

A bit about me and why I am involved in the TTF

- Within the TTF I am one of the TTF Woodford Campaign leadership group
- I invested in WEIF in June 2018 and I retired in 2021
- Recently I found out I have Institutional Shares (Class Z Acc) rather than Retail shares; it seems that most if not all **Private Investors who bought through a Platform have Institutional Shares and not Retail**
- I am very passionate about the Woodford / Link Scandal and I volunteered collate and submit questions to the **Investor Advocate** who has been appointed in this process
- I did not receive Link's Practice Statement Letter (PSL) of 7th September from my Platform (James Hay) and I only received it from Leigh Day.
- Even if the full "**Settlement**" is paid out (not very likely, see later) **my losses will still be 36%** which is quite a significant percentage due to the mismanagement of Fund by Neil Woodford & Link's very poor Governance of Fund. Other private Investors have similar losses or even worse dependant on their timing over their investment in WEIF
- I am personally very concerned about the "**Settlement Process**" in that the Private Investor are getting marginalised / shafted by Link and the Institutional Investor block will push the vote through

Some Important background numbers

- Since 2016 the Fund has had staggering capital losses of **£2.9bn**
- Since Fund closed the capital losses are currently running at circa **£940m**; Link's **maximum** offer of only £235m is only 24.5% of those losses
- The residual assets of the Fund as reported in Link's annual report of 31-3-23 was **£34.5m** with capital losses of **£43m** in 1 year (**44% loss**)
- How much more the residual assets will sustain more capital losses is anybody's guess !!!!

Link's Practice Statement Letter (PSL) of 7th September (1)

- Link have seen it fit in the main to go through **Platforms to communicate the PSL to Investors**. Unfortunately this is not direct enough method for them to inform Private Investors with **many not receiving it or have any knowledge that it exists**
- The 19 page **PSL is very verbose and misleading**; it does not actually give the Private Investor the most important fact of how much they are likely to receive if the Scheme is approved. **Link should at least be able to give a pence per £ range per share class**; this has been asked for through the Investor Advocate (IA) who has passed the request to Clifford Chance (Link's lawyers)
- Link are going to **Court on the 10th October** (location unknown as yet) to gain approval to call a meeting of Scheme Creditors (those who held WEIF share as at 03-06-2019) and asking to **cluster all share classes into a single vote that will disadvantage Retail Investors**
- **If the Court agrees to the Proposal, then Link plan a virtual vote on 4th December**. There are currently no details about the process of voting, how Creditors express an interest & how they will be identified as Bonafede Investors and how they can vote!

A response to a question to the Investor Advocate (IA) about voting:-

"Each scheme creditor will have one vote but be entitled to vote for an amount equal to the value of the shares that are directly held"

Link's Practice Statement Letter (PSL) of 7th September (2)

- Investment Committee *"has been set up to represent the interests and views of the Scheme Creditors in respect of the proposed Scheme."* (S 10.1) *"The primary purpose of the Investor Committee is to help Link Fund Solutions to design a Scheme that is fair for all investors" & "it is the Investor Advocate who should be approached by investors and not the Investor Committee."*
- Investor Advocate *"to answer any general questions that you may have about the Scheme and also take your feedback on the Scheme and discuss it with us."* The IC are not to be
- To be approved it needs **majority in number (i.e., more than 50%), representing 75% or more in value, of the creditors who attend and vote at the meeting for the scheme of arrangement**
- If the **Scheme** achieves full approval;
 - i. the vote thresholds are met (see above) &
 - ii. the Court approves the **Scheme** (hearing expected 15th December)

The **Scheme** is **BINDING** on all WEIF creditors even **if you vote no or don't vote**

Also on Page 2 of PSL

"in return for the payments made from the Settlement Fund, Scheme Creditors will no longer be able to make any claim against LFSL, the Parent and other related parties relating to the WEIF. Investors' rights to make claims against third parties will also be limited to the extent that LFSL would be liable to pay those claims."

&

"investors will each receive the same percentage payment because the Settlement Fund will be shared proportionally amongst relevant investors according to the number and class of shares they hold."

Link's Practice Statement Letter (PSL) of 7th September "the money"

- The "**Settlement Fund**" (SF) of **£235m** (S 5.4) is in reality only **£180m** as **£5m** is deducted for "**LSFL costs**" (S 5.4) & **£50m "Reserve Amount"** (S 5.14 & 5.15) for "*to meet contingent Excluded Liabilities* " as given in section 5.13
- Link states that if the full "**Settlement Fund**" is paid out to Investors:-
 - "The Scheme offers a substantial amount to Scheme Creditors (up to 77% of the FCA Total Amount), with payment to be made in the near future."* (S 9.3)
- As Investors through the 5 capital distributions to date have already received about 70% (about 70p in the £) then the full SF of **£235m** would only give a theoretical maximum of around an additional **7p in the £**
- The payment in January 2024 is likely to only be from the **£180m** left in the SF; therefore if the **£235m** equates to a return of 77% then the **£180m** % return achieve is only **60%** $(180/230)*77$. This is likely to mean the actual payment in January 2024 to be only in the range of **4p – 5p per share**.

Investor Advocate (IA) and questions to him

- As stated in the PSL **"The Investor Advocate can answer any general questions that you may have about the Scheme and also take your feedback on the Scheme and discuss it with us."**
- The Investor Advocate (IA) will be physically at the Court on the 10th October; he will be represented by a Barrister and he will be submitting a **"General report" to the Court**. He will also be at the second court hearing (expected 15th December) to **submit a further report**
- On 13th Sept. an initial set of 40 questions were submitted to the IA in various focus areas some simple questions and some more complex. 15 of the questions (38%) responses were "We shall ask Clifford Chance and pass on any answer we receive." responses were received late this afternoon
The question topic areas so far are:
 - *Practice Statement Letter (PSL)*
 - *Investor Advocate (IA)*
 - *Investors' Committee (IC)*
 - *First court hearing 10th October*
 - *Scheme meeting - Virtual 4th December*
- A further 4 questions were submitted on the 19th Sept. as yet there has been no responses to them

Investor Advocate (IA) responses Summary Practice Statement Letter (PSL)

Question #	Question	Response #	IA Response
4	How many underlying Investors have been contacted directly with the PSL, and how many via platforms? And of the latter, what (if any) guarantee is there that the platforms have actually passed on the communications?	4	<p>98 platforms, brokers and intermediaries, including at least 11 "funds of funds" were sent the notice of the PSL which Link Fund Solutions understands are the legal and beneficial owner of the shares in the WEIF.</p> <p>Whilst it is not possible to guarantee that the platforms would pass on the communications, follow up communications have been sent to the platforms and in particular Link Fund Solutions would refer to the wording included within the communications which details - "The FCA is keen to ensure that Scheme information reaches Investors promptly. As a result, we will have to inform the FCA if there are any failures to issue, or delays in issuing, the PSL. In addition, Link Fund Solutions is required to report to the Court regarding the process undertaken to issue the PSL to Investors.</p> <p>It should be noted that Link Fund Solutions issued a press release on 7 September and adverts were placed in the Times, the Telegraph and the Mail on Sunday with respect to the PSL. Copies of these adverts are attached.</p>
6	What arrangements does LFS intend making to ensure that every underlying Investor is contacted with any subsequent Scheme of Arrangement documentation, and to make sure that they can vote?	6	<p>After the first court hearing on 10 October and assuming that hearing results in LFS receiving permission to call meetings of scheme creditors, <u>voting instructions will be published on the scheme website</u>. As we have said to you on previous occasions, investors should be encouraged to check that website regularly as it will be updated while work on the proposal continues.</p>
41	<p>In the PSL LFSL are making it very difficult / impossible for Investors to know what they are voting for in terms of financial settlement for their Share class.</p> <p>Whilst LFSL may not be able to give a exact pence for £ amount per share class they should be able to provide a range per share class. Therefore can you please ask LFSL to provide this range per class and make it clear what the initial payment is likely to be in January 2024 should the Settlement be approved?</p>	41	<p>We have asked Clifford Chance to provide a more detailed and specific breakdown per share. We will pass on any response we receive.</p>

Investor Advocate (IA) responses Summary *Investors' Advocate (IA) Questions*

Question #	Question	Response #	IA Response
10	Will the IA be at the Court session on the 10th October to represent Investors views?		Yes, the Investor Advocate will attend the first court hearing on 10 October through counsel Charlotte Cooke of South Square. <u>The Investor Advocate is also expecting to attend in person.</u>
11	I understand the TTF are holding a very large online symposium event at 6pm on Thursday 21 Sept would the IA be willing to attend? If you are unavailable can you please send a senior member of your team	11	The role of the <u>Investor Advocate is to deal with general queries and prepare a general report. It would therefore be inappropriate for the Investor Advocate to attend such an event.</u> The Investor Advocate has agreed to provide written responses to specific questions. This document sets out those written responses.
12	What steps are you and is the creditors' committee taking to ensure that any documentation put before the investors in relation to the Scheme of Arrangement vote are balanced, setting out fully all alternatives to the proposal and weighing fully the pros and cons of each option?	12	The Investor Advocate and where appropriate, members of his team, are reviewing or have reviewed the key documents, e.g. the PSL and the scheme website along with questions and comments received from individual creditors. <u>Where the Investor Advocate has questions or concerns about the documents, he is raising those questions directly with Clifford Chance. His report to the court will summarise the Investor Advocate's findings.</u>
13	Who is paying for the Services of the IA?	13	LFS pays for the Investor Advocate's services but he is contracted to act independently.

Investor Advocate (IA) responses Summary *Investors' Committee (IC) Questions*

All referred to Clifford Chance

“The primary purpose of the Investor Committee is to help Link Fund Solutions to design a Scheme that is fair for all investors” & “it is the Investor Advocate who should be approached by investors and not the Investor Committee.”

Question #	Question	Response #	IA Response
14	Will Jamie Drummond-Smith or and some of the IC be at the Court hearing on the 10th October to represent Investors?	14	We shall ask Clifford Chance and pass on any answer we receive.
15	In addition to Jamie Drummond-Smith who are the other 9 members of Investors' Committee? If their names cannot be communicated can you at least confirm how many are Private Investors and how many represent Institutional Investors?	15	We shall ask Clifford Chance and pass on any answer we receive.
16	What criteria were used by Jamie Drummond-Smith in selecting the 9 members?	16	We shall ask Clifford Chance and pass on any answer we receive.
17	What is the contact email address for the IC? If one is not available how can Private Investors communicate into the IC?	17	We shall ask Clifford Chance and pass on any answer we receive.
18	What are the ToR (Terms of reference for the IC) & who set them?	18	We shall confirm the position with Clifford Chance. However, we believe that the terms of reference have been set by LFS with Clifford Chance as its legal advisers and PWC as its financial advisers.
19	Will the IC make available to Investors the minutes of their meetings on-line and the meeting date schedule?	19	We shall ask Clifford Chance and pass on any answer we receive.
20	Is it possible to have a Zoom/Teams meeting with the Chair, a member or the entirety of the creditors' committee before the hearing?	20	We shall ask Clifford Chance and pass on any answer we receive.

Investor Advocate (IA) responses Summary *First court hearing 10th October Questions*

Question #	Question	Response #	IA Response
25	Who will be representing Private Investors at it?	25	The Investor Advocate will report to the court with investor feedback on the scheme and summarise the general queries that he has received.
28	Will there be a limit on Investors attending the hearing and if so how many is it?	28	It is not envisaged that there will be a limit on the number of investors attending the hearing.
38	Are LFSL going to share with the Court their voting scheme for the 4th December Vote and how Institution and Private Investors will be treated with regard to voting and their respective weighting within it? If not how can the Court make a decision regarding the Scheme without such information?	38	LFS will submit a report of the outcome and voting to the court in advance of the sanction hearing which is currently expected to take place on 15 December 2023.
39	Is the Court likely to give LFSL a minimum percentage of the 300,000 Investors who need to vote to make the vote a valid one that has statistical merit? If not why not as if only a small percentage actually vote say 20% (60,000) is this really a significant size vote with respect to the overall value of the Fund held by these voters?	39	In the Investor Advocate's experience, the court, when sanctioning a scheme of arrangement looks in the round at the events leading up to and the result of the scheme vote. It will first ask itself whether the legal requirements of the scheme process have been met and it will then consider whether the proposal is fair to scheme creditors as a whole. The number of scheme creditors voting is therefore a factor but not the only factor in the court's decision making process. For that reason, there is no threshold percentage of votes that the court will set as defining fairness or otherwise.
42	W.r.t to your responses to Q25, 26 & 28 can you please clarify that Investors are definitely allowed in to be Court and that Investors can either speak individual for themselves in Court or through Legal representation?	42	Investors are able to attend the Court hearings. Details of the time and venue for the first Court hearing on 10 October will be made available nearer the time. <u>Link Fund Solutions expects that the Court hearing will take place in London at The Rolls Building, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL. However, typically the Court will not confirm the time, place and Court room until the afternoon on the day before the hearing, in this case 9 October 2023.</u> Link Fund Solutions shall post a notice to the Website (https://lfwoodfordfundscheme.com/) confirming this information as soon as it becomes available. The customary manner for a person to address the Court during a Court hearing would be through a barrister appointed by that person. However, if anyone you are dealing with does want to appear in Court (with or without a barrister) please could they let me know. I shall mention that in my report to the Court and I shall also pass details of the investor concerned to Clifford Chance so that they may bring this to the Court's attention.

Investor Advocate (IA) responses Summary *Scheme meeting - Virtual 4th December (1)*

32	How will Private Investors & Institutional Investors be approved to vote and validated as Bonafede Investors?	32	Link Fund Solutions will provide Scheme Creditors with more information on how they can vote and be validated in the Explanatory Statement that will be sent to Scheme Creditors if the Court approves the convening of the Scheme Meeting.
33	How will Institutional Investors be treated in terms of their weighting in the vote compared to Private Investors?	33	Each scheme creditor will have one vote but be entitled to vote for an amount equal to the value of the shares that are directly held. The scheme will be approved by its creditors if it is approved by a majority in number (i.e., more than 50%) of those creditors, representing 75% or more in value, of the creditors who attend and vote at the scheme meeting.
34	Private Investors who bought WEIF shares through a Platform have been given Institutional Shares . In my case I have LF Equity Income Fund C Sterling Accumulation; other Private Investors I am aware of who bought through Hargreaves Lansdown have LF Equity Income Fund Z Sterling Accumulation. To ensure a fair representation for Private Investors how are they going to be separated from Institutional Investors voting as they both have very different Economic interests? Applying FCA (COBS3) client categories to WEIF Creditors results in at least 2 identifiable client groups with dissimilar economic interests. Retail clients may have eligibility for FSCS compensation; Professional clients such as Local Authorities are unlikely to be eligible for FSCS	34	Please see appendix 2 of the PSL for an explanation of why LFS considers all investors should fall into one class. We will raise your point about the different interests with Clifford Chance and pass on any answer we receive.
43	W.r.t Q34 and your response in that LFSL consider only one vote for all classes; as it has been pointed out Retail Private Investors are within the Institutional classes if they bought through a Platform. If one looks at the Class distribution adjacent to this question the % split between Retail & Institutional Investors is totally incorrect and only LFSL know the true split. Can you please request from LFSL the real percent of Retail Investors in the fund and how many there are and provide it in your response. Also to be fair and equitable can you inform the Court by clearly stating this in your IA report to the Court? If not please give reasons why you are not willing to do so for as the IA it should be your duty to so as really there should be two votes one for Institutional Investors and a Separate one for Retail Investors; please comment on why this cannot be achieved?	43	<p>The WEIF's records indicate that a very small number of retail investors hold their units directly with the WEIF. All other retail investors hold their interests in the WEIF through a platform, broker or intermediary. Where a private investor holds their units through a platform, broker or intermediary, Link Fund Solutions will not hold information about that private investor, in part due to them being clients of the relevant platform, broker or intermediary.</p> <p>You have suggested in your question that you are of the view that there should be two votes – one for institutional investors and one for retail investors. We assume that you mean that there should be two separate classes meetings for the purpose of voting on the Scheme.</p> <p>Please note that the test for determining the appropriate classes to vote on a scheme is a legal one. An explanation of that legal test is set out by Link Fund Solutions in paragraph 1 of page 18 of the Practice Statement Letter. In summary, not all differences between Scheme Creditors give rise to a legal requirement to hold separate class meetings.</p> <p>Link Fund Solutions has explained that it considers that all Scheme Creditors should vote in one meeting as it considers that the Scheme Creditors (whether institutional investors or retail investors) have sufficiently similar rights against Link Fund Solutions in the alternative to this Scheme. The reasons for this conclusion are set out in paragraph 2 of page 18 of the Practice Statement Letter. In particular, Link Fund Solutions notes that all relevant investors will receive the same right to payment from the Settlement Fund in proportion to the number and class of shares they hold in the WEIF.</p> <p>I have raised your concern regarding the distinction to be drawn between retail investors and institutional investors to Link Fund Solutions and will also note this in my report to the Court.</p>

Investor Advocate (IA) responses Summary *Scheme meeting - Virtual 4th December (2)*

<p>44</p>	<p>In the LFSL Fund report of the 31st March 2023 on page 39 in section 12 "Related Party Transactions" it states that Hargreaves Lansdown has a 29.73% holding in the Fund which will be some in their own managed Funds and the remainder Private Investors who bought through their Platform. Please confirm how this massive block of votes will be dealt with to ensure fairness for Private Investors?</p>	<p>44</p> <p>The only people entitled to vote on the Scheme are those investors with a beneficial interest in the WEIF as at 3 June 2019. An investor who holds the beneficial interest in the units in the WEIF will be entitled to vote, even if the legal interest in those units are held by a third party. Please see paragraph 4.2.1 of the Practice Statement Letter for a summary explanation of what may constitute a "beneficial interest".</p> <p>Whether and if so to what extent a platform or individual investors will be able to vote in a particular case will depend upon the specific terms of the relationship between investors and the relevant platform.</p> <p>Please note that the 29.73% figure referred to comprises investors who invested through the Hargreaves Lansdown platform. We understand from information shared by Hargreaves Lansdown, that they have 133,769 clients with direct exposure to the WEIF. In addition, there is a further 15% holding by the Hargreaves Lansdown funds themselves. The retail investors represented in the 29.73%, to the extent that they hold the beneficial interest in the relevant units, will be entitled to vote in respect of the Scheme. Where Hargreaves Lansdown itself has a beneficial interest in units of the WEIF, it will be entitled to vote on the Scheme in respect of those units.</p> <p>The Scheme also needs to be approved by a majority in number of the investors (who represent 75% in value of the units in the WEIF).</p> <p>Finally, the Court will also consider whether the Scheme is fair (i.e. if it is such that an intelligent and honest person, acting in their own interests, would approve) at the sanction hearing. Scheme Creditors are entitled to attend that hearing.</p> <p>More details as to how the voting will operate will be provided in the Explanatory Statement which will be published on the Website (https://lfwoodfordfundscheme.com/) after the Convening Hearing, if approved by the Court.</p>
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Investor Advocate (IA) Questions & responses

The current questions to the IA and his Responses will be sent out tomorrow although please be aware these are a snapshot in time and may be added to as time progresses.

If after you have **fully reviewed** the Q&As and you wish further new question(s) to be asked of the IA as it is not already been asked then please send them to me at aEEP7777@gmail.com

Please note there are over 200 people on this Symposium so if I am deluded with requests it may take me some time to review then possibly combine them if they are similar ones.

If you have views on the process or feedback on the scheme then please make these known to the IA who can be contacted at josephbannisterIA@dacbeachcroft.com as he does need to get this from many Private Investors as possible