

Link Fund Solutions Limited (“LFS”) Questions & Answers in relation to the fourth capital distribution from the winding up of the LF Equity Income Fund (the “Fund”)

1. What proportion of the fund can investors expect to have returned as cash in the fourth capital repayment? (Updated 03/12/2020)

As at 27 November 2020 the Fund held c.£27.8 million of cash available to be distributed to investors. However, the amount that will be distributed will increase if we complete some or all of the remaining transfers to Acacia in the next few days, as expected, or if there are further sales of assets not forming part of the Acacia portfolio transaction. The amount distributed as part of this fourth capital distribution will be £98.48 million

2. What can investors expect to get back and when? (Updated 03/12/2020)

A further letter will be sent on or around 9 December 2020 confirming the total to be distributed and the amount you will receive from this fourth capital distribution. These amounts will be calculated on 3 December 2020 (the “Calculation Date”) and will be paid to you on or around 11 December 2020.

Details of the distribution rates per share class are shown in the table below

Share Class Name	ISIN Code	Pence per Share Rate
LF Equity Income Fund (A Sterling Inc Shares)	GB00BLRZQ406	2.2062
LF Equity Income Fund (A Sterling Acc Shares)	GB00BLRZQ513	2.6850
LF Equity Income Fund (C Sterling Inc Shares)	GB00BLRZQ620	2.2366
LF Equity Income Fund (C Sterling Acc Shares)	GB00BLRZQ737	2.7198
LF Equity Income Fund (X Sterling Inc Shares)	GB00BLRZQ844	2.1526
LF Equity Income Fund (X Sterling Acc Shares)	GB00BLRZQ950	2.6173
LF Equity Income Fund (Z Sterling Inc Shares)	GB00BLRZQB71	2.2483
LF Equity Income Fund (Z Sterling Acc Shares)	GB00BLRZQC88	2.7351
LF Equity Income Fund (F Sterling Acc Shares)	GB00BZ01L372	2.1496

3. How will capital distributions from the Fund be taxed?

The receipt of proceeds from the wind-up will be deemed a disposal of your shares in the Fund for capital gains tax purposes and may give rise to a capital gains tax liability. This will, of course, depend upon your individual circumstances. If you are in any doubt as to the taxation consequences of this action you should contact your professional adviser.

4. How are the managers balancing the need to return investors’ money with the potential to wait longer to get a better price for the assets?

One of the objectives of the orderly realisation process is to maximise returns for investors. This means that it is important for the assets to be realised at a time when the sale will achieve an appropriate level of return. Selling the shares in the less liquid assets, on a “fire sale” basis would significantly reduce the value of these assets.

During the winding up of the Fund, any remaining less liquid assets of the Fund (including the unlisted assets) will continue to be sold over time in an orderly manner.

5. How long will the winding up process take?

It is intended that further capital distributions will be made as and when suitable amounts of cash have been raised from the sale of the remaining assets of the Fund.

At this stage we are unable to advise you of the exact timing and amount of these future capital distributions as this is dependent upon the sale of the Fund's assets. However, if the proceeds related to the final Acacia transfers are not received by the Fund on or before the Calculation Date, as expected, then we will seek to make a fifth capital distribution of those proceeds in early 2021. Investors are reminded that the assets that remain to be sold are the less liquid assets of the Fund and, as previously notified, it is expected that some of these assets will not be sold until mid to late 2021

6. How often will the Funds Net Asset Value be calculated and where can I find the relevant information

Investors are reminded that following payment of the fourth distribution we will continue to calculate and publish the Fund's NAV on the final business day of each month. You will be able to find the Fund's current NAV and future updates on our website at <https://equityincome.linkfundsolutions.co.uk>.