

LF Arch cru Investment Funds

(Formerly CF Arch cru Investment Funds)

Annual Report and Financial Statements

31 March 2018

LF Arch cru Investment Portfolio (Formerly CF Arch cru Investment Portfolio)

LF Arch cru Specialist Portfolio (Formerly CF Arch cru Specialist Portfolio)



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LF ARCH CRU INVESTMENT FUNDS
ACD'S REPORT
FOR THE YEAR ENDED 31 MARCH 2018

AUTHORISED STATUS

LF Arch cru Investment Funds ('the Company') is an open-ended investment company with variable capital incorporated in England and Wales under registered number IC000456 and authorised by the Financial Conduct Authority ('FCA') with effect from 30 June 2006.

It is a Non-UCITS Retail Scheme and the currency of the Company and each sub-fund is pounds sterling.

Shareholders are not liable for the debts of the Company.

The Company is currently being wound up following receipt of the FCA's approval on 1 February 2010. As a result, the financial statements of all the Company's sub-funds have been prepared on a break-up basis.

The ACD, as sole director of the Company, presents its report and the audited financial statements of the Company for the year from 1 April 2017 to 31 March 2018.

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE ('AIFMD')

The FCA approved the commencement of the wind up of the Company from 1 February 2010 and, therefore, the Company falls outside the scope of the AIFMD.

GENERAL BACKGROUND

We have previously informed you that the Funds were suspended on 13 March 2009 due to liquidity issues in certain of the Guernsey Incorporated Cell Companies ('the Cells') and also informed you in December 2009 that the Investment Manager of the Cells was replaced by Brooks Macdonald Group plc (formerly Spearpoint Limited). At this time the intention was to try to maximise the return to shareholders and that the wind up of the Cells needed to be undertaken on an orderly realisation basis with the aim of achieving this within three to five years. It is now evident that this process has extended beyond the anticipated five years. In January 2015, Brooks Macdonald were replaced by Elysium Fund Management Limited as the Cells' advisory Fund Manager and at that time reductions were made to the investment management fees paid by the Cells. In January 2016, due to the limited number of assets now held within the structure, the Cells became self-managed. In February 2018, the Cell's Board proposed a further scheme of amalgamation to simplify the structure, reduce ongoing operational costs and enable more effective management of liquidity. The scheme of amalgamation was concluded in March 2016. At the time of writing this report it is still not possible to predict with any accuracy as to when the orderly realisation process will be concluded, other than, based on the Report and Financial Statements issued by the Cells on 2 July 2018, and as noted last year, we do not expect this to be any sooner than the end of 2020. Link Fund Solutions Limited ('LFSL') and the Depositary to the sub-funds have waived their fees since suspension and will continue to do so. The only fees and charges that are now charged to the sub-funds are: the FCA periodic fees, custody transaction charges, audit fees, postage and distribution costs, typesetting fees and mailing costs associated with making distributions or issuing documents such as the Company's report and accounts.

The ACD has been previously informed by the Directors of the Cells that they are taking legal action against various parties who were either connected with or involved in the management and investment activity of the Cells. We have also been informed that certain of those cases have been concluded and that a number may continue through 2020 and perhaps beyond.

PAYMENT SCHEME

The acceptance deadline for the payment scheme established for investors in the LF Arch cru Funds has passed. Full details and other relevant information are on our website – www.linkfundsolutions.co.uk, enter the 'Investor Services' section, then following the link 'Investor Communications', followed by 'LF Arch cru Fund' and then click on 'LF Arch cru Payment Scheme'.

RETURN OF CAPITAL

On 7 May 2018 the twelfth return of capital was announced, payable to shareholders of the LF Arch cru Investment Funds and LF Arch cru Diversified Funds (together the 'Arch Funds') effective 9 May 2018, returning a further £9.5 million to investors. This, combined with previous returns of capital, means that £143.9 million has now been returned to investors since the commencement of the orderly realisation of the Arch Funds in February 2010. The timetable for making future returns of capital, and the amount of future returns of capital, continues to be dependent on the progress made by the Boards of the Cells in realising the underlying assets of the Cells. On 2 July 2018 the Cells published their Report and Financial Statements in which the Chairman's Statement provides an overview of the past year and forward looking comment on the ability of the Cells to make further distributions. This is more fully detailed in the Investment Manager's Report. The ACD will make a decision regarding any distribution by the sub-funds following the decision by the Cells.

FCA CONSUMER REDRESS SCHEME

In December 2012 the FCA published a policy statement setting out rules on a consumer redress scheme where there is evidence of unsuitable advice being given to investors. The redress scheme has now concluded.

FREQUENCY OF VALUATIONS

The ACD, based on the quarterly Cell Net Asset Value ('NAV'), publishes on its website the price of each share class of the sub-funds. This information can be found on the 'Investor Communications' tab of our website, www.linkfundsolutions.co.uk.

CARRYING VALUE OF INVESTMENTS

As was the case for the year ended 31 March 2017, the Directors of the Cells, have highlighted the inherent uncertainty that they have about the carrying value of investments measured at deemed cost less impairment because they cannot reliably determine the 'fair value' of each asset (e.g. because redemptions in the underlying funds have been suspended and the last published or most recent NAV is unlikely to be realised, or because the Fund or entity is in liquidation). The auditors of those Cells, in turn, refer to this uncertainty in their audit reports of the relevant Cells although their opinions are not qualified.

INVESTOR COMMUNICATIONS

Please note that since the suspension of the sub-funds all shareholder communications including information regarding the progress being made with the orderly realisation of the Cells' assets and up to date valuation information can be found on our website www.linkfundsolutions.co.uk, under the heading 'Investor Communications'.

LF ARCH CRU INVESTMENT FUNDS

ACD's Report (continued)

For the year ended 31 March 2018

IMPORTANT INFORMATION

On 1 February 2010, the FCA granted permission to wind up the Company.

With effect from 16 October 2017, the address of the ACD and Investment Manager has changed to 6th Floor, 65 Gresham Street, London EC2V 7NQ.

As a result of the completion of the acquisition of Capita Financial Managers Limited by Link Administration Holdings Limited on 3 November 2017, the name of the ACD and Investment Manager has changed to Link Fund Solutions Limited. Additionally, the Registrar of the Company has changed its name from Capita Financial Administrators Limited to Link Fund Administrators Limited and the trading name for the ACD, Investment Manager and Administrator has also changed from Capita Asset Services to Link Asset Services.

With effect from 15 December 2017, the following Depositary changes were made:

- Name change from BNY Mellon Trust & Depositary (UK) Limited to The Bank of New York Mellon (International) Limited;
- Registered and head office address to One Canada Square, London E14 5AL; and
- The Depositary is authorised by the Prudential Regulation Authority and is dual regulated by the Financial Conduct Authority and Prudential Regulation Authority.

With effect from 18 December 2017, the new name of the ACD is reflected in the name of the Company and its sub-funds as follows:

- CF Arch cru Investment Funds to LF Arch cru Investment Funds;
- CF Arch cru Investment Portfolio to LF Arch cru Investment Portfolio; and
- CF Arch cru Specialist Portfolio to LF Arch cru Specialist Portfolio.

CROSS HOLDINGS

No sub-funds had holdings in any other sub-fund of the Company at the end of the year.

SECURITIES FINANCING TRANSACTIONS

The Company has the ability to utilise Securities Financing Transactions (being transactions such as lending or borrowing of securities, repurchase or reverse repurchase transactions, buy-sell back or sell-buy back transactions, or margin lending transactions). No such transactions have been undertaken in the period covered by this report.

LINK FUND SOLUTIONS LIMITED
ACD of LF Arch cru Investment Funds
30 July 2018

DIRECTOR'S STATEMENT

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook and the Investment Funds Sourcebook, as applicable, as issued and amended by the Financial Conduct Authority.

N. BOYLING

LINK FUND SOLUTIONS LIMITED
ACD of LF Arch cru Investment Funds
30 July 2018

STATEMENT OF ACD'S RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The ACD is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (the 'COLL Sourcebook') and the Investment Funds Sourcebook (the 'FUND Sourcebook'), as applicable, require the ACD to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company, comprising each of its sub-funds, and of the net revenue/expense and of the net capital gains/losses on the scheme property of the Company's sub-funds for that year. In preparing those financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements in accordance with the requirements of the IA SORP; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In relation to this last requirement, and for the reasons stated in the ACD's Report and note (a) of the Accounting Policies, the financial statements have been prepared on a break-up basis as the Company is not a going concern.

LF ARCH CRU INVESTMENT FUNDS

Statement of ACD's Responsibilities in Relation to the Financial Statements (continued)

The ACD is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company's sub-funds and to enable it to ensure that the financial statements comply with the COLL and FUND Sourcebooks. The ACD is also responsible for safeguarding the assets of the Company's sub-funds and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the ACD is aware:

- there is no relevant audit information of which the Company's Auditor is unaware; and
- the ACD has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the Auditor is aware of that information.

STATEMENT OF DEPOSITARY'S RESPONSIBILITIES

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook and, from 22 July 2014, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the Regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as summarised below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of the Company are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ('the AIFM'), are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Scheme documents and Regulations in relation to the investment and borrowing powers applicable to the Company.

REPORT OF THE DEPOSITARY FOR THE YEAR ENDED 31 MARCH 2018

In our opinion, during the period from 1 April 2017 to 31 March 2018, we confirm that in all material respects, the Company has observed the above rules and regulations to the extent that they are applicable to a Company in a state of suspension and in wind up phase, and have not been waived with the agreement of the FCA.

THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED
Depositary of LF Arch cru Investment Funds
30 July 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LF ARCH CRU INVESTMENT FUNDS

OPINION

We have audited the financial statements of LF Arch cru Investment Funds ('the Company') for the year ended 31 March 2018 which comprise the Statement of Total Return and Statement of Changes in Net Assets Attributable to Shareholders together with the Balance Sheet for each of the Company's sub-funds, the accounting policies of the Company, and the related notes for each sub-fund, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'. The Financial Statements have been prepared on a break up basis as disclosed in note (a) of the Accounting Policies.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Company comprising each of its sub-funds as at 31 March 2018 and of the net expenses and the net capital gains on the scheme property of the Company comprising each of its sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting standard applicable in the UK and Republic of Ireland'.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER – CARRYING VALUE OF INVESTMENTS

In forming our opinion on the Company's financial position at 31 March 2018, which is not modified, we have considered the adequacy of the disclosure in note (g) to the financial statements concerning the significant uncertainty and considerable judgment involved in the carrying value of those investments where fair value can no longer be reliably measured. The carrying value of these investments amounts to £0.9 million. The amounts eventually recovered may differ from the carrying value as at 31 March 2018 but the difference cannot presently be determined.

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE RULES OF THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK OF THE FINANCIAL CONDUCT AUTHORITY

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation;
- the information given in the ACD's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- there is nothing to indicate that proper accounting records have not been kept or that the financial statements are not in agreement with those records.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the Financial Conduct Authority rules requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

RESPONSIBILITIES OF AUTHORISED CORPORATE DIRECTOR (ACD)

As explained more fully in the ACDs' Responsibilities Statement set out on pages 7 and 8, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the ACD is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the ACD either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

ERNST & YOUNG LLP
Statutory Auditor
London
31 July 2018

FINANCIAL STATEMENTS

AS AT 31 MARCH 2018

ACCOUNTING POLICIES

The principal accounting policies, which have been applied to the financial statements of the sub-funds in both the current and prior year, are set out below. These have been applied consistently across all sub-funds unless otherwise stated in the Notes to the Financial Statements of each sub-fund.

(a) Basis of accounting

The financial statements of each sub-fund have been prepared under the historical cost basis, as modified by the revaluation of investments and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The financial statements have been prepared in accordance with the Statement of Recommended Practice ('SORP') for Financial Statements of UK Authorised Funds issued by the Investment Association ('IA') in May 2014, as amended.

The financial statements have been prepared on a break up basis following FCA approval on 1 February 2010. Under this basis assets are recorded at their expected recoverable value and liabilities are recorded at their expected settlement value. Any additional costs in respect of the wind up of the Company will be borne by the ACD.

(b) Recognition of revenue

Dividends are recognised when the securities are quoted ex-dividend.

Receipts from the Guernsey Incorporated Cell Companies ('the Cells') are recognised when declared by the Cells.

Reportable income from funds with 'Reporting Fund' status for UK tax purposes is recognised when the information is made available by the Reporting Fund.

Interest on bank and other cash deposits is recognised on an accruals basis.

Revenue is recognised gross of any withholding taxes but excludes attributable tax credits.

(c) Treatment of expenses

All expenses, except for those relating to the purchase and sale of investments, are charged initially against revenue.

From 1 April 2009 to date, no further fees, which are calculated by reference to the value of the sub-funds, have been charged by Link Fund Solutions Limited, the Administrator, Depositary and Custodian.

(d) Allocation of revenue and expenses to multiple share classes and sub-funds

Any revenue or expense not directly attributable to a particular share class or sub-fund will normally be allocated pro-rata to the net assets of the relevant share classes and sub-funds, unless a different allocation method is more appropriate.

All share classes are ranked pari passu and have no particular rights or terms attached, including rights on winding up.

(e) Taxation

Corporation tax is provided at 20% on taxable revenue, after deduction of allowable expenses.

Offshore income gains, from funds without reporting status, are liable to corporation tax at 20% and any resulting charge is deducted from capital.

LF ARCH CRU INVESTMENT FUNDS

Financial Statements (continued)

As at 31 March 2018

ACCOUNTING POLICIES (continued)

(e) Taxation (continued)

Where overseas tax has been deducted from overseas revenue that tax can, in some instances, be set off against the corporation tax payable by way of double tax relief and where this is the case the offset is reflected in the tax charge.

Deferred tax is provided using the liability method on all timing differences arising on the treatment of certain items for taxation and accounting purposes, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

(f) Distribution policy

Surplus revenue after taxation, as disclosed in the financial statements, after adjustment for items of a capital nature, is distributable to shareholders. Any deficit of revenue is deducted from capital.

Where the total amount of revenue available for an income distribution in a sub-fund on an income payment date does not exceed £5,000 ('the De Minimis Amount'), the ACD, in agreement with the Depositary, may withhold distribution of the revenue until the revenue available exceeds the De Minimis Amount.

Distributions which have remained unclaimed by shareholders for more than six years are credited to the capital property of the sub-fund.

(g) Basis of valuation of investments

The sub-funds are substantially invested in certain Guernsey Incorporated Cells. The year end valuations are based on the audited Net Asset Values of the Cells as at 31 March 2018. The audit reports of certain of these Cells contain an Emphasis of Matter in respect of valuation uncertainty.

The Cells classify investments between those that are measured at fair value and those that are measured at deemed cost less impairment. Wherever fair value can be reasonably ascertained the Cell Directors have valued investments on this basis. However, where there is no active market for these investments and fair value cannot otherwise be obtained the investments are carried at deemed cost less impairment which involves considerable judgment and is subject to significant uncertainty. In making this determination of the impairment the Directors have largely relied on the determination made by the Directors of the Cells. This involves reviewing the impairments made by the Cell Directors which are often based on unaudited information and updating these valuations for any further material changes that might have occurred since the accounts of the Cells were approved and published.

The carrying value of the Cell's investments held at deemed cost less impairment which is subject to these uncertainties amounts to £0.9 million (31.03.17 : £1.5 million). The carrying value is the expected recoverable value. The amounts eventually recovered may differ from the carrying value as at 31 March 2018, but the difference cannot presently be determined.

LF ARCH CRU INVESTMENT PORTFOLIO

ACD'S REPORT

FOR THE YEAR ENDED 31 MARCH 2018

IMPORTANT INFORMATION

Refer to 'Important Information' section on page 6.

INVESTMENT OBJECTIVE AND POLICY

Given that LF Arch cru Investment Portfolio ('the Fund') is being terminated on an orderly realisation basis, and given the illiquidity of the Guernsey Cells, the management of the Fund does not involve active investment management of the assets. The investment management required for the Fund is essentially limited to a cash management role, i.e. receiving distributions/realisation proceeds from the Cells and passing these on to shareholders in the Fund.

INVESTMENT MANAGER'S REPORT

In a letter to investors dated 26 February 2010, Capita Financial Managers Limited (CFML), now Link Fund Solutions Limited ('LFSL'), informed investors that it had applied to the Financial Conduct Authority ('FCA') in December 2009 for approval of the commencement of termination of LF Arch cru Investment Funds ('the Company') with effect from 1 February 2010. The FCA granted this approval and the winding up of the Company on an orderly realisation basis commenced with effect from 1 February 2010. As such, LFSL's, investment management activity for the Company continues to be principally focused on decision-making regarding whether to participate in corporate events proposed by the Guernsey Incorporated Cell Companies ('the Cells'), and cash management (i.e. receiving distributions/realisation proceeds from the Guernsey Cells and passing these on to shareholders in the LF Arch cru Investment Funds). LFSL is not charging any fees for performing this role.

LFSL maintains a close watch on the activity of the Cells to understand the likelihood and timing of further distributions from the Cells. On 2 July 2018, the Cells published their Report and Financial Statements in which the Chairman's Statement provides an overview of the past year and forward looking comment on the ability of the Cells to make further distributions. In summary, the Chairman has noted various matters which are summarised below:

1. The Cells made a £12.8 million distribution to investors (Note: this amount includes distributions to investors other than the LF Arch cru Funds);
2. The action taken in 2016/17 in respect of JPEL, proved worthwhile in the year as the value of its assets begins to show through in realisations and its share price. Distributions to its shareholders have progressed and if this continues are likely to contribute significantly to distributions to our shareholders over the next two years;
3. Judgment was handed down by the Royal Court of Guernsey in the case against Robert Addison a director (and a partner of Arch FP) of all the Guernsey Cells from 2007 to the end of 2009;
4. A claim against insurers has gone to arbitration, but will not be heard before the Summer of 2019; and
5. The Cells will continue with its various actions including the significant issue of the failed Greek shipping venture.

LF ARCH CRU INVESTMENT PORTFOLIO

ACD's Report (continued)

Investment Manager's Report (continued)

For the year ended 31 March 2018

The Chairman further notes that the combined assets of the Cells as at 31 March 2018, 67% relates to JPEL Private Equity Limited, 13% each to cash and property, and 7% to various hedge funds.

LINK FUND SOLUTIONS LIMITED

Investment Manager

30 July 2018

FUND INFORMATION

FUND PERFORMANCE

Due to the suspension of the Fund on 13 March 2009, no Fund Performance is reported for the year to 31 March 2018.

RISK AND REWARD PROFILE

Due to the suspension of the Fund on 13 March 2009, no Risk and Reward Profile is reported.

INCOME DISTRIBUTIONS

There were no income distributions in the current or prior year.

COMPARATIVE TABLES

Due to the suspension of the Fund on 13 March 2009, no highest and lowest prices are reported.

	31.03.18 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)
'A' Income shares			
Change in net assets per share			
Opening net asset value per share	9.78	10.38	13.70
Return before operating charges*	0.20	3.15	(1.00)
Operating charges	–	(0.01)	(0.01)
Return after operating charges	0.20	3.14	(1.01)
Return of capital	(3.16)	(3.74)	(2.31)
Closing net asset value per share	6.82	9.78	10.38
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	2.04%	30.25%	(7.37)%
Other Information			
Closing net asset value (£'000)	373	535	567
Closing number of shares	5,463,726	5,463,726	5,463,726
Operating charges	0.05%	0.07%	0.06%
Direct transaction costs	–	–	–

LF ARCH CRU INVESTMENT PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.03.18 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)
'A' Accumulation shares			
Change in net assets per share			
Opening net asset value per share	9.85	10.44	13.78
Return before operating charges*	0.20	3.18	(1.01)
Operating charges	–	(0.01)	(0.01)
Return after operating charges	0.20	3.17	(1.02)
Return of capital	(3.18)	(3.76)	(2.32)
Closing net asset value per share	6.87	9.85	10.44
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	2.03%	30.36%	(7.40)%
Other Information			
Closing net asset value (£'000)	6,041	8,661	9,182
Closing number of shares	87,947,665	87,947,665	87,947,665
Operating charges	0.05%	0.07%	0.06%
Direct transaction costs	–	–	–

	31.03.18 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)
'B' Income shares			
Change in net assets per share			
Opening net asset value per share	9.87	10.48	13.83
Return before operating charges*	0.22	3.17	(1.01)
Operating charges	–	(0.01)	(0.01)
Return after operating charges	0.22	3.16	(1.02)
Return of capital	(3.19)	(3.77)	(2.33)
Closing net asset value per share	6.90	9.87	10.48
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	2.23%	30.15%	(7.38)%
Other Information			
Closing net asset value (£'000)	2,511	3,594	3,814
Closing number of shares	36,398,778	36,398,778	36,398,778
Operating charges	0.05%	0.07%	0.06%
Direct transaction costs	–	–	–

LF ARCH CRU INVESTMENT PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.03.18 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)
'B' Accumulation shares			
Change in net assets per share			
Opening net asset value per share	10.00	10.60	14.00
Return before operating charges*	0.20	3.23	(1.03)
Operating charges	–	(0.01)	(0.01)
Return after operating charges	0.20	3.22	(1.04)
Return of capital	(3.23)	(3.82)	(2.36)
Closing net asset value per share	6.97	10.00	10.60
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	2.00%	30.38%	(7.43)%
Other Information			
Closing net asset value (£'000)	6,307	9,045	9,592
Closing number of shares	90,477,697	90,477,697	90,477,697
Operating charges	0.05%	0.07%	0.06%
Direct transaction costs	–	–	–

	31.03.18 (US\$/share)	31.03.17 (US\$/share)	31.03.16 (US\$/share)
'C' USD Income shares			
Change in net assets per share			
Opening net asset value per share	0.1185	0.1453	0.1971
Return before operating charges*	0.0196	0.0187	(0.0190)
Operating charges	(0.0001)	(0.0001)	(0.0001)
Return after operating charges	0.0195	0.0186	(0.0191)
Return of capital	(0.0438)	(0.0454)	(0.0327)
Closing net asset value per share	0.0942	0.1185	0.1453
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	16.46%	12.80%	(9.69)%
Other Information			
Closing net asset value (£'000)	–	–	–
Closing number of shares	3,997	3,997	3,997
Operating charges	0.05%	0.07%	0.06%
Direct transaction costs	–	–	–

LF ARCH CRU INVESTMENT PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.03.18 (US\$/share)	31.03.17 (US\$/share)	31.03.16 (US\$/share)
'C' USD Accumulation shares			
Change in net assets per share			
Opening net asset value per share	0.1223	0.1499	0.2035
Return before operating charges*	0.0204	0.0193	(0.0197)
Operating charges	(0.0001)	(0.0001)	(0.0001)
Return after operating charges	0.0203	0.0192	(0.0198)
Return of capital	(0.0453)	(0.0468)	(0.0338)
Closing net asset value per share	0.0973	0.1223	0.1499
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	16.60%	12.81%	(9.73)%
Other Information			
Closing net asset value (£'000)	20	28	30
Closing number of shares	289,356	289,356	289,356
Operating charges	0.05%	0.07%	0.06%
Direct transaction costs	–	–	–

	31.03.18 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)
'D' Income shares			
Change in net assets per share			
Opening net asset value per share	9.81	10.41	13.74
Return before operating charges*	0.21	3.16	(1.00)
Operating charges	–	(0.01)	(0.01)
Return after operating charges	0.21	3.15	(1.01)
Return of capital	(3.17)	(3.75)	(2.32)
Closing net asset value per share	6.85	9.81	10.41
* after direct transaction costs of:	–	–	–
Performance			
Return after charges	2.14%	30.26%	(7.35)%
Other Information			
Closing net asset value (£'000)	25	36	38
Closing number of shares	366,013	366,013	366,013
Operating charges	0.05%	0.07%	0.06%
Direct transaction costs	–	–	–

LF ARCH CRU INVESTMENT PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.03.18 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)
'D' Accumulation shares			
Change in net assets per share			
Opening net asset value per share	9.87	10.47	13.82
Return before operating charges*	0.21	3.18	(1.01)
Operating charges	–	(0.01)	(0.01)
Return after operating charges	0.21	3.17	(1.02)
Return of capital	(3.19)	(3.77)	(2.33)
Closing net asset value per share	6.89	9.87	10.47
* after direct transaction costs of:	–	–	–

Performance

Return after charges	2.13%	30.28%	(7.38)%
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Other Information

Closing net asset value (£'000)	970	1,391	1,475
Closing number of shares	14,088,501	14,088,501	14,088,501
Operating charges	0.05%	0.07%	0.06%
Direct transaction costs	–	–	–

PORTFOLIO STATEMENT

AS AT 31 MARCH 2018

Holding	Portfolio of Investments	Value £'000	31.03.18 %
	INVESTMENT COMPANIES – 99.76% (31.03.17 – 99.82%)		
6,525,172	SPL Parallel Private Equity (PE2) – GBP	6,471	39.83
2,411,880	SPL Private Finance (PF2) – GBP	397	2.44
25,800,113	SPL Realisation	9,340	57.49
	TOTAL INVESTMENT COMPANIES	16,208	99.76
	Portfolio of investments	16,208	99.76
	Net other assets	39	0.24
	Net assets	16,247	100.00

The investments have been valued in accordance with note (g) of the Accounting Policies and are Guernsey Incorporated Cell Companies.

All investments are currently delisted.

LF ARCH CRU INVESTMENT PORTFOLIO

ACD's Report (continued)

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE YEAR ENDED 31 MARCH 2018

There were no purchases made during the year.

Total sales for the year £'000 (note 14) **7,531**

Sales	Proceeds £'000
SPL Realisation	4,669
SPL Parallel Private Equity (PE2) – GBP	2,774
SPL Private Finance (PF2) – EUR	88

The summary of material portfolio changes represents all of the sales during the year.

FINANCIAL STATEMENTS STATEMENT OF TOTAL RETURN FOR THE YEAR ENDED 31 MARCH 2018

	Notes	£'000	31.03.18 £'000	£'000	31.03.17 £'000
Income:					
Net capital gains	2		491		7,505
Revenue	3	–		1	
Expenses	4	(11)		(18)	
Net expense before taxation		(11)		(17)	
Taxation	5	–		–	
Net expense after taxation			(11)		(17)
Total return before distributions			480		7,488
Distributions	6		–		–
Change in net assets attributable to shareholders from investment activities			480		7,488

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS FOR THE YEAR ENDED 31 MARCH 2018

	31.03.18 £'000	31.03.17 £'000
Opening net assets attributable to shareholders	23,290	24,698
Change in net assets attributable to shareholders from investment activities	480	7,488
Return of capital to shareholders	(7,523)	(8,876)
Closing net assets attributable to shareholders	16,247	23,290

LF ARCH CRU INVESTMENT PORTFOLIO

Financial Statements (continued)

BALANCE SHEET

AS AT 31 MARCH 2018

	Note	31.03.18 £'000	31.03.17 £'000
ASSETS			
Fixed assets			
Investments		16,208	23,248
Current assets			
Cash and bank balances		7,642	9,006
Total assets		<u>23,850</u>	<u>32,254</u>
LIABILITIES			
Creditors			
Bank overdraft		(66)	(52)
Return of capital payable		(7,523)	(8,896)
Other creditors	9	(14)	(16)
Total liabilities		<u>(7,603)</u>	<u>(8,964)</u>
Net assets attributable to shareholders		<u>16,247</u>	<u>23,290</u>

STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2018

	Notes	£'000	31.03.18 £'000	31.03.17 £'000
Operating activities				
Loss before tax		(11)	(17)	(17)
Interest received		-	-	(1)
Decrease in creditors		(2)	-	-
Net cash flow used in operating activities	7		(13)	(18)
Financial investment				
Disposal of investments		7,531		8,924
Decrease in debtors		-		4,766
Interest received		-		1
Net cash flow from financial investment activities			7,531	13,691
Financing				
Return of capital		(8,896)		(5,494)
Net cash flow used in financing activities			(8,896)	(5,494)
Change in cash and cash equivalent	8		(1,378)	8,179
Cash and cash equivalent at the start of the year			8,954	775
Cash and cash equivalent at the end of the year			<u>7,576</u>	<u>8,954</u>

LF ARCH CRU INVESTMENT PORTFOLIO

Financial Statements (continued)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2018

1. ACCOUNTING POLICIES

The accounting policies described on pages 13 and 14 have been applied to the financial statements of the Fund in the current and prior year.

	31.03.18 £'000	31.03.17 £'000
2. NET CAPITAL GAINS		
The net capital gains during the year comprise:		
Non-derivative securities	491	7,505
Net capital gains	<u>491</u>	<u>7,505</u>
3. REVENUE		
Bank interest	–	1
Total revenue	<u>–</u>	<u>1</u>
4. EXPENSES		
Payable to the ACD, associates of the ACD and agents of either of them:		
Typesetting costs	(2)	5
Other expenses*	13	13
Total expenses	<u>11</u>	<u>18</u>

* Included within other expenses are audit fees paid to Ernst & Young LLP of £11,000 (31.03.17 : £11,000).

	31.03.18 £'000	31.03.17 £'000
5. TAXATION		
a) Analysis of charge for the year		
Corporation tax at 20%	–	–
Current tax charge	–	–
Deferred tax – origination and reversal of timing differences (note 5c)	–	–
Total taxation (note 5b)	<u>–</u>	<u>–</u>

5. TAXATION (continued)

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.03.17 : 20%). The difference is explained below:

	31.03.18 £'000	31.03.17 £'000
Net expense before taxation	(11)	(17)
Corporation tax at 20%	(2)	(3)
Effects of:		
Unutilised excess management expenses	2	3
Corporation tax charge	–	–
Total tax charge (note 5a)	<u>–</u>	<u>–</u>

c) Deferred tax

At the year end there is a potential deferred tax asset of £1,154,000 (31.03.17 : £1,151,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current and prior year.

	31.03.18 £'000	31.03.17 £'000
6. DISTRIBUTIONS		
Distributions	–	–
Total distributions	<u>–</u>	<u>–</u>
Distributions represented by:		
Net expense after taxation	(11)	(17)
Allocations to capital:		
Revenue deficit	11	17
Net distributions for the year	<u>–</u>	<u>–</u>

LF ARCH CRU INVESTMENT PORTFOLIO

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 March 2018

	31.03.18 £'000	31.03.17 £'000
7. RECONCILIATION OF NET OPERATING GAIN TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets attributable to shareholders from investment activities	480	7488
Net capital gains	(491)	(7,505)
Decrease in creditors	(2)	–
Interest received	–	(1)
Net cash flow used in operating activities	<u>(13)</u>	<u>(18)</u>
8. RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET OTHER ASSETS		
Change in cash and cash equivalent	(1,378)	8,179
Decrease in debtors	–	(4,766)
Decrease in creditors	2	–
Change in return of capital payable	1,373	(3,402)
Movement in net other assets in the year	(3)	11
Net other assets at the beginning of the year	42	31
Net other assets at the end of the year	<u>39</u>	<u>42</u>
9. OTHER CREDITORS		
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Typesetting costs	–	2
Other expenses	14	14
Total other creditors	<u>14</u>	<u>16</u>
10. RELATED PARTY TRANSACTIONS		
Typesetting costs payable to Link Alternative Fund Administrators Limited (an associate of the ACD) are disclosed in note 4 and amounts due at the year end are disclosed in note 9.		

10. RELATED PARTY TRANSACTIONS (continued)

Link Fund Solutions Limited and its associates (including other authorised investment funds managed by Link Fund Solutions Limited or its associates) held the following shareholdings in the Fund:

	31.03.18	31.03.17
'A' Income shares	650,864	1,271,179
'A' Accumulation shares	11,072,618	23,388,781
'B' Income shares	22,718	1,914,908
'B' Accumulation shares	286,107	6,477,918
'D' Income shares	51,106	75,866
'D' Accumulation shares	<u>3,354,134</u>	<u>5,531,827</u>

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholders held in excess of 20% of the shares in issue:

Transact Nominees Limited	30.45% (31.03.17 : 30.45%)
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11. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.03.17 : none).

12. SHARES IN ISSUE

	'A' Income	'A' Accumulation	'B' Income
Annual Management Charge*	–	–	–
Opening shares in issue	5,463,726	87,947,665	36,398,778
Closing shares in issue	<u>5,463,726</u>	<u>87,947,665</u>	<u>36,398,778</u>
	'B' Accumulation	'C' USD Income	'C' USD Accumulation
Annual Management Charge*	–	–	–
Opening shares in issue	90,477,697	3,997	289,356
Closing shares in issue	<u>90,477,697</u>	<u>3,997</u>	<u>289,356</u>

LF ARCH CRU INVESTMENT PORTFOLIO

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 March 2018

12. SHARES IN ISSUE (continued)

	'D' Income	'D' Accumulation
Annual Management Charge*	–	–
Opening shares in issue	366,013	14,088,501
Closing shares in issue	<u>366,013</u>	<u>14,088,501</u>

* Since 1 April 2009 the Annual Management Charge has been waived by the ACD.

13. RISK MANAGEMENT POLICIES

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Investment Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the Fund managed.

i. Credit risk

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

The Fund only sells securities in response to corporate action events issued by the Cells. Those transactions that the Fund enters into expose it to the risk that the Cells will not deliver the cash after the Fund has fulfilled its obligations.

ii. Interest rate risk

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund, through its investments in investment companies, has very limited indirect interest rate exposure and as such, no sensitivity analysis has been presented.

13. RISK MANAGEMENT POLICIES (continued)

ii. Interest rate risk (continued)

The table below shows the interest rate risk profile:

	31.03.18 £'000	31.03.17 £'000
Floating rate assets:		
Euros	–	19
Pounds sterling	7,642	8,987
	7,642	9,006
Floating rate liabilities:		
Pounds sterling	(66)	(52)
Assets on which interest is not paid:		
Euros	–	35
Pounds sterling	16,208	23,213
	16,208	23,248
Liabilities on which interest is not paid:		
Pounds sterling	(7,537)	(8,912)
Net assets	<u>16,247</u>	<u>23,290</u>

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents.

iii. Foreign currency risk

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Assets denominated in currencies other than sterling will provide direct exposure to currency risk as a consequence of the movement in foreign exchange rates when calculating the sterling equivalent value.

Where the Fund invests in non-sterling assets, the Investment Manager allows for the foreign currency risk when considering whether to invest and does not seek to hedge this risk.

The table below shows the direct foreign currency risk profile:

	31.03.18 £'000	31.03.17 £'000
Currency:		
Euros	–	54
Pounds sterling	16,247	23,236
Net assets	<u>16,247</u>	<u>23,290</u>

LF ARCH CRU INVESTMENT PORTFOLIO

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 March 2018

13. RISK MANAGEMENT POLICIES (continued)

iii. Foreign currency risk (continued)

A 5% change in the pounds sterling exchange rate against all other currencies, assuming all other factors remained the same, would have an impact of £nil on the net assets of the Fund (31.03.17 : £3,000).

iv. Leverage

The Fund did not employ any significant leverage during the current or prior year.

v. Liquidity risk

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

As previously advised, dealings in the Fund were suspended on 13 March 2009. The suspensions took place because of concerns about illiquidity in the Cells which all sub-funds are substantially invested in.

vi. Market price risk

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

The Fund is substantially invested in the shares of the Cells. Please refer to note (g) of the Accounting Policies.

The underlying assets of these Cells, taken as a whole, are investments in a limited range of assets, such as private equity, hedge funds, real estate linked investments, and other investments.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £811,000 (31.03.17 : £1,162,000). A 5% decrease would have an equal and opposite effect.

vii. Fair value of financial assets and financial liabilities

As there is significant uncertainty in the carrying value of investments, where fair value can no longer be reliably measured, the amounts eventually recovered may differ from the carrying value.

viii. Derivatives

The Fund held no derivatives during the current or prior year.

14. PORTFOLIO TRANSACTION COSTS

There were no purchases in the current or prior year. Investments have been sold at the dealt price with no further transaction costs deducted from sales.

15. FAIR VALUE HIERARCHY

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1.

Level 3: Valuation techniques using unobservable inputs.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.03.18				
Assets				
Investment Companies	—	—	16,208	16,208
31.03.17				
Assets				
Investment Companies	—	—	23,248	23,248

LF ARCH CRU SPECIALIST PORTFOLIO
ACD'S REPORT
FOR THE YEAR ENDED 31 MARCH 2018

IMPORTANT INFORMATION

Refer to 'Important Information' section on page 6.

INVESTMENT OBJECTIVE AND POLICY

Given that LF Arch cru Specialist Portfolio ('the Fund') is being terminated on an orderly realisation basis, and given the illiquidity of the Cells, the management of the Fund does not involve active investment management of the assets. The investment management required for the Fund is essentially limited to a cash management role, i.e. receiving distributions/realisation proceeds from the Cells and passing these on to shareholders in the Fund.

INVESTMENT MANAGER'S REPORT

In a letter to investors dated 26 February 2010, Capita Financial Managers Limited (CFML), now Link Fund Solutions Limited ('LFSL'), informed investors that it had applied to the Financial Conduct Authority ('FCA') in December 2009 for approval of the commencement of termination of LF Arch cru Investment Funds ('the Company') with effect from 1 February 2010. The FCA granted this approval and the winding up of the Company on an orderly realisation basis commenced with effect from 1 February 2010. As such, LFSL's, investment management activity for the Company continues to be principally focused on decision-making regarding whether to participate in corporate events proposed by the Guernsey Incorporated Cell Companies ('the Cells'), and cash management (i.e. receiving distributions/realisation proceeds from the Guernsey Cells and passing these on to shareholders in the LF Arch cru Investment Funds). LFSL is not charging any fees for performing this role.

LFSL maintains a close watch on the activity of the Cells to understand the likelihood and timing of further distributions from the Cells. On 2 July 2018, the Cells published their Report and Financial Statements in which the Chairman's Statement provides an overview of the past year and forward looking comment on the ability of the Cells to make further distributions. In summary, the Chairman has noted various matters which are summarised below:

1. The Cells made a £12.8 million distribution to investors (Note: this amount includes distributions to investors other than the LF Arch cru Funds);
2. The action taken in 2016/17 in respect of JPEL, proved worthwhile in the year as the value of its assets begins to show through in realisations and its share price. Distributions to its shareholders have progressed and if this continues are likely to contribute significantly to distributions to our shareholders over the next two years;
3. Judgment was handed down by the Royal Court of Guernsey in the case against Robert Addison a director (and a partner of Arch FP) of all the Guernsey Cells from 2007 to the end of 2009;
4. A claim against insurers has gone to arbitration, but will not be heard before the Summer of 2019; and
5. The Cells will continue with its various actions including the significant issue of the failed Greek shipping venture.

The Chairman further notes that the combined assets of the Cells as at 31 March 2018, 67% relates to JPEL Private Equity Limited, 13% each to cash and property, and 7% to various hedge funds.

LINK FUND SOLUTIONS LIMITED
Investment Manager
30 July 2018

LF ARCH CRU SPECIALIST PORTFOLIO

ACD's Report (continued)

FUND INFORMATION

FUND PERFORMANCE

Due to the suspension of the Fund on 13 March 2009, no Fund Performance is reported for the year to 31 March 2018.

RISK AND REWARD PROFILE

Due to the suspension of the Fund on 13 March 2009, no Risk and Reward Profile is reported.

INCOME DISTRIBUTIONS

There were no income distributions in the current or prior year.

COMPARATIVE TABLES

Due to the suspension of the Fund on 13 March 2009, no highest and lowest prices are reported.

	31.03.18 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)
'A' Income shares			
Change in net assets per share			
Opening net asset value per share	9.68	10.09	13.27
Return before operating charges*	0.20	3.12	(1.00)
Operating charges	(0.08)	(0.14)	(0.12)
Return after operating charges	0.12	2.98	(1.12)
Return of capital	(2.98)	(3.39)	(2.06)
Closing net asset value per share	6.82	9.68	10.09
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	1.24%	29.53%	(8.44)%
Other Information			
Closing net asset value (£'000)	9	12	13
Closing number of shares	128,413	128,413	128,413
Operating charges	0.87%	1.37%	0.98%
Direct transaction costs	-	-	-

	31.03.18 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)
'A' Accumulation shares			
Change in net assets per share			
Opening net asset value per share	9.72	10.13	13.32
Return before operating charges*	0.20	3.13	(1.01)
Operating charges	(0.08)	(0.14)	(0.12)
Return after operating charges	0.12	2.99	(1.13)
Return of capital	(3.00)	(3.40)	(2.06)
Closing net asset value per share	6.84	9.72	10.13
* after direct transaction costs of:	-	-	-

Performance			
Return after charges	1.23%	29.52%	(8.48)%
Other Information			
Closing net asset value (£'000)	312	443	462
Closing number of shares	4,556,439	4,556,439	4,556,439
Operating charges	0.87%	1.37%	0.98%
Direct transaction costs	-	-	-

LF ARCH CRU SPECIALIST PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.03.18 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)
'B' Income shares			
Change in net assets per share			
Opening net asset value per share	9.84	10.25	13.49
Return before operating charges*	0.20	3.17	(1.02)
Operating charges	(0.08)	(0.14)	(0.13)
Return after operating charges	0.12	3.03	(1.15)
Return of capital	(3.03)	(3.44)	(2.09)
Closing net asset value per share	6.93	9.84	10.25
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	1.22%	29.56%	(8.52)%
Other Information			
Closing net asset value (£'000)	114	161	168
Closing number of shares	1,638,603	1,638,603	1,638,603
Operating charges	0.87%	1.37%	0.98%
Direct transaction costs	-	-	-

	31.03.18 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)
'B' Accumulation shares			
Change in net assets per share			
Opening net asset value per share	9.92	10.34	13.60
Return before operating charges*	0.20	3.19	(1.02)
Operating charges	(0.08)	(0.14)	(0.13)
Return after operating charges	0.12	3.05	(1.15)
Return of capital	(3.06)	(3.47)	(2.11)
Closing net asset value per share	6.98	9.92	10.34
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	1.21%	29.50%	(8.46)%
Other Information			
Closing net asset value (£'000)	368	523	545
Closing number of shares	5,267,194	5,267,194	5,267,194
Operating charges	0.87%	1.37%	0.98%
Direct transaction costs	-	-	-

LF ARCH CRU SPECIALIST PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.03.18 (US\$/share)	31.03.17 (US\$/share)	31.03.16 (US\$/share)
'C' USD Income shares			
Change in net assets per share			
Opening net asset value per share	0.1220	0.1470	0.1987
Return before operating charges*	0.0199	0.0195	(0.0195)
Operating charges	(0.0011)	(0.0018)	(0.0019)
Return after operating charges	0.0188	0.0177	(0.0214)
Return of capital	(0.0430)	(0.0427)	(0.0303)
Closing net asset value per share	0.0978	0.1220	0.1470
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	15.41%	12.04%	(10.77)%
Other Information			
Closing net asset value (£'000)	-	-	-
Closing number of shares	964	964	964
Operating charges	0.87%	1.37%	0.98%
Direct transaction costs	-	-	-

	31.03.18 (US\$/share)	31.03.17 (US\$/share)	31.03.16 (US\$/share)
'C' USD Accumulation shares			
Change in net assets per share			
Opening net asset value per share	0.1235	0.1488	0.2013
Return before operating charges*	0.0204	0.0197	(0.0198)
Operating charges	(0.0011)	(0.0018)	(0.0019)
Return after operating charges	0.0193	0.0179	(0.0217)
Return of capital	(0.0437)	(0.0432)	(0.0308)
Closing net asset value per share	0.0991	0.1235	0.1488
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	15.63%	12.03%	(10.78)%
Other Information			
Closing net asset value (£'000)	2	3	3
Closing number of shares	27,529	27,529	27,529
Operating charges	0.87%	1.37%	0.98%
Direct transaction costs	-	-	-

LF ARCH CRU SPECIALIST PORTFOLIO

ACD's Report (continued)

Fund Information (continued)

COMPARATIVE TABLES (continued)

	31.03.18 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)
'D' Income shares			
Change in net assets per share			
Opening net asset value per share	9.80	10.21	13.43
Return before operating charges*	0.20	3.16	(1.02)
Operating charges	(0.08)	(0.14)	(0.12)
Return after operating charges	0.12	3.02	(1.14)
Return of capital	(3.02)	(3.43)	(2.08)
Closing net asset value per share	6.90	9.80	10.21
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	1.25%	29.58%	(8.49)%
Other Information			
Closing net asset value (£'000)	6	9	9
Closing number of shares	91,983	91,983	91,983
Operating charges	0.87%	1.37%	0.98%
Direct transaction costs	-	-	-

	31.03.18 (p/share)	31.03.17 (p/share)	31.03.16 (p/share)
'D' Accumulation shares			
Change in net assets per share			
Opening net asset value per share	9.82	10.23	13.45
Return before operating charges*	0.20	3.16	(1.02)
Operating charges	(0.08)	(0.14)	(0.12)
Return after operating charges	0.12	3.02	(1.14)
Return of capital	(3.03)	(3.43)	(2.08)
Closing net asset value per share	6.91	9.82	10.23
* after direct transaction costs of:	-	-	-
Performance			
Return after charges	1.22%	29.52%	(8.48)%
Other Information			
Closing net asset value (£'000)	26	37	39
Closing number of shares	378,566	378,566	378,566
Operating charges	0.87%	1.37%	0.98%
Direct transaction costs	-	-	-

LF ARCH CRU SPECIALIST PORTFOLIO

ACD's Report (continued)

PORTFOLIO STATEMENT

AS AT 31 MARCH 2018

Holding	Portfolio of Investments	Value £'000	31.03.18 %
	INVESTMENT COMPANIES – 96.06% (31.03.17 – 97.64%)		
313,319	SPL Parallel Private Equity (PE2) – GBP	311	37.16
13,838	SPL Private Finance (PF2) – GBP	2	0.24
1,357,598	SPL Realisation	491	58.66
	TOTAL INVESTMENT COMPANIES	804	96.06
	Portfolio of investments	804	96.06
	Net other assets	33	3.94
	Net assets	837	100.00

The investments have been valued in accordance with note (g) of the Accounting Policies and are Guernsey Incorporated Cell Companies.

All investments are currently delisted.

SUMMARY OF MATERIAL PORTFOLIO CHANGES FOR THE YEAR ENDED 31 MARCH 2018

There were no purchases made during the year.

Total sales for the year £'000 (note 13) **380**

Sales	Proceeds £'000
SPL Realisation	246
SPL Parallel Private Equity (PE2) – GBP	133
SPL Private Finance (PF2) – EUR	1

The summary of material portfolio changes represents all of the sales during the year.

LF ARCH CRU SPECIALIST PORTFOLIO
 FINANCIAL STATEMENTS
 STATEMENT OF TOTAL RETURN
 FOR THE YEAR ENDED 31 MARCH 2018

	Notes	£'000	31.03.18 £'000	£'000	31.03.17 £'000
Income:					
Net capital gains	2		24		382
Revenue		-		-	
Expenses	3	(9)		(17)	
Net expense before taxation		(9)		(17)	
Taxation	4	-		-	
Net expense after taxation			(9)		(17)
Total return before distributions			15		365
Distributions	5		-		-
Change in net assets attributable to shareholders from investment activities			15		365

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
 FOR THE YEAR ENDED 31 MARCH 2018

	31.03.18 £'000	31.03.17 £'000
Opening net assets attributable to shareholders	1,188	1,239
Change in net assets attributable to shareholders from investment activities	15	365
Return of capital to shareholders	(366)	(416)
Closing net assets attributable to shareholders	837	1,188

BALANCE SHEET
 AS AT 31 MARCH 2018

	Note	31.03.18 £'000	31.03.17 £'000
ASSETS			
Fixed assets			
Investments		804	1,160
Current assets			
Cash and bank balances		471	507
Total assets		1,275	1,667
LIABILITIES			
Creditors			
Bank overdraft		(61)	(49)
Capital distribution		(366)	(416)
Other creditors	8	(11)	(14)
Total liabilities		(438)	(479)
Net assets attributable to shareholders		837	1,188

LF ARCH CRU SPECIALIST PORTFOLIO

Financial Statements (continued)

STATEMENT OF CASH FLOWS

AS AT 31 MARCH 2018

	Notes	31.03.18 £'000	31.03.17 £'000
Operating activities			
Loss before tax		(9)	(17)
Decrease in creditors		<u>3</u>	<u>-</u>
Net cash flow used in operating activities	6	(12)	(17)
Financial investment			
Disposal of investments		380	444
Decrease in debtors		<u>-</u>	<u>229</u>
Net cash flow from financial investment activities		380	673
Financing			
Return of capital		<u>(416)</u>	<u>(251)</u>
Net cash flow used in financing activities		(416)	(251)
Change in cash and cash equivalent	7	(48)	405
Cash and cash equivalent at the start of the year		458	53
Cash and cash equivalent at the end of the year		<u>410</u>	<u>458</u>

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2018

1. ACCOUNTING POLICIES

The accounting policies described on pages 13 and 14 have been applied to the financial statements of the Fund in the current and prior year.

	31.03.18 £'000	31.03.17 £'000
2. NET CAPITAL GAINS		
The net capital gains during the year comprise:		
Non-derivative securities	24	382
Net capital gains	<u>24</u>	<u>382</u>
3. EXPENSES		
Payable to the ACD, associates of the ACD and agents of either of them:		
Typesetting costs	(2)	5
Other expenses*	1	12
Total expenses	<u>9</u>	<u>17</u>

* Included within other expenses are audit fees paid to Ernst & Young LLP of £11,000 (31.03.17 : £12,000).

	31.03.18 £'000	31.03.17 £'000
4. TAXATION		
a) Analysis of charge for the year		
Corporation tax at 20%	-	-
Current tax charge	<u>-</u>	<u>-</u>
Deferred tax – origination and reversal of timing differences (note 4c)	-	-
Total taxation (note 4b)	<u>-</u>	<u>-</u>

LF ARCH CRU SPECIALIST PORTFOLIO

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 March 2018

4. TAXATION (continued)

b) Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK for an authorised fund (20%) (31.03.17 : 20%). The difference is explained below:

	31.03.18 £'000	31.03.17 £'000
Net expense before taxation	(9)	(17)
Corporation tax at 20%	(2)	(3)
Unutilised excess management expenses	2	3
Corporation tax charge	-	-
Total tax charge (note 4a)	-	-

c) Deferred tax

At the year end there is a potential deferred tax asset of £94,000 (31.03.17 : £92,000) in relation to surplus management expenses. It is unlikely that the Fund will generate sufficient taxable profits in the future to utilise this amount and, therefore, no deferred tax asset has been recognised in the current and prior year.

	31.03.18 £'000	31.03.17 £'000
5. DISTRIBUTIONS		
Distributions	-	-
Total distributions	-	-
Distributions represented by:		
Net expense after taxation	(9)	(17)
Allocations to capital:		
Revenue deficit	9	17
Net distributions for the year	-	-

	31.03.18 £'000	31.03.17 £'000
6. RECONCILIATION OF NET OPERATING GAIN TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets attributable to shareholders from investment activities	15	365
Net capital gains	(24)	(382)
Decrease in creditors	(3)	-
Net cash flow used in operating activities	(12)	(17)
7. RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET OTHER ASSETS		
Change in cash and cash equivalent	(48)	405
Decrease in debtors	-	(229)
Decrease in creditors	3	-
Change in return of capital payable	50	(165)
Movement in net other assets in the year	5	11
Net other assets at the beginning of the year	28	17
Net other assets at the end of the year	33	28
8. OTHER CREDITORS		
Accrued expenses:		
Amounts payable to the ACD, associates of the ACD and agents of either of them:		
Typesetting costs	-	2
Other expenses	11	12
Total other creditors	11	14
9. RELATED PARTY TRANSACTIONS		

Typesetting costs payable to Link Alternative Fund Administrators Limited (an associate of the ACD) are disclosed in note 3 and amounts due at the year end are disclosed in note 8.

LF ARCH CRU SPECIALIST PORTFOLIO

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 March 2018

9. RELATED PARTY TRANSACTIONS (continued)

Link Fund Solutions Limited and its associates (including other authorised investment funds managed by Link Fund Solutions Limited or its associates) held the following shareholdings in the Fund:

	31.03.18	31.03.17
'A' Income shares	6,171	33,106
'A' Accumulation shares	765,031	965,070
'B' Income shares	–	144,880
'B' Accumulation shares	8,773	440,810
'D' Income shares	2,570	2,820
'D' Accumulation shares	<u>78,347</u>	<u>131,957</u>

A shareholder may be able to exercise significant influence over the financial and operating policies of the Fund and as such is deemed to be a related party. At the balance sheet date the following shareholders held in excess of 20% of the shares in issue:

Transact Nominees Limited	40.99% (31.03.17 : 40.99%)
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10. CONTINGENT LIABILITIES AND COMMITMENTS

There are no contingent liabilities or unrecorded outstanding commitments (31.03.17 : none).

11. SHARES IN ISSUE

	'A' Income	'A' Accumulation	'B' Income
Annual Management Charge*	–	–	–
Opening shares in issue	128,413	4,556,439	1,638,603
Closing shares in issue	<u>128,413</u>	<u>4,556,439</u>	<u>1,638,603</u>
	'B' Accumulation	'C' USD Income	'C' USD Accumulation
Annual Management Charge*	–	–	–
Opening shares in issue	5,267,194	964	27,529
Closing shares in issue	<u>5,267,194</u>	<u>964</u>	<u>27,529</u>

11. SHARES IN ISSUE (continued)

	'D' Income	'D' Accumulation
Annual Management Charge*	–	–
Opening shares in issue	91,983	378,566
Closing shares in issue	<u>91,983</u>	<u>378,566</u>

* Since 1 April 2009 the Annual Management Charge has been waived by the ACD.

12. RISK MANAGEMENT POLICIES

In pursuing the investment objective a number of financial instruments are held which may comprise securities and other investments, cash balances and debtors and creditors that arise directly from operations. Derivatives, such as futures or forward currency contracts, may be utilised for hedging purposes.

The main risks from the Fund's holding of financial instruments, together with the ACD's policy for managing these risks, are set out below:

The ACD has in place a Risk Management Policy and Procedures Document ('RMPPD') that sets out the risks that may impact a fund and how the ACD seeks, where appropriate, to manage, monitor and mitigate those risks, and in particular those risks associated with the use of derivatives. The RMPPD sets out both the framework and the risk mitigations operated by the ACD in managing the identified risks of the Fund. The ACD requires that the appointed Investment Manager to the Fund has in place its own governance structure, policies and procedures that are commensurate with its regulatory obligations and the risks posed by the Fund managed.

i. Credit risk

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil contractual obligations. This may be in terms of an actual default or by deterioration in a counterparty's credit quality.

The Fund only sells securities in response to corporate action events issued by the Cells. Those transactions that the Fund enters into expose it to the risk that the Cells will not deliver the cash after the Fund has fulfilled its obligations.

ii. Interest rate risk

Interest rate risk is the risk that the value of the Fund's investments will fluctuate as a result of interest rate changes. The value of fixed interest securities may be affected by changes in interest rates, either globally or locally. Changes in the rate of return in one asset class may influence the valuation basis of other classes. The amount of revenue receivable from floating rate investments and bank balances or payable on bank overdrafts will be affected by fluctuations in interest rates. The Fund, through its investments in investment companies, has very limited indirect interest rate exposure and as such, no sensitivity analysis has been presented.

LF ARCH CRU SPECIALIST PORTFOLIO

Financial Statements (continued)

Notes to the Financial Statements (continued)

As at 31 March 2018

12. RISK MANAGEMENT POLICIES (continued)

ii. Interest rate risk (continued)

The table below shows the interest rate risk profile:

	31.03.18 £'000	31.03.17 £'000
Floating rate assets:		
Pounds sterling	471	507
Floating rate liabilities:		
Pounds sterling	(61)	(49)
Assets on which interest is not paid:		
Pounds sterling	804	1,160
Liabilities on which interest is not paid:		
Pounds sterling	(377)	(430)
Net assets	<u>837</u>	<u>1,188</u>

The floating rate financial assets and liabilities comprise bank balances and bank overdraft positions which earn or pay interest at rates linked to the Bank of England base rate or its international equivalents.

iii. Foreign currency risk

The revenue and capital value of the Fund's investments are denominated in sterling and, therefore, the financial statements are not subject to the risk of currency movements.

iv. Leverage

The Fund did not employ any significant leverage during the current or prior year.

v. Liquidity risk

The main liability of the Fund is the redemption of any shares that investors want to sell. Investments may have to be sold to fund such redemptions should insufficient cash be held at the bank to meet this obligation.

As previously advised, dealings in the Fund were suspended on 13 March 2009. The suspensions took place because of concerns about illiquidity in the Cells which all sub-funds are substantially invested in.

vi. Market price risk

Market price risk is the risk that the value of the Fund's financial instruments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises primarily from uncertainty about the future prices of financial instruments that the Fund holds.

The Fund is substantially invested in the shares of the Cells. Please refer to note (g) of the Accounting Policies.

12. RISK MANAGEMENT POLICIES (continued)

vi. Market price risk (continued)

The underlying assets of these Cells, taken as a whole, are investments in a limited range of assets, such as private equity, hedge funds, real estate linked investments, and other investments.

A 5% increase in the value of the Fund's portfolio would have the effect of increasing the return and net assets by £40,000 (31.03.17 : £58,000). A 5% decrease would have an equal and opposite effect.

vii. Fair value of financial assets and financial liabilities

As there is significant uncertainty in the carrying value of investments, where fair value can no longer be reliably measured, the amounts eventually recovered may differ from the carrying value.

viii. Derivatives

The Fund held no derivatives during the current or prior year.

13. PORTFOLIO TRANSACTION COSTS

There were no purchases in the current or prior year. Investments have been sold at the dealt price with no further transaction costs deducted from sales.

14. FAIR VALUE HIERARCHY

Investments are categorised into the following levels based on their fair value measurement:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1;

Level 3: Valuation techniques using unobservable inputs.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.03.18				
Assets				
Investment Companies	<u>–</u>	<u>–</u>	<u>804</u>	<u>804</u>

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31.03.17				
Assets				
Investment Companies	<u>–</u>	<u>–</u>	<u>1,160</u>	<u>1,160</u>

GENERAL INFORMATION

Head Office: 6th Floor, 65 Gresham Street, London EC2V 7NQ.

Address for Service: The Head Office is the address in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

Base Currency: The base currency of the Company is pounds sterling. Each sub-fund and share class is designated in pounds sterling.

Share Capital: The minimum share capital of the Company is £1 and the maximum is £100,000,000,000.

Shares in the Company have no par value. The share capital of the Company at all times equals the sum of the net asset values of each of the sub-funds.

STRUCTURE OF LF ARCH CRU INVESTMENT FUNDS

The Company is structured as an umbrella company, in that different sub-funds may be established from time to time by the ACD with the approval of the Financial Conduct Authority and the agreement of the Depositary.

The sub-funds are operated separately and the assets of each sub-fund are managed in accordance with the investment objective and policy applicable to that sub-fund.

It is not the intention of the ACD to launch any further sub-funds.

On 1 February 2010 the FCA granted permission to wind up the Company.

CLASSES OF SHARES

Holder of Income shares are entitled to be paid the income attributable to such shares, in respect of each annual or interim accounting period.

Holder of Accumulation shares are not entitled to be paid the income attributable to such shares, but that income is retained and accumulated for the benefit of shareholders and is reflected in the price of shares.

BUYING AND SELLING SHARES

Dealing is currently suspended as the sub-funds are being wound up on an orderly realisation basis.

OTHER INFORMATION

The Instrument of Incorporation, Prospectus and the most recent interim and annual reports may be inspected at the office of the ACD which is also the Head Office. Copies of these may be obtained upon application and, excepting the Instrument of Incorporation, can be found on the ACD's website, www.linkfundsolutions.co.uk, by following the link 'Fund Information'.

Shareholders who have any complaints about the operation of the Company should contact the ACD or the Depositary in the first instance. In the event that a shareholder finds the response unsatisfactory they may make their complaint direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

DATA PROTECTION ACT

Shareholders' names will be added to a mailing list which may be used by the ACD, its associates or third parties to inform investors of other products by sending details of such products. Shareholders who do not want to receive such details should write to the ACD requesting their removal from any such mailing list.

RISK WARNING

An investment in an open-ended investment company should be regarded as a medium to long term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested. Past performance is not a guide to future performance. Investments denominated in currencies other than the base currency are subject to fluctuation in exchange rates, which can be favourable or unfavourable.

