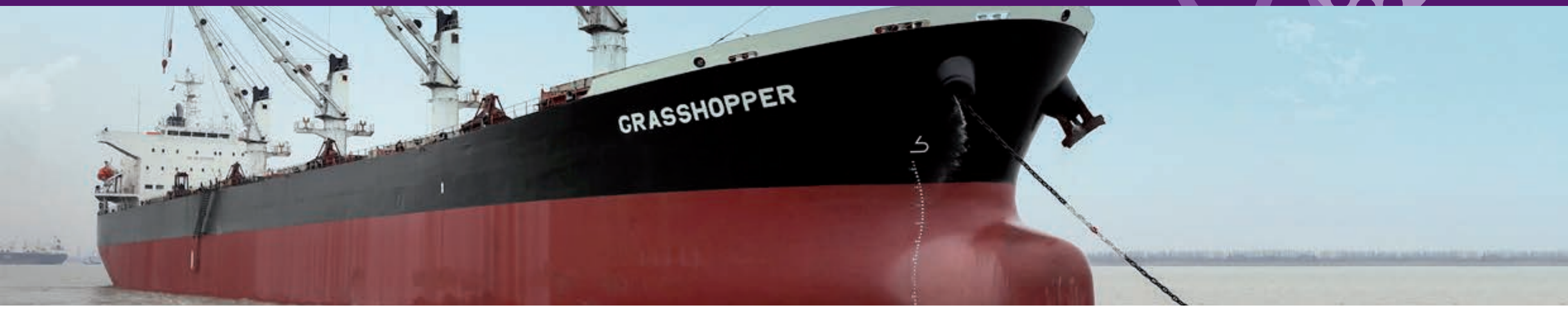
TIME INVESTMENTS

TIME:EIS Dry Bulk Shipping

An asset-backed Enterprise Investment Scheme



TIME is offering an asset backed opportunity in a global industry that has been established for hundreds of years.

With initial capacity for £20 million, TIME:EIS invests in a sector identified by the Government as vital to the UK economy and one it is keen to support. This document should be read in conjunction with the TIME:EIS Brochure and Application Pack. The key points of the offer are as follows:

- HM Revenue & Customs Advance Assurance granted for companies to acquire and operate a dry bulk carrier
- First EIS Portfolio Company, which closed fully subscribed, has purchased a Japanese built dry bulk vessel
- Asset management provided by an established UK shipping group with a successful track record
- Long term vessel charters provide predictable revenue
- Investment realisation expected within three to five years
- Base case target return for EIS investors of £1.27 plus up to 30 pence income tax relief
- Investment downside mitigated through asset backing i.e. resale and scrap metal values
- Oversight provided by an independent advisory committee of three industry experts, including the CEO of the UK Chamber of Shipping and the founder and former CEO of a London Stock Exchange listed ship broker

THE INVESTMENT CASE FOR SHIPPING

The maritime sector is global, mobile and growing. Ships carry around 80%[1] of global trade with seaborne trade predicted to double by 2030[2].

Shipping is a diverse industry and involves the transportation of many different types of cargo, including raw materials and finished products. Different cargo requires different types of ship, resulting in a variety of vessels such as container ships, tankers, cruise liners and dry bulk carriers. Cyclical in nature, the various sectors within the shipping industry have specific trends and characteristics. TIME:EIS will focus on the dry bulk sector of the market, which involves transporting dry cargo which can easily be stored in distinct holds, across global shipping routes.

> "A thriving maritime sector is extremely important in supporting the wider UK economy"[3]
>
> Department for Transport

> "Seaborne trade is predicted to double by 2030, due to growth of international trade"[3]
>
> Department for Transport

DRY BULK VESSELS

OUR FOCUS

Capesize
150,000+ dwt
(dead weight tonnage)
Iron ore and coal carriers

Panamax
60,000 – 89,999 dwt
Maximum size for ships travelling through the Panama Canal

Handymax / Supramax
40,000 – 59,999 dwt
Often with built-in cranes, able to access a greater number of ports

Handysize
10,000 – 39,999 dwt
Can enter smaller ports, mainly transporting minor bulks

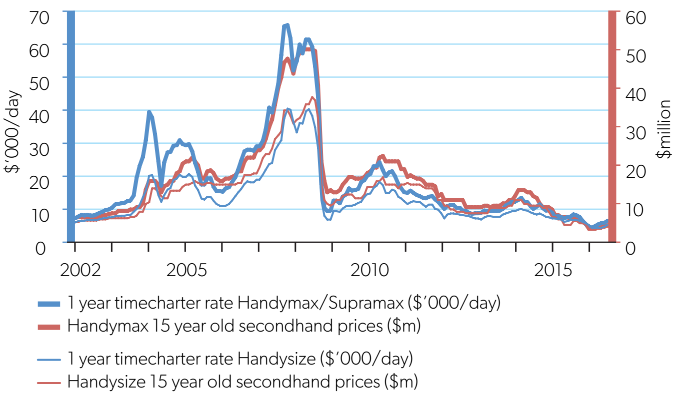
TIME Investments and the TIME:EIS Independent Advisory Committee believe the dry bulk shipping market is set to recover over the next three to five years. The industry in its current state of low global shipping rates and discounted ship values therefore provides an attractive asset-backed investment opportunity.

SHIP CHARTERING - THE INCOME PROFILE

Companies in the dry bulk shipping industry earn revenue by agreeing contracts, known as 'charters', for transporting various types of cargo. Companies may charter their vessels on single voyages and secure 'spot charter' rates, or on a 'time charter' basis for a fixed period of time, at a specified daily rate, thus providing income at pre-determined levels.

The EIS rules stipulate that a time charter cannot exceed a fixed period of twelve months. In the alternative spot charter market, rates may fluctuate significantly based upon available charters and the supply of, and demand for, seaborne shipping capacity.

The graph[4] below shows the rates for one year charters for each of the Handysize and Handymax / Supramax vessels (classes of vessel that TIME:EIS may purchase), against the market value for a 15 year old vessel of each type.



With Supramax one year time charter rates averaging $7,300 per day throughout 2015 ($6,600 for Handysize vessels), and operational expenses averaging $5,370 per day ($4,990 for Handysize), many ship owners have found themselves unable to service their borrowing obligations and several have filed for bankruptcy protection, including major Japanese shipper Daiichi Chuo in September 2015 and, more recently in 2016, the Korean operator Hanjin Shipping Co. Shipowners going out of business has increased the levels of both second-hand vessel sales and vessels sold for scrap. This lack of operating margin also means fewer newbuild orders are being placed and when vessel supply falls away, charter rates are expected to begin to recover.

AN OVERVIEW OF THE SHIPPING PROCESS

Portfolio Company buys a ship

The ship owning company agrees a contract (known as a charter) to transport goods for another company

Time charter

Spot charter

Charters can either be for a set amount of time, for example 12 months, at an agreed price, or for a single voyage

The ship conducts charters on an ongoing basis

There is an established market for second-hand ships

A ship will retain a scrap value. The owner will decide when is the best point to scrap the ship, dependent on prevailing market conditions

OUR STRATEGY

TIME:EIS has established a number of Portfolio Companies and it is the intention that each one will seek to buy a second-hand Handymax/Supramax or Handysize vessel.

These ships have historically had a useful operating life of 25 years. The Portfolio Companies will look to buy second-hand vessels, through equity raised from individual investors who wish to benefit from the various tax reliefs available under the EIS and who wish to participate in an asset-backed, real investment opportunity. A three to five year operational period is expected before seeking investment realisation in what is typically a liquid market.

Success: First EIS Portfolio Company Fully Invested

The TIME:EIS Portfolio Company Agenor Shipping Ltd (Agenor), has successfully acquired a 53,000 dwt, Japanese built, dry bulk carrier which is fully crewed and now operational under the British Flag. The Board of Agenor appointed the British Marine Group to source potential vessels for acquisition and with the support of the Independent Advisory Committee (see page 5), Agenor acquired the legal title to the vessel in early September 2016. Within a matter of days, Agenor commenced trading as the vessel undertook its initial voyage with a trip from Indonesia to China to collect and deliver coal.

As part of the change in ownership, Agenor renamed the vessel and to reflect the UK's long maritime history, the name 'Grasshopper' was chosen. This is a reference to the 'Grasshopper Escapement', a low friction device invented by the pioneering British clockmaker John Harrison to enable pendulum clocks to keep accurate time when used at sea. The clocks of John Harrison played a pivotal role in marine navigation during the eighteenth century and were instrumental in the growth of Britain as the world's leading maritime nation.

The Grasshopper and indeed the majority of the world shipping fleet can be tracked in real-time via www.marinetraffic.com.

Each Portfolio Company has obtained Advance Assurance from HM Revenue & Customs that its proposed trade will be EIS qualifying.

Charters

Subject to market conditions, it is envisaged that the vessels will initially be placed into a time charter of up to one year (the maximum permitted under EIS rules). In subsequent years the vessels will either be placed into another time charter, or will be chartered on a single voyage basis, subject to market rates at the time. The charter rate will be agreed prior to commencement of the charter. During the charter period, the charterer will pay to the Portfolio Company a contractually agreed price per day, payable in US Dollars (the global shipping currency).

Roles and responsibilities

Under a charter, the vessel owner (the Portfolio Company) provides the crew, insures, repairs and maintains the vessel and pays the cost of other services related to its operation. The customer (the charterer) is usually responsible for substantially all of the vessel voyage costs, including the cost of fuel and port charges.

TARGET FINANCIAL RETURNS

The Portfolio Companies will target the following returns to Investors, free of Capital Gains Tax and after initial Income Tax relief:

Base Case	**£1.27 for each net 70p invested**
Medium Case	**£1.61 for each net 70p invested**
High Case	**£1.94 for each net 70p invested**

The investment should also be free from Inheritance Tax after just two years due to the availability of Business Property Relief.

In the event that the dry bulk market does not recover as expected, Investors' downside risk is partially mitigated by the availability of EIS reliefs, including loss relief, but also the likely value that can be realised from selling the ship for scrap value.

ASSET MANAGER

Each Portfolio Company will appoint the British Marine Group ("British Marine"), an experienced UK based shipping asset manager, to source vessels for acquisition and to provide technical (vessel operation) and commercial (chartering) management services.

Founded in 1999, British Marine has successfully operated throughout the cyclicality of the industry to date and has consistently proven to operate their vessels at above market utilisation rates, often achieving a premium on sale of their vessels. Their chartering customers have included the likes of Cargill, Dreyfus, BHP, Norden, Rio Tinto and other large commodity companies.

The interests of the Asset Manager will be aligned with Investors, as a significant part of their overall remuneration will be derived from a performance fee linked to the value returned to Investors.

SUPPLY AND DEMAND

"Rapid demolitions and slow newbuild deliveries have become the hallmark of 2016"[5] Drewry

Shipping professionals cite 'tonnage oversupply', where there is an excess of ships for the charters available, as the main reason for the depressed state of the dry bulk freight market[6]. However, shipowners and operators within the dry bulk market expect a recovery over the next three to five years as fewer newbuild orders are placed and more vessels are sold for scrap.

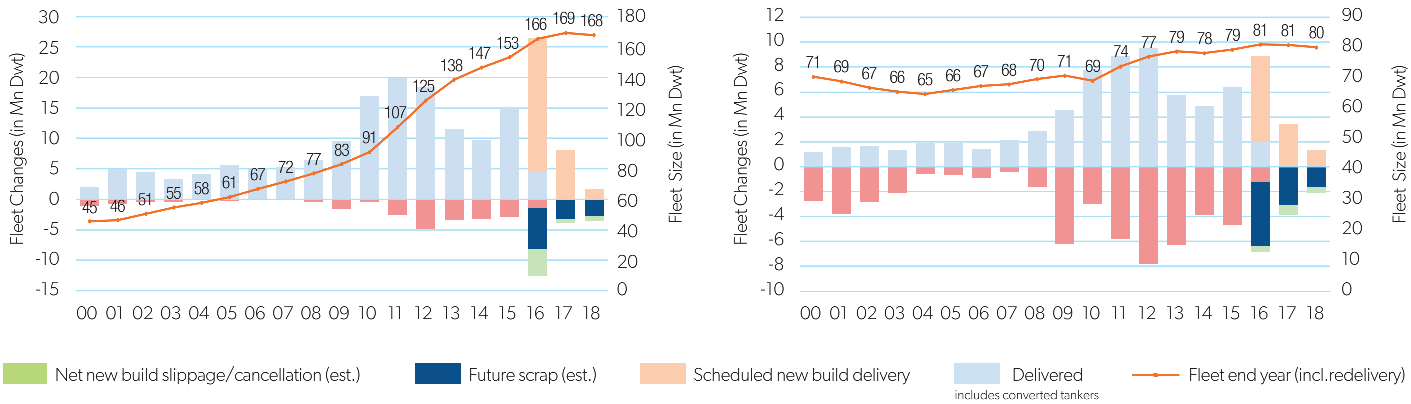
"With seaborne transportation accounting for the vast majority of the world's international trade, the importance of shipping in the world economy is fairly evident"[7] Clarkson Research

By December 2016 there had been over 90 Handymax / Supramax vessels demolished[8] during the calendar year, with only two newbuild orders placed[9]. No newbuild orders for Handysize had been placed, whilst 83 of these vessel types had been demolished[10].

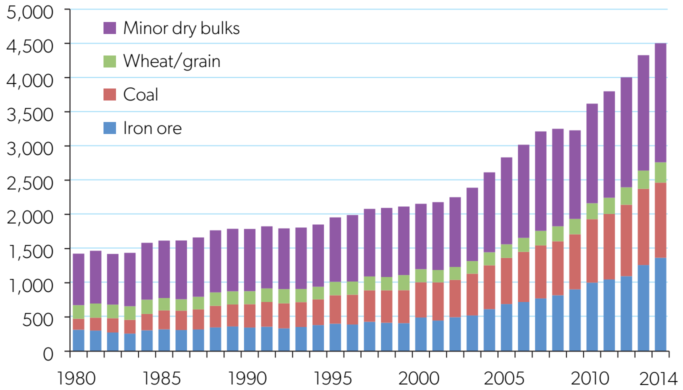
Whilst the orderbook for newbuild ships has fallen, those that are being built are expected to be delivered over the next two to three years. However, due to low charter rates, many shipyards have seen orders cancelled and are at risk of other customers defaulting on orders. Combine this with further scrapping activity, and the tonnage oversupply issue behind lower rates is expected to come under control and drive a market recovery.

Fleet size for Handymax and Supramax vessels[11]

Fleet size for Handysize vessels[11]



Seaborne dry bulk trade (million tonnes)[12]



Versatility

Cargo Type	Handysize	Handymax & Supramax	Panamax	Capesize
Major Bulks				
Iron Ore	•	•	•	•
Coal	•	•	•	•
Grains	•	•	•	
Minor Bulks				
Alumina, Bauxite	•	•	•	
Steel Products	•	•	•	
Forest Products	•	•		
Fertilizers	•	•		
Minerals	•	•		
Other	•	•		
	Target vessels			

CHARTER RATES

Charter rates are represented by the Baltic Dry Index (BDI) which has long been viewed as the main benchmark to monitor the movements of the dry bulk vessel charter market and the performance of the entire dry bulk shipping industry. It provides an average index for 23 shipping routes measured on a time charter basis for Handysize, Supramax, Panamax and Capesize dry bulk carriers, carrying a range of commodities. The BDI peaked in 2008 reaching 11,793 points and in February 2016 hit an all-time low of 290 points.

From January 2009 to November 2016, Handymax vessels have achieved an average one-year charter rate of c.$11,920 per day and the Handysize vessels an average of c.$9,443 per day. As the oversupply of vessels is anticipated to fall away from 2017, it is the expectation that future charter rates will improve, which is a view supported by independent research specialists and the TIME:EIS Independent Advisory Committee of dry bulk shipping experts (see page 5).

THE DEMAND FOR SHIP CHARTERING

Dry bulk vessels are seen as one of the most versatile elements of the global shipping fleet.

Dry bulk charter rates are influenced by the underlying demand for dry bulk commodities.

The growth of the Chinese economy has slowed down, but China remains a key player in the shipping of dry bulk commodities. By the end of August 2016 Chinese steel production had seen six straight monthly increases in steel output, whilst iron ore imports jumped more than 18% year-on-year. With an expanding economy and a population close to China's, India is now regarded as following in China's footsteps and is aiming to become a 'global manufacturing hub', with targets to treble steel production capacity by 2025[13].

Elsewhere, Vietnam's coal imports have surged over 140% year-on-year, and the rising incomes and westernisation of diets in south-east Asian countries means there is an expectation for increased wheat imports going forward. Chinese imports of soybean are forecast to hit a record high in 2016-17 and Australian rice crops are expected to boom.

MAJOR BULKS

Iron ore	Coal	Grain

MINOR BULKS

Bauxite	Cement	Fertilizers	Agribulks	Forestry products

"The WTO estimates the value of all global trade at $16.5 trillion, and almost 85% by volume moves by sea"[14] Clarkson Research

INDEPENDENT ADVISORY COMMITTEE

To provide additional expert guidance on the shipping industry and specifically dry bulk operations, TIME:EIS has appointed an Independent Advisory Committee comprising three experts with extensive industry experience:

Alan Marsh FICS

Founder and former MD, Chairman & CEO of Braemar

Alan has over 40 years experience in shipbroking including directorship at Clarksons before setting up Braemar Plc in 1993 where he led a reverse takeover of Seascope Shipping Holdings plc. Alan acted for many of the major oil companies including Shell, Exxon, Mobil, Chevron, Marathon oil, as well as for P&O and major Japanese companies NYK, Mitsui Osk and K line. He also looked after the interests of several Japanese and Korean shipyards, and Greek ship owners such as the Onassis, Livanos, Embiricos, Hajjiannou, Carras, CM Lemos, Goulandris and Polemis families.

Alan is a Past Prime Warden of the Worshipful Company of Shipwrights and former Director of ITIC, the P&I insurance club for shipping services.

Guy Platten

Chief Executive, UK Chamber of Shipping

Guy is a Master Mariner with a long background in the marine industry – including serving as a deck officer in the Merchant Navy, an Inspector of Lifeboats for the RNLI, Salvage and Mooring Officer with the Ministry of Defence and as Director of Marine Operations with the Northern Lighthouse Board. He was appointed Chief Executive Officer of the UK Chamber of Shipping in January 2014 and his role includes responsibility for the UK shipping industry's relations with Government and other relevant bodies (national and international) fiscal, economic, employment, safety, environmental, security and other issues.

Jim Everson

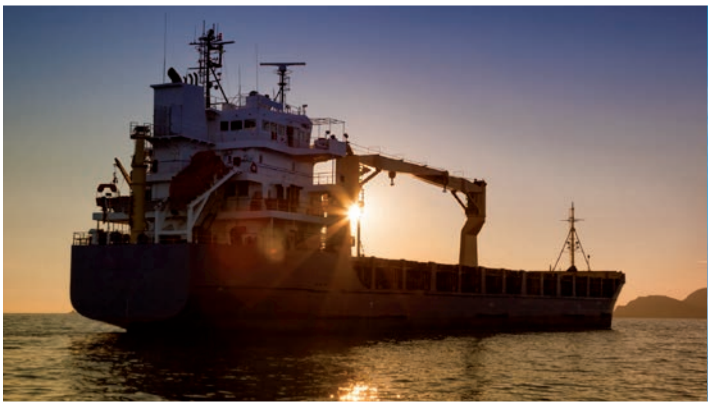
Former MD and Head of Shipping at ED & F Man Shipping Ltd, member of Commodities Risk & Management Committees

Jim has over 35 years experience in ship chartering starting out with UK ship owner and manager F.T. Everard & Sons Ltd where he organised the company's mini-bulkers employment throughout NW Europe. Jim headed up the in house broking desk at shipping and logistics group Van Ommeren UK Ltd increasing group business and trading activity before moving to ED & F Man Shipping Ltd to develop the freight trading activity into a successful, highly respected and leading operator in the Supramax market.

Jim currently acts as consultant on chartering and commercial matters to a leading Greek shipowner.

INVESTMENT AND EXPECTED EXIT TIMELINE

1	Once we receive your Application Form we will process it and place your Subscription in the independent Custodian's client account.	**ACTION** We will acknowledge receipt of your application and payment within two business days.
2	TIME invests 100% of an Investor's Net Subscription (after any agreed Adviser Initial Fee and deductions for Adviser Ongoing Fees) into Portfolio Companies typically within the tax year in which the subscription is received and will allot Shares.	**ACTION** We will provide a contract note and confirm Share purchase within two business days of allotment of Shares. We will provide updates on the investment every six months.
3	The Portfolio Company(ies) usually start EIS qualifying trades within 12 months of allotment. Trading is typically deemed to have begun when the Portfolio Company starts generating revenue. For shipping, this is likely to be once the ship has been purchased.	**ACTION** After four months trading, the Portfolio Company applies to HM Revenue & Customs for EIS status. Qualifying investors will be issued with an EIS3 certificate which is required to obtain the tax relief.
4	After the minimum three year holding period following the date the Portfolio Company started to trade, the investment has qualified to maintain the up-front Income Tax relief and Capital Gains Tax deferral relief.	**ACTION** We will keep Investors updated on the progress of their investment through regular statements and reports from our investment team. Investors and Advisers also have access to our online portal to review documents. Any income will typically be rolled up.
5	It is anticipated that three to five years after the Portfolio Company started trading, the EIS investment will be realised.	**RESULT** Any gains in the value of the Shares should be tax-free and any deferred Capital Gains Tax would become payable.




A typical Handymax vessel

EXIT STRATEGY

It is our intention to seek an opportunity for investors to realise their investment after a minimum holding period of three years from the date the Portfolio Company starts trading. This will most likely be achieved through a sale of the vessel via a global sale and purchase broker. There can be no guarantee that the vessels will be sold and sale values will be dependent on prevailing market conditions.

In the unlikely event that an opportunity to sell the vessel to a third party for further operation does not materialise, the vessel may be sold for scrap, the value of which will be subject to market prices for scrap metal at the time.

FEES AND INVESTMENT CRITERIA

Access through Adviser only

Investment in TIME:EIS is only available through a financial Adviser. The Adviser is responsible for advising on the suitability of TIME:EIS for an Investor.

Adviser Initial and Ongoing Charges

An Adviser Initial Fee of up to 3% of funds raised can be facilitated.

An Adviser ongoing fee of up to 0.5% p.a. for four years can be facilitated using cash retained from the investor's subscription.

Please note that the various EIS tax reliefs will not be available on the amount allocated to Adviser fees.

Our Fees

An Arrangement Fee will be payable to TIME Investments of 3% of the Net Subscription amount.

Services costs

A Services Fee of up to 1.75% per annum of the Net Subscription Amount is payable to TIME by the Portfolio Companies in return for TIME providing accounting and administration services to the Portfolio Companies. This fee will be calculated by TIME and pro-rated across the Portfolio Companies in which Shares are purchased for the Investor.

The independent Custodian's fees are payable by the Portfolio Companies.

Annual Management Fee

In order to align the interests of TIME with those of Investors, TIME will not charge an Annual Management Fee.

Performance Fee

A Performance Fee of 20% of the proceeds between £1.05 and £1.25 per £1.00 of Net Subscription is taken upon realisation of an Investor's Portfolio. All proceeds in excess of £1.25 per £1.00 of Net Subscription will be subject to a 40% Performance Fee. Any Performance Fee arising will be shared equally between TIME Investments and the asset manager.

Minimum and Maximum Subscriptions

In order to acquire the Handymax, Supramax or Handysize vessel and to fund the working capital requirements of the chartering trade, each Portfolio Company will seek to raise up to £5 million.

Minimum Individual Investment

£10,000.

Closing Date for each Portfolio Company

The earlier of maximum subscription of £5 million or 5 April 2017, unless extended.

RISKS

Dry bulk shipping is exposed to a number of macroeconomic and industry-specific risks, many of which are set out in more detail in the Application Pack and includes the following:

- Capital values of vessels and revenues from trading of vessels may vary substantially according to and influenced by many factors, including market conditions, variations in trade patterns, technological advances, price and supply of fuel, regulatory, speculative, economical and political factors. Historic information shows that capital values and charter rates are highly cyclical.
- The value of vessels can go down as well as up and therefore, upon sale the cost of a vessel may not be recouped from the sale proceeds.
- The revenue earning capability of vessels may be reduced or even cease as a result of factors outside the control of a Portfolio Company, which are caused by circumstances which affect either all or a particular sector of the shipping market generally or a particular circumstance applicable to the vessel concerned; examples include piracy, crew issues, adverse weather conditions, collision and other forms of damage, vessel arrest, failure to pass inspection, sinking and war.
- Shipping is an international business and is substantially conducted in US Dollars; fluctuations in exchange rates can affect the financial performance of a Portfolio Company, in particular the US Dollar to Pound Sterling exchange rate fluctuations resulting from the investments being made in Pounds Sterling and the business being Dollar-based. Derivate instruments may be used to hedge exposure to fluctuations in exchange however there can be no assurance that risks will be successfully limited and there may be losses suffered from these hedging activities.
- Vessels require crewing and regular maintenance, which will need to be provided for out of vessel revenues, having a cost implication for a Portfolio Company. Higher crew costs, operations expenses, equipment and spare parts costs could adversely affect the results of a Portfolio Company's operations. Whilst the vessel will be inspected prior to acquisition, such inspections do not provide the same knowledge about the condition when compared to a vessel built for and operated exclusively by its owner. The vessel may have conditions or defects that a Portfolio Company was not aware of when it was acquired and which may require costly repairs.

Investors and their Advisers must also read the Risks section of the Brochure and Application Pack before making an investment.

NEXT STEPS

A copy of the Application Pack and Brochure can be obtained from your Adviser. You should read the whole of the Application Pack, Brochure and this Deal Sheet and fully understand the risks involved and, together with your Adviser, decide whether it is suitable for you.

Once invested, you will have access to our secure online portal, where you can view valuations and other correspondence from us.

If you have any questions please call one of the team on 020 7391 4747 or email: questions@time-investments.com

You can write to us at:

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London NW1 3BG

Sources

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IMPORTANT INFORMATION

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