

8 May 2018**LF Arch cru Balanced Fund (a sub-fund of the LF Arch cru Diversified Funds, an Investment Company with Variable Capital) (the "Fund")****Twelfth distribution payment**

Link Fund Solutions Limited ("LFS") has today written to all shareholders in the Fund advising of the amount payable in relation to the twelfth capital distribution payment from the winding up of the Fund.

In total this twelfth capital distribution will return a further £9.49 million to investors in the Arch Funds. This, combined with previous capital distributions, means that £143.93 million has now been returned to investors since the commencement of the orderly realisation of the Arch Funds in February 2010.

Where able to do so, LFS have made payment to shareholders, effective 10 May 2018. The amount payable per share in relation to the Fund is as follows:-

Share class	Amount payable per share (in pence)
Accumulation	3.96

As first explained in our letter of 26 February 2010, we understand that these distribution payments will be treated for tax purposes in the same manner as the encashment of shares by shareholders. We are, however, unable to advise you as to how you should treat this payment for tax purposes. We strongly advise that you speak to your IFA or specialist tax adviser in this regard.

It is intended that further distribution payments will be made as and when suitable amounts of cash have been raised from the assets of the Fund. The exact timing and amount of this distribution is dependent upon assets being realised within the Guernsey incorporated cell companies in which the Arch Funds are invested (the Guernsey Cells) and the proceeds being returned to the Arch Funds. We will continue to provide investors with as much information as we can regarding this and other developments in relation to the Arch Funds.

If you have any queries about the information in this letter or any other matter in relation to the Fund, please contact us by any of the following means:

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Post: Link Fund Solutions Limited, PO Box 389, Darlington, DL1 9UF

Link Fund Solutions Limited