

LF Woodford Equity Income Fund closures

October 2019

What's happening?

In June 2019, Link Fund Solutions, the Authorised Corporate Director which administers the LF Woodford Equity Income Fund, along with the fund manager, Woodford Investment Management Limited, decided to suspend all trading in the fund.

On 15 October 2019, Link Fund Solutions announced that it was going to wind up the LF Woodford Equity Income Fund and return money to investors. It expects to start winding it up on 17 January 2020 as it needs to give three months' notice under rules from the financial regulator, the Financial Conduct Authority.

Why is this happening?

The original decision to suspend trading in the LF Woodford Equity Income Fund was because of a substantial increase in the number of requests to take money out of the fund. The suspension was intended to give the fund manager time to move some of the fund's portfolio into more liquid investments, which could be sold more easily to meet requests to take money out of the fund.

Although some progress had been made, Link Fund Solutions decided that it wasn't enough to provide reasonable certainty about when all the investments would be sold and the suspension could be lifted. So it has decided that it's in the best interests of all investors to wind up the fund. This will allow it to sell the fund's assets in a controlled way to get the best possible deal for investors. It will also mean that Link Fund Solutions can return money to investors more quickly than if trading on the fund remained suspended for a prolonged length of time.

What does this mean for me if I'm invested in the fund?

• If you're invested in the mutual LF Woodford Equity Income Fund – for example through an ISA

Once Link Fund Solutions starts winding up the fund and selling the assets, it will start paying out money to all investors. This will be done through a series of 'capital distributions', which are expected to begin by the end of January 2020.

At the moment, Link Fund Solutions can't predict when all the assets will be sold and it can return all money to investors.

• If you're invested in the insured SL LF Woodford Equity Income Pension Fund (Standard Life fund code: EEJG)

The SL LF Woodford Equity Income Pension Fund primarily invests in the LF Woodford Equity Income Fund. When trading on this fund was suspended in June 2019, we introduced a delay period (also known as a deferral period) on requests to transfer money out of the SL LF Woodford Equity Income Pension Fund or to switch to another fund. This delay period will remain in place for the time being.

We won't accept any further payments into the SL LF Woodford Equity Income Pension Fund. Where possible, we'll redirect regular payments into an alternative fund – the SL BlackRock UK Equity Income Pension Fund (Standard Life fund code: HY).

As we get money from the wind-up of the underlying LF Woodford Equity Income Fund, we'll distribute this to customers who still have money invested in the SL LF Woodford Equity Income Pension Fund.

What happens next?

If you're invested in either the LF Woodford Equity Income Fund or the SL LF Woodford Equity Income Pension Fund, we'll write to you to confirm what's happening and how it affects you. We'll also update the fund news section of our website when we have more information on the closures and how money will be distributed to our customers – www.standardlife.co.uk/c1/funds/fund-news-updates.page

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