

<b>4.55%</b>	<b>4.53%</b>
1 year total return* (A Acc GBP)	1 year income return (A Acc GBP)

### Key facts

Fund size	£303.2m
Launch date	1 April 1993
Sector	Property other
Base currency	GBP
Dealing frequency	Monthly
Dilution levy	0%

### Fund particulars

#### Fund name

ARC TIME Freehold Income Authorised Fund

#### Fund structure

ARC TIME Freehold Income Authorised Fund: Sub-fund of ARC TIME Funds, a UK OEIC (NURS)

ARC TIME Freehold Income Authorised Feeder Trust: Sub-fund of ARC TIME Feeder Trusts, a UK Authorised Unit Trust feeder (NURS)

#### Regulated status

FCA authorised

#### Depositary

NatWest Trustee and Depositary Services Limited

#### Authorised Corporate Director

Alpha Real Capital LLP

#### Investment Manager

TIME Investments

#### FATCA GIIN Registration

### Fund aim

The investment objective of the Fund is to acquire freehold ground rents which offer a consistent income stream and capital growth prospects. The primary investment of the Fund will be freehold ground rents from properties in the UK.

### Fund characteristics



#### Income security

Our properties generate consistent, long-term cash flows. This is achieved through long tenancies with an over-collateralised ground-rent structure. The ground rent is usually a fraction of the value of the leasehold property, the lessee or his mortgage provider will almost inevitably make payment to avoid forfeiture proceedings.



#### Lower volatility

The Weighted Average Lease Term (WALT) is more than ten times greater than many traditional UK commercial property funds. This combined with the over-collateralised ground-rent structure removes significant uncertainty in valuation.



#### Consistent rental growth

The majority of rent reviews are linked to inflation or have a fixed uplift, delivering consistent and relatively predictable levels of rental growth.



#### Capital growth

The Fund may benefit from capital value increases in its property portfolio. This can happen in several ways, such as rental growth, lease extensions and the shortening lease transferring the full reversionary value of the underlying property to the landlord.



#### Track record

During a challenging decade for investment, the Fund has protected investors' wealth far more effectively than many other asset classes, with its income stream proving highly secure over the Fund's 27-year history.

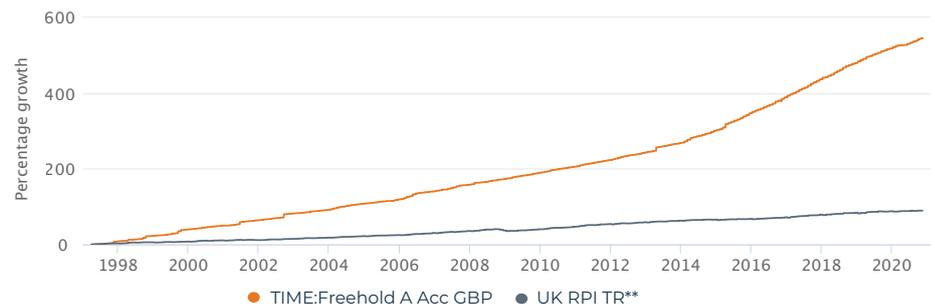


#### TIME experience

The TIME group has a long track record in long income property and manages over £3 billion of UK long income property assets. TIME:Freehold taps into the entire breadth of the award-winning TIME Group's investment platform.

### Fund performance

#### Performance since 1997 (%)



### Fund manager



**Nigel Ashfield** is the Managing Director at TIME and has over 20 years' experience in fund management and finance. Nigel is the fund manager of

TIME:Freehold and co-fund manager of TIME:Commercial Long Income our £450 million commercial long income property fund.

	1 month	6 months	1 year	3 years	5 years
A Acc GBP	0.26	2.51	4.55	20.48	44.67
UK RPI TR**	0.00	0.58	1.34	6.90	13.41

#### Discrete annual performance (%)

12 months to 30 November	2020	2019	2018	2017	2016
A Acc GBP	4.55	6.64	8.07	9.73	9.43
UK RPI TR**	1.34	2.07	3.34	3.97	2.04

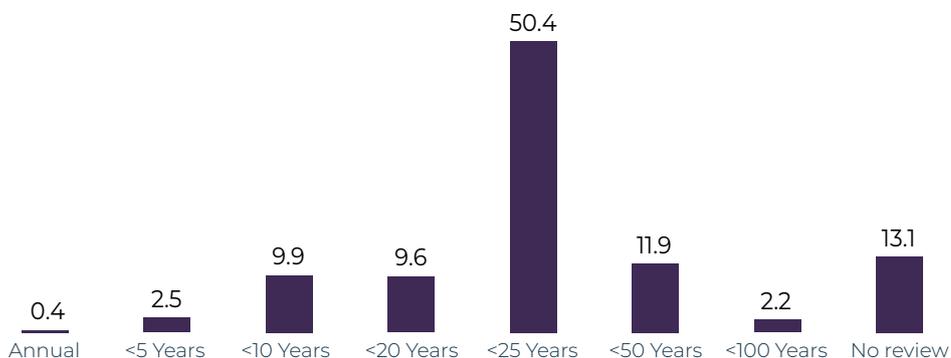
\*Includes capital and income

\*\*Data as at 31 Oct 2020.

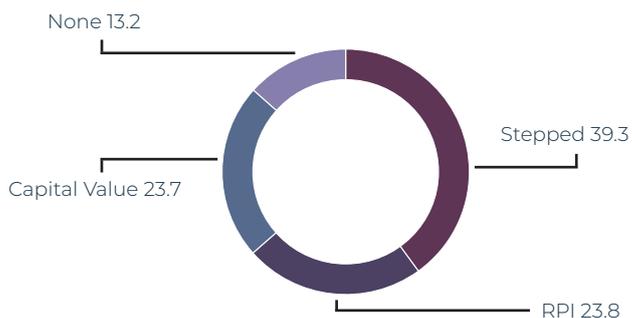
Past performance is not a guide to future performance. Performance data is total return, bid-to-bid, and sourced from Financial Express.

## Portfolio breakdown

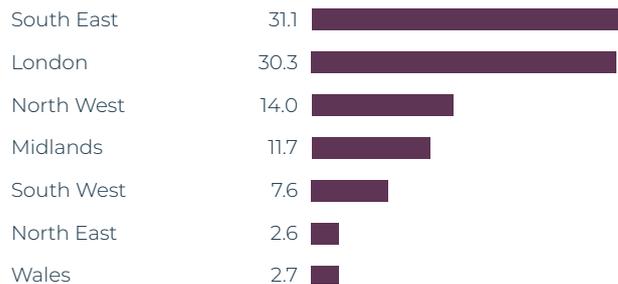
### Rent review frequency (%)



### Rent uplifts (%)



### Region breakdown (%)



## Featured asset - Imperial Court Kennington, London

Imperial Court is very well situated for transport links with less than a 10 minute walk to Vauxhall, Kennington and Oval underground stations. The asset is made up of 83 flats with a lease duration of 978 years and 5 yearly rent reviews linked to RPI.



## Fund manager commentary

### Fund commentary

Throughout the period since the initial COVID-19 lockdown, the Fund has continued to deliver a consistent income and with some capital growth from its portfolio of circa 64,000 ground rents. During the last eight months to 30 November 2020, since the COVID-19 crisis erupted, the Fund's share price has increased by 3.08% with a total return for the 12 months ended 30 November 2020 of 4.55%.

The Fund's income return is expected to deliver in excess of 4% per annum. In the current market, where interest rates and bond yields are at historic lows, and even traditionally reliable dividend paying equities have reduced or been stopped altogether, we believe that the Fund can continue to offer reliable income returns and the prospect of an element of capital return.

In January 2020, the Law Commission published its report on valuation in enfranchisement ("Report on options to reduce the price payable"), which it followed in July 2020 with its final recommendations to the Government for leasehold reform. The main focus of the reports was to suggest methods of making enfranchisement quicker, easier and cheaper, saving leaseholders of houses and flats money, whilst ensuring sufficient compensation is paid to landlords to reflect their legitimate property interests. The Fund's independent valuer has advised that the recommendations as put forward by the Law Commission in July 2020 are not expected to have any material impact on the current valuation of the Fund's property assets. We therefore await the proposals for any legislative changes within the residential market and continue to monitor and review the fund's portfolio in light of the Government's residential leasehold market reforms and building safety initiatives.

### FCA consultation on open-ended property funds

The Financial Conduct Authority (FCA)'s consultation on open-ended property funds closed on 3 November 2020. The FCA has proposed longer redemption notice periods for daily-dealt funds.

The FCA is proposing that existing funds like TIME:Freehold, which deal monthly, will not fall under the FCA's proposed new rules and accordingly there should be no change to TIME:Freehold's existing monthly redemption arrangements. Following the consultation, the FCA intends to publish its findings in 2021.

### HMRC consultation on ISA investment in open-ended property funds

HMRC has recognised that the FCA's consultation proposals may run contrary to ISA legislation, which requires ISA investors to be able to access their funds or transfer them to another ISA within 30 days of making an instruction to their ISA manager. Under current legislation such property funds would no longer be ISA eligible investments. This would affect TIME:Freehold as monthly dealing would typically not meet this 30 days accessibility requirement.

In order to mitigate the impact on ISA holders if the FCA's consultation proposals are introduced, HMRC is considering whether to allow existing ISA investments in open-ended property funds to remain within the ISA, while potentially prohibiting 'new' ISA investments in such funds.

The HMRC consultation closed on 13 December 2020, with its findings expected to be published in 2021.

## About TIME

At TIME Investments we have created a platform for predictability and consistency to help our clients rest easy. We provide carefully considered investments that seek to deliver predictable returns in an unpredictable world. The group manages over £4 billion of property, infrastructure, and renewables investments in both private and public vehicles. TIME Investments has a 20+ years track record in fund management with 42 investment specialists within the renewables, lending and property teams.

### Outlook

Since the Fund was launched it has been managed with downside risk to the fore. Liquidity management has remained robust throughout the last four years of uncertainty caused by the Brexit vote and subsequent volatility in the market.

The Fund is well placed in liquidity terms holding around 14% of net asset value in cash and liquid investments. The liquid investments have been made in TIME:UK Infrastructure Income, a fund which invests in listed infrastructure securities typically with long-term contracted cash flows in the underlying businesses and revenue streams largely backed by high quality counterparties such as the Government. The Fund also has a £25 million revolving credit facility from RBS, principally for acquisitions and liquidity management purposes. The facility is undrawn, further strengthening liquidity within the Fund. We feel that the Fund is well positioned, despite the current headwinds.

The Fund will continue to be managed in accordance with its investment objective and will pay its distributions in the normal manner every six months.

For individual shareholders, should you require any further assistance please do not hesitate to contact our Client Services Team on 0345 600 1213 or by e-mailing [enquiries@time-investments.com](mailto:enquiries@time-investments.com).

For financial advisers, please speak to your Business Development Manager for further information. If you need to remind yourself of the contact details of your local BDM, please check [here](#).

## How to invest

### Fees

Share/Unit class	Minimum investment	Minimum top up	OCF
A Acc	£5,000	£1,000	1.7%
B Acc	£5,000	£1,000	1.7%
C Inc	£5,000	£1,000	1.7%
D Inc	£5,000	£1,000	1.7%
ISA Acc	£1,000	£1,000	1.7%
ISA Inc	£1,000	£1,000	1.7%

Initial charge	1.0%
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### Distributions

Income return (A Acc GBP)	4.53% per annum (based on the last 12 months)
Distribution frequency	Biannually

Ex-dividend date	Payment date	Distribution per share (£)
October 2020	November 2020	0.1626
April 2020	May 2020	0.1720

### Platform availability



The above availability is for the Fund only.

### Important notice

ARC TIME Freehold Income Authorised Fund ("the Fund" or "TIME:Freehold")

This is a financial promotion as set out in the Financial Services and Markets Act 2000 (FSMA). This document is issued in the UK by TIME Investments, a trading name of Alpha Real Property Investments Advisers LLP, which is the Investment Manager of the Fund with delegated authority from Alpha Real Capital LLP, the authorised corporate director of the Fund. Both TIME Investments and Alpha Real Capital LLP are authorised and regulated by the Financial Conduct Authority. Please note your capital is at risk and there is no guarantee that the Fund's investment objective will be achieved. The value of investments and the income from them may fall as well as rise as a result of fluctuations in market, currency or other factors and investors may not get back the original amount invested. Any past performance data cited is not a reliable indicator of future results. Past performance includes that of the Fund's predecessor, The Freehold Income Trust. TIME Investments may source data from third party data providers but accepts no responsibility or liability for the accuracy of data. This document does not constitute investment advice and potential investors are recommended to seek professional advice before investing. Applications for shares in the Fund can only be made via an Application Form and reviewing the Key Investor Information Document ("KIID") and the Prospectus and investors should carefully read the risk warnings contained within. All documentation is available on request. Specific Fund Information: The underlying investments in the Fund consist wholly or substantially of real property. The value of the real property concerned will generally be a matter of valuer's opinion rather than fact. The Fund invests in assets that may at times be hard to sell. This means that there may be occasions when you experience a delay or receive less than you might otherwise expect when selling your investment. For more information on risks, see the Fund's prospectus and KIID. Fund Status: The Fund is a sub-fund of ARC TIME:Funds and is a Non-UCITS Retail Scheme within the meaning of the rules contained in the Collective Investment Schemes Sourcebook (the "FCA Regulations") published by the FCA as part of their Handbook of rules made under the FSMA. Issued: December 2020

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Alpha Real Capital LLP

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