

Investment Fund Advisory

LF Woodford Income Focus fund - 16th October 2019

On the 15th of October a decision was made by Link Fund Solutions Limited (LFS) to wind up Woodford Investment Management's main fund - the LF Woodford Equity Income Fund.

LFS are the Authorised Corporate Director (ACD) of the Woodford Equity Income fund and the Woodford Income Focus Fund.

LFS published a letter on the 15th October explaining the rationale for their decision. That letter is published on our website for information under the News tab on the home page under LF Woodford Equity Income Updates.

The Equity Income fund will commence a wind up on January 17th 2020 and can't be wound up earlier as three months notice is needed to be given to investors under the applicable European Directive and as implemented under FCA rules.

This decision was not anticipated and Neil Woodford himself commented:

'This was Link's decision and one that I cannot accept, nor I believe is in the long-term interests of LF Equity Income Fund investors'.



Neil Woodford

The Woodford Equity Income fund held part of its investments in unlisted and illiquid holdings, which differentiated itself from the **Income Focus fund**, which did not hold any unlisted assets.

It was therefore surprising that the Income Focus fund was suspended by Link today too, as the fund is made up of approximately 40 investments in FTSE 100 and FTSE 250 companies, which are liquid. Link have advised that the fund is suspended in the interest of shareholders and to allow an orderly wind up of the fund.



Neil Woodford has stated, unsurprisingly, that he no longer has a viable business and therefore has announced that he will close Woodford Investment Management (WIM). This is clearly devastating for Woodford personally, his employees and indeed the industry as a whole. It is very unusual for a fund to be closed in this way. Neil Woodford was widely regarded as one of the UK's most successful investors of the last three decades.

It is important to point out that there has been no impropriety by Woodford or his firm, and the money invested in the fund is protected by trust. Neil Woodford has confirmed that WIM will work collaboratively in the wind up process of the fund in the interest of all unitholders.

We appreciate that today's announcement may give cause for concern and we will of course update investors on developments as they occur and please do contact the office if you wish to discuss the situation further.

Yours sincerely

Rob Sandwith | Chief Executive

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