

[xx] September 2024

Update to investors in the various LF Arch cru Funds (the “Funds”), namely the

LF Arch cru Diversified Funds

(comprising the following sub-funds - LF Arch cru Global Growth Fund, LF Arch cru Balanced Fund, LF Arch cru Income Fund and LF Arch cru Finance Fund)

LF Arch cru Investment Portfolio

(comprising the following sub-funds – LF Arch cru Investment Portfolio and LF Arch cru Specialist Portfolio)

Dear Investor,

Progress on the wind-up of the Funds

In our letter of 27 November 2023 (which can be found at - <https://lf-archcru.linkgroup.eu/media/rsievnwb/lf-arch-cru-investor-letter-27112023.pdf>) we recognised that the wind-up of the Funds, which commenced in February 2010, is taking much longer than anticipated.

In that letter we also noted that “*the final capital distribution is unlikely to occur any earlier than the end of 2024 and potentially not until 2025.*”

Since that letter the position has not changed. As a consequence, the payment of the final capital distribution, to you as an investor, has yet to occur. We appreciate that this must be frustrating to you as an investor, especially when one considers how long this process has taken so far.

The reason for this continued delay is because each Fund is invested in various Guernsey incorporated cell companies (the “Cells”). The final capital distribution by the Funds is dependent on the ability of the Cells to distribute their assets as cash proceeds to the Funds.

The Cells have not yet been able to complete the sale and release of their underlying investments. The reason for this is set out by the Chairman in the Cell’s annual Report and Financial statements for the year end 31 March 2024. The relevant part of the Chairman’s statement is set out below -

“To recap, we are down to a very small number of investment assets and legal claims where we believe there is still meaningful value to recover for investors either in excess of current prices (in the case of investments) or in excess of the costs of pursuit (in the case of legal claims). We also have to carry a prudent liquidity buffer to sustain our ability to prosecute those recoveries”.

We continue to maintain regular dialogue with the Chairman of the Cells. In those discussions we have fully understood the position as to why they are not seeking to liquidate the Cells more immediately. We are also mindful that the details of the litigation are confidential to the Cells, but we do understand the potential benefits to investors in the Cells and consequently you, as an investor in the Funds, if these actions were to have a positive outcome. Until the Cells litigation matters are finally resolved, the Cells

will not be able to make further distributions to the Funds and for those monies to then be paid to you the investor.

Once the Funds receive the monies from the Cells, then the Funds will make, what hopefully will be, the sixteenth and final capital distribution.

Therefore, based on a reasonable expectation of the time for these procedures to occur, the final capital distribution is unlikely to occur any earlier than mid to late 2025.

Current value of the Funds

Publication of Net Asset Values

We have, until the 31 March 2024, continued to publish the quarterly share price of the Funds various share classes and these can be found at <https://lf-archcru.linkgroup.eu/publication-of-funds-net-asset-values/>.

From the 31 March 2024, the share prices of the Funds various share classes will only be published after the publication of the 30 September interim financial statements and the 31 March annual financial report.

The reason for the less frequent publication of the Fund's share prices is due to the fact that the Cells, as set out in a letter to investors of 16 August 2024, have determined that, due to the nature of the remaining assets, there is little benefit in providing investors with quarterly valuations. Therefore, the Cells will only be publishing the valuation of the Cells after they have published the annual report for the 31 March and the interim financial statement to the 30 September each year.

Fund's Annual Report

The annual report and financial statements for 31 March 2024, published on 31 July 2024, are available at <https://lf-archcru.linkgroup.eu/annual-and-interim-report-and-financial-statements/>

The Net Asset Value, the value of each Fund's total assets less its liabilities, are set out in the Table below. The values are based on the 31 March 2024 annual report and are compared to those values as of March 2023. The reduction in value of each Fund is attributable to a general decline in the value of the Cells.

Table – LF Arch cru Funds Net Asset Value as of 31 March 2024 and 2023.

Fund Name	Net Asset Value	
	2024	2023
LF Arch cru Diversified Funds comprising -		
LF Arch cru Global Growth Fund	£66,000	£75,000
LF Arch cru Balanced Fund	£486,000	£516,000
LF Arch cru Income Fund	£238,000	£259,000
LF Arch cru Finance Fund	£731,000	£777,000
LF Arch cru Investment Portfolio comprising -		
LF Arch cru Investment Portfolio	£6,189,000	£6,479,000
LF Arch cru Specialist Portfolio	£321,000	£340,000

The Net Asset Values provide an indication, as of 31 March 2024, as to the potential value of the amounts that could be returned to investors.

Future updates

We will provide a further update when we publish the Funds Annual Report and Financial Statements in July 2025 or sooner if a material development occurs.

Investor queries

If you have a question concerning your investment in the Funds, you can contact us by

Telephone: 0345 6080958 (Investor Services)

Email: lfarchcru@linkgroup.co.uk

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

Link Fund Solutions Limited