

MIFIDPRU Disclosures

Introduction

Alpha Real Property Investment Advisers LLP, trading as TIME Investments, is an investment management firm focused on long term investments that seek consistent returns.

TIME Investments, is a limited liability partnership and was incorporated in 2010 (Companies House number OC355196). It is headquartered in the United Kingdom (London) and is part of the Alpha Real Capital group. The parent entity of TIME Investments is Alpha Real Capital Holdings Limited, a private limited company incorporated in Guernsey (Guernsey Registered number 70224) and whose ultimate parent company is Alpha Real Capital Limited, a private limited company incorporated in Guernsey (Guernsey Registered number 70223).

TIME Investments is authorised and regulated by the Financial Conduct Authority (FCA) (Firm Reference number 534723). It has regulatory permissions which enable it to carry out regulated activities in relation to its investment management business for the firm and its clients.

The FCA introduced the Investment Firms Prudential Regime (IFPR), a new regime for UK firms authorised under the Markets in Financial Instruments Directive (MiFID). The regulation that formalises this regime is called MIFIDPRU. MIFIDPRU seeks to address the potential harm posed by investment firms to their clients and the markets they operate in. These rules are publicly available and can be found at handbook.fca.org.uk/handbook/MIFIDPRU.

TIME Investments, by nature of the business it carries out, is within the scope of the MIFIDPRU rulebook. This rulebook requires us to make certain disclosures about our business publicly available. This document sets out the following disclosures:

- Our risk management objectives and policies
- Our governance arrangements
- A reconciliation of our own funds and the own funds requirements we have calculated
- Our remuneration policy and practices

Content of the Disclosures

Basis of disclosures

This document sets out the disclosures that we are required to make publicly available under MIFIDPRU. The disclosures are not audited and do not form part of the firm's annual audited financial statements. These disclosures should not be relied upon in making any judgement about the financial position of TIME Investments and have not been independently audited.

Our disclosures are made on an annual basis as soon as practical after the publication of our Annual Report and Financial Statements. Disclosures may be made more frequently where appropriate, for example, in the event of a significant change to our business activities.

Risk Management

Own Funds Risks

Own Funds are a measure of the firms' financial resources, after allowing for its liabilities (i.e. the amount that it owes to others). The level of Own Funds is important as they must meet certain threshold levels set out in the FCA's MIFIDPRU rules. These threshold levels reflect, amongst other factors, the potential harm that might be incurred by a firm's clients and the markets they operate in, for example significant market downturns.

Our Own Funds assessments include, but are not limited to, the following risks:

- Client Money and Assets Compliance
- Personal Data Management
- Cyber and Data Security
- Headcount and Capacity
- Third Parties and Outsourcers
- Treating Clients Fairly
- Group Risk
- Financial Crime and Fraud

The chance of a risk emerging, and the financial impact if it were to occur, are reflected in the assessment of our Own Funds. This assessment determines the amount of Own Funds TIME Investments must hold at all times. These assessments are refreshed as and when risks alter, or new risks emerge given our business activities.

Concentration Risk

High exposure to certain counterparties, business lines or channels can result in an increased risk for TIME Investments. Examples of concentration risks identified for TIME Investments are:

- Client money concentration: TIME Investments places its client money (i.e. money held on behalf of retail clients) with third-party banks. TIME Investments has concentrations of exposures to banking counterparties which could give rise to an increased level of risk. However, TIME Investments attempts to mitigate this risk through the creditworthiness and/or breadth of its portfolio of client relationships and meeting the CASS rules at all times.
- Firm cash concentration: TIME Investments' own cash is placed with the NatWest/RBS banking group or Santander UK. In the event of a default by these banks, TIME Investments would rank amongst other creditors in respect of the amount deposited. In TIME Investments' assessment, these banks are systemically important to the UK economy and have sufficient own funds and liquidity held aside for these exposures.

Governance Arrangements

Responsibility for the overall management of the firm resides with the board of the firm and its member partners. This board meets formally at least monthly, and on an ad-hoc basis as, necessary. The board includes the Managing Director, Head of Investments, Finance Director and Operations Director for the firm and other member partners.

The board has responsibility for ensuring that TIME Investments has a suitably robust Governance and Risk Management Framework in place to make sure that risks are adequately identified, assessed, and mitigated. This is ultimately to ensure that clients' and TIME Investments' own assets are suitably protected.

The board is also supported in its responsibility by delegating oversight of day-to-day risk management activity to a Risk Committee.

TIME Investments Ownership

TIME Investments Directors is owned by a Alpha Real Capital Holdings Limited, a private limited company incorporated in Guernsey (Guernsey Registered number 70224) and whose ultimate parent company is Alpha Real Capital Limited, a private limited company incorporated in Guernsey (Guernsey Registered number 70223) .

The approval of strategic matters required votes of the designated members of the firm, being its Managing Director, Nigel Ashfield and its immediate parent, Alpha Real Capital Holdings Limited. Alpha Real Capital Holdings Limited is also the parent of Alpha Real Capital LLP, an FCA authorised and regulated firm (FRN436048). Nigel Ashfield is also a partner of Alpha Real Capital LLP.

In the event of any 'tie break' being needed on decision making, the directors of Alpha Real Capital Holdings Limited will be the casting vote as they are the controlling party by virtue of owning the capital contributions in the firm.

Risk Committee

Although not required to do so by MIFIDPRU TIME Investments has elected to form a Risk Committee. The Committee meets on a monthly basis and its tasks may include the following :

- To approve TIME Investments Risk Policy and Risk Appetite;
- To oversee the TIME Investments Risk Management Framework in delivery of the Risk Policy;
- To advise the TIME Investments Board on key and emerging risks;
- To discuss any material risk events and regulatory breaches, to understand root cause and remedial action that is to be taken, apportioning these to the relevant areas of the business.
- To monitor key risk indicators and other management information to ensure that risks are managed within appetite;
- To consider any major findings of any relevant regulator, including but not exclusively the FCA, and ensure that the business responds appropriately;
- To ensure that improvement actions identified by second- and third-line monitoring teams and external auditors are delivered by the business;
- To assess the risks of new ventures, strategic relationships and other strategic initiatives and any change in the risk profile;
- To ensure that the Internal Capital And Risk Assessment (ICARA) Process is completed in line with regulatory requirements and that risks are appropriately reflected in the assessment and is submitted to the Board for approval;
- To consider whether the public disclosure of information regarding risk management policies and key risk exposures is in accordance with the regulatory requirements.

Key personnel

Name	Role
Anthony Buckley	Compliance Officer
Anthony Buckley	Risk Manager, Risk Committee member
Trevor Thompson	Head of Operations
Karl-Devon Lowe	Risk Committee member
Mark Rattigan	Risk Committee member
Nigel Ashfield	Managing Director
Anthony Buckley	Consumer Duty Champion

Equality, Diversity and Inclusion

TIME Investments is committed to providing a diverse and inclusive workplace as an equal opportunities' employer. Throughout the employee lifecycle we are committed to ensuring an equal, diverse and inclusive working environment within our business.

We welcome applications from all suitably qualified persons regardless of their ethnicity, gender, sexual orientation, age, disability, religious practice, or any other perceived differences. We are committed to ensuring that diversity is embraced within our business.

TIME Investments offers a range of benefits, including private healthcare support, parental leave and benefits policies, flexible working and dedicated mental health support services to foster an accessible workplace that ensures our people can thrive.

Own Funds Held

Own funds items are subdivided into different categories (common equity tier 1, additional tier 1 and tier 2) which reflect the underlying 'quality' of the capital instrument within each class. Table 1 shows the distribution, in high level terms, of own funds held by TIME Investments:

Table 1		
	Amount (£k)	% of holding
Total Own Funds Held	6,403	100%
<i>Of which -</i>		
Common Equity Tier 1 items	6,403	100%
Additional Tier 1	0	0%
Tier 2	0	0%

Additionally, MIFIDPRU 8.4 specifies that TIME Investments must disclose:

1. A reconciliation of the firm's specific common equity tier 1, additional tier 1 and tier 2 items (table 2);
2. A reconciliation of (1) with the capital balance stated in the firm's audited financial accounts (table 3); and
3. A description of the main features of the common equity tier 1, additional tier 1 and tier 2 instruments issued by the firm (table 4).

Table 2

Capital Instrument	Amount (£k)	Notes
Tier 1 Capital	6,403	Sum of all CET1 and AT1 items
Common Equity Tier 1 Items	6,403	
Fully paid-up Capital	985	
Instruments Share Premium	0	
Retained Earnings	5,418	
Accumulated other comprehensive income	0	
Other reserves	0	
Other funds	0	
Additional Tier 1 Items	0	
Fully paid up, directly issued, Capital	0	
Instruments Share premium	0	
Tier 2 Capital	0	Sum of all T2 items
Fully paid up, directly issued, Capital	0	
Instruments Share premium	0	
Total Own Funds Held	6,403	

Table 3

		£(k)
Assets	Trade and other	4,836
	Receivables cash and cash	9,155
	Equivalents	86
	Other assets	0
	Total Assets	14,077
Liabilities	Trade and other payables	3,984
	Other tax	0
	Total liabilities	3,984
Members' equity	Share capital	985
	Retained earnings (audited and classes within capital)	5,418
	Retained earnings (unaudited and not classed within capital)	3,690
	Total members' equity	10,093

Table 4

Issuer	TIME Investments
Governing law(s) of the instrument	Common Equity Tier 1
Regulatory classification	Members' capital
Instrument type	(equity)
Amount recognised in regulatory capital (£k)	985
Per value of instrument (£k)	985
Issue price of instrument	100%
Accounting classification	Members' capital
Original date of issuance	24/05/2010
Perpetual or dated	Perpetual
Rights of redemption	None
Dividends	Fully
Full discretionary, partially discretionary or mandatory (in terms of timing) Full discretionary, partially discretionary or mandatory (in terms of amount)	Discretionary

Own Funds Regulatory Requirements

We explained the level of actual Own Funds held above. This section describes how we have arrived at our Own Funds requirements.

Components of the assessment:

Own Funds Requirement

MIFIDPRU 4.3.2R states that firms must calculate an Own Funds Requirement by assessing three key items:

1. the Permanent Minimum Capital – this is defined by the regulation and is £150k;
2. the Fixed Overhead Requirement – this is a level equal to a quarter of TIME 's fixed overheads – this level is £2,471k; and
3. the 'K' factors. These are explained below and for TIME Investments, the K factor total is £228k.

The own funds requirement is whichever is the largest of these three key items: therefore, for TIME Investments, its Own Funds requirement is £2,471k.

K-Factors

Four K-Factors are relevant for TIME Investments business model:

1. K-AUM: this is 0.02% of an average amount of assets under management by TIME.
2. K-ASA: this is 0.04% of an average amount of assets safeguarded and administered by TIME Investments on behalf of its clients.
3. K-CMH: this is 0.5% of an average amount of client money held by TIME Investments on behalf of its clients.
4. K-COH: this is 0.1% of an average amount of client orders handled by TIME Investments on behalf of its clients.

The table below shows the sum of our K-Factors we have calculated for TIME Investments:

K-Factors	
Item	Amount £(k)
Sum of K-AUM, K-ASA and K-	227
CMH K-COH	1
Total K-Factor Requirement	228

Own Funds Threshold Requirement

MIFIDPRU 7.6.2R states firms must also assess the own funds needed to address (a) sources of material harm which arise during business as usual or (b) during an orderly wind-down of the business. The Own Funds Threshold Requirement is then the maximum out of these two assessments. It cannot be lower than the Own Funds Requirement, calculated in accordance with MIFIDPRU 4.3.2R.

For TIME Investments, we have determined our threshold requirement to be £2,718k. Since this amount exceeds the Own Funds Requirement of £2,471k we therefore conclude that, to comply (in part) with the Overall Financial Adequacy Rule, TIME Investments must ensure it holds capital instruments in excess of £2,718k at all times.

Given that own funds held can fluctuate any one time, in order to ensure we manage this risk appropriately, we have in place an internal management requirement to always hold an amount in excess of 110% of the threshold requirement.

ICARA Process

Central to a firm's risk management framework under the regulatory regime is the Internal Capital Adequacy Assessment Process (ICARA), which is not only integral to how the firm manages risk but is also central to how the FCA manages the risk of the firms that it supervises.

As part of the ICARA process, TIME Investments considers:

- processes, strategies and systems;
- the major sources of risks that may impact its ability to meet its obligations; and
- the amounts and types of financial resources and internal capital, including Own Funds and liquidity resources, and whether these are adequate both as to amount and quality to ensure that there is no significant risk that its liabilities can't be met as they fall due.

The outcome of the ICARA is formally approved by TIME Investments Board at least annually, with more frequent reviews if there is a fundamental change to the business or the operating environment.

Remuneration Policy & Practices

General

TIME Investments has a number of different teams, which require different remuneration schemes. Each remuneration scheme intends to be structured to enable TIME Investments to attract and retain its most talented individuals. The purpose of each scheme is to reward team members for their skills, knowledge and attributes which they have invested to TIME Investments which in turn has contributed towards the Company's success. Each scheme takes account of the market rate, competitiveness of sector and any nuances which would affect remuneration and therefore the attraction and retention of team members.

We ensure that our remuneration schemes are set at what we believe to be 'competitive' to ensure that the business can continue its growth, retain and improve its market position and to ensure any changes are fair and in accordance with our values.

Remuneration schemes are reviewed at least annually by the Head of People and the Managing Director to ensure they remain current to their criteria, are non-discriminatory and continue to be equitable, fair and transparent. There may be circumstances when a remuneration scheme is reviewed more frequently in a year; for example should market conditions change. The firm's pay reviews and review of its remuneration schemes are subject to the approval of the board of the firm.

Material Risk Takers (MRTs)

In accordance with the FCA rules, TIME Investments is required to identify individuals whose professional activities are deemed to have a material impact on the risk profile of the firm, known as Material Risk Takers. The remuneration rules and disclosures (subject to proportionality) apply to those individuals.

'Material Risk Takers' are identified in line with the criteria included within FCA guidance and include all roles within the Sales Distribution team and some Senior Managers where assessed as relevant. For those team members who are Material Risk Takers, they are obliged to observe and fulfil additional responsibilities. These responsibilities primarily concern ensuring they have the skills, knowledge, conduct and competence appropriate for them to properly discharge their duties without causing unnecessary risk to the business.

Remuneration Components

Our remuneration policy contains fixed and variable components. We define fixed and variable remuneration as:

- Fixed remuneration reflects the team member's professional experience and organisational responsibility as set out in the team member's role profile and terms and conditions. Fixed remuneration is permanent, does not breach any protected characteristic, is non-revocable and is not dependent on performance.
- Variable remuneration is based on performance and under exceptional circumstances other conditions. Variable remuneration in TIME Investments is performance based and reflects the long-term performance of the staff member and performance in excess of the team member's role profile and terms of employment.

In all cases the balance of fixed and variable remuneration is proportionate. This means that fixed remuneration is of a sufficiently high proportion of fixed and variable remuneration that team members are not financially disadvantaged should they receive only fixed remuneration.

If appropriate a proposed discretionary bonus for their team members'. The criteria for discretionary bonus proposals are not set, because we need to have the ability to remain agile in how we recognise and reward team members in this way. Some examples for consideration for a discretionary bonus include:

- Market rate salaries for each role in the team.
- General performance/output in role over the past year.
- Whether additional professional qualification have been gained during the past year.
- Has the individual taken on additional responsibilities over the last year.
- Whether the team member's general contribution to the team and TIME Investments has increased over the past year, and
- Affordability of increases by TIME Investments

Deferral Arrangements

The firm does not operate any deferral arrangements.

Clawback Arrangements

Clawback arrangements do not exist.

Quantitative Remuneration Data

In accordance with MIFIDPRU 8.6.8R, TIME Investments is required to provide the following quantitative remuneration disclosure for its Staff as at 31 March 2023. This data is shown in table 5, below.

Table 5

Number of Material Risk Takers	13
Total Remuneration (Senior Management)	£2,124,016
Fixed Remuneration (Senior Management)	£1,113,786
Variable Remuneration (Senior Management)	£1,010,230
Total Remuneration (other Material Risk Takers)	£1,038,098
Fixed Remuneration (other Material Risk Takers)	£595,608
Variable Remuneration (other Material Risk Takers)	£442,490
Total Remuneration (Other Staff)	£7,826,668
Fixed Remuneration (Other Staff)	£5,295,354
Variable Remuneration (Other Staff)	£2,531,314
Total guaranteed variable remuneration awards	£0.00 – not awarded by TIME Investments
Total amount of the severance payments awarded to Senior Management and/or Material Risk Takers during the financial year *	£Nil

** The firm has relied upon exemptions under MIFIDPRU 8.6.8R (7) to prevent identification of any individual receiving such payment(s).*

IMPORTANT INFORMATION

TIME Investments is authorised and regulated by the Financial Conduct Authority (FRN:534723). Registered address: 338 Euston Road, London, NW1 3BG. Registered in England and Wales company number OC355196. All information is correct at August 2023.