, LFSL had cash of £44.7 million held within the Reserve Account.

Under the terms of the Scheme, as soon as practical following each Review Date, LFSL in consultation with the Scheme Supervisors is required to consider whether the Reserve Amount can be reduced. In summary, the Review Date is the date falling every six months after 5 March 2024, or such other date as the Scheme Supervisors may require of LFSL. The Scheme Supervisors have maintained an ongoing dialogue with LFSL as to the appropriate level of the Reserve Amount. They have required that the Review Date be brought forward to 25 February 2025 so that the formal decision as to the level of the Reserve Amount would be available for this report.

The Reserve Amount was reassessed as at 25 February 2025. It was agreed that, given the ongoing uncertainties surrounding LFSL's Excluded Liabilities, the Reserve Amount should be maintained at £46.5 million. Following the payment of budgeted Scheme Costs the available cash held within the Reserve Account as at 31 January 2025 amounts to £44.7 million which is less than the Reserve Amount. An Additional LFSL Contribution will only be made to the Settlement Account if the amount standing to the credit of the Reserve Account exceeds the Reserve Amount at a Review Date.

Accordingly, given the available cash of £44.7 million, no Additional LFSL Contribution is proposed at this stage.

The Reserve Amount will continue to be assessed on a regular basis by LFSL and the Scheme Supervisors so that Additional LFSL Contributions to the WEIF can be considered if any contingencies can be released. The next Review Date is anticipated to be around September 2025.

We set out in Appendix A an account of LFSL's receipts and payments from 1 August 2024 to 31 January 2025 which details LFSL's available cash.

Next steps

If you have any queries, please contact us using the email address: uk_lfsoa@pwc.com. We cannot deal with enquiries regarding individual investors' positions and Scheme Creditors should consult the website at <https://lffordfundscheme.com/> for regular updates or contact their investment platform, broker or intermediary. We expect to issue our next report as Scheme Supervisors in September 2025. If it is determined by LFSL that an Additional LFSL Contribution can be made before our next report is due, a notice will be provided on the Scheme website.

Yours faithfully



Dan Schwarzmann
Scheme Supervisor



Nigel Rackham
Scheme Supervisor

Appendix A: Receipts and payments for LFSL during the period 1 August 2024 to 31 January 2025

1 August 2024 to 31 January 2025
£'m

LFSL cash balance as at 1 August 2024	44.7
Interest	0.95
Scheme Costs	0.92
Cash balance held by LFSL in the Reserve Account as at 31 January 2025	44.7

1. Scheme Costs include irrecoverable VAT where applicable.
2. LFSL's cash balances are held at UK clearing banks.
3. LFSL is in the process of realising certain repayments and amounts due.