

07 January 2020

Dear Investors

**THIS LETTER IS IMPORTANT - PLEASE READ**

**LF Woodford Income Focus Fund (the "Fund"), a sub-fund of LF Woodford Investment Funds II, an Investment Company with Variable Capital (the "Company")**

As authorised corporate director ("ACD") of the Fund, we are writing to you to provide an update to our letter of 20 December 2019. This letter is for information only and no action is required.

As we notified you in that letter, Standard Life Investments Limited, trading as Aberdeen Standard Investments ("ASI") has taken over as investment manager of the Fund with effect from 31 December 2019.

As a consequence of the above, we are writing to inform you of the changes we are making to the scheme and these are all detailed below.

Dealings in the Fund will remain suspended while ASI completes the re-positioning of the Fund's investments into a portfolio that is constructed in the way that ASI considers is best positioned to add value for investors. As stated in our letter of 20 December 2019 we expect to reopen the Fund no later than February 2020. We will write to you with a further update in relation to the Fund's suspension no later than 17 January 2020.

As stated in our letter to investors of 20 December 2019 we have decided to waive our ACD fees from the date of that letter until 31 May 2020 and ASI and the Fund's Depositary (Northern Trust) have agreed to similarly waive their fees from 31 December 2019 until 31 May 2020 so as to off-set some of the portfolio re-positioning costs prior to re-opening the Fund. We estimate the re-positioning costs will be approximately 0.27% based on the value of the Fund as at 27 December 2019

## Change to the name of the Company and the Sub-fund

In light of the appointment of ASI as mentioned above, and as notified to investors in our 20 December 2019 letter, with effect from 23 January 2020 the Company and the Fund will be renamed as follows:

	<b>Current name</b>	<b>Name from 23 January 2020</b>
Company	LF Woodford Investment Funds II	LF ASI Investment Fund
Fund	LF Woodford Income Focus Fund	LF ASI Income Focus Fund

The reason for the name changes is to align the names of the Company and of the Fund with the name of the new Investment Manager.

## Change of Fund's income yield target

As stated in our letter of 20 December 2019 we have reviewed the Fund's income target with the new investment manager. As a result we are also changing the Fund's income yield target as stated in the investment objective of the Fund, with effect from 23 January 2020. The Fund's aim will continue to be to achieve a high level of income together with capital growth. However, we are amending how we define "high level of income" as shown in the table below. This is to reflect what we and the new Investment Manager feel is an achievable target for the Fund in the current investment environment, in accordance with the Fund's investment objective and policy. For example based on the current share price of the Z Income share class of the Fund, a 5p per share target gives a yield of 7.5%, whereas over the past 12 months, the yield of the FTSE All Share index has been 4.5%.

<b>Current objective</b>	<b>Objective from 23 January 2020</b>
<p>The aim of this Sub-fund is to provide a high level of income (*) together with capital growth.</p> <p>* The fund manager will aim to deliver an income of 5p per share per annum. Investors should be aware that there is no guarantee that any specific level of dividend or yield will be achieved over any given time period.</p>	<p>The aim of this Sub-fund is to provide a high level of income (*) together with capital growth.</p> <p>* The fund manager will aim to achieve a yield higher than the average yield of the FTSE All Share Index over a 3 year rolling period. Investors should be aware that there is no guarantee that any specific level of dividend or yield will be achieved over any given time period.</p>

The FCA has been notified of these changes and has confirmed that the changes, if made, will not affect the ongoing authorisation of the Scheme.

If you have any questions regarding these changes, the suspension or your holding in the Fund please contact us on 0333 300 0381 or alternatively email us at [incomefocus@linkgroup.co.uk](mailto:incomefocus@linkgroup.co.uk).

Yours sincerely



Karl Midl  
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