

ARC TIME:FUNDS III

Report and Financial
Statements for the period
23 August 2021 to 30 June 2022



Contents

- 3 About Alpha and TIME Investments
- 4 Authorised Corporate Director's report*

Policies and Risk

- 6 Policies and Risk

Investment Manager's Report* and Financial Information of the sub-fund:

- 9 ARC TIME UK Infrastructure Income Fund II

Further information

- 25 Company information and key service providers*

* Collectively these comprise the Authorised Corporate Director's Report

About Alpha and TIME Investments



The Alpha group has over £4 billion in assets under management, has a strong balance sheet and has no borrowings.

The Authorised Corporate Director (the “ACD”) and Authorised Fund Manager (“AFM”) is Alpha Real Capital LLP (“Alpha”), a Financial Conduct Authority (“FCA”) authorised and regulated specialist real assets investment manager focused on secure income strategies, with over £4 billion in assets under management.

Established in 2005, Alpha is owned by its partners and has offices in the UK and Europe. Alpha Real Property Investment Advisers LLP trading as TIME Investments, is a subsidiary of Alpha (together known as the “Alpha group”). TIME Investments is the Investment Manager of ARC TIME UK Infrastructure Income Fund II (“TIME:UK Infrastructure Income”) and provides administrative and transfer agency services and is also regulated by the FCA.

TIME Investments has over 90 staff and forms the financial adviser facing division of Alpha. In addition it is also the Investment Manager of ARC TIME Commercial Long Income PAIF (“TIME:Commercial Long Income”), ARC TIME Social Long Income PAIF (“TIME:Social Long Income”), ARC TIME Property Long Income & Growth PAIF (“TIME:Property Long Income & Growth”) and ARC TIME Freehold Income Authorised Fund (“TIME:Freehold”).

The team also runs two capital preservation focused Inheritance Tax (“IHT”) mitigation services, TIME:Advance and TIME:CTC (Corporate Trading Companies); the latter having a 26 year track record of successfully achieving 100% relief from IHT for qualifying investors.

TIME Investments also runs a unique growth focused IHT mitigation service, TIME:AIM, which invests in a portfolio of Alternative Investment Market (“AIM”) shares.

Against the backdrop of a challenging economic and political climate, many investors and advisers are understandably interested in the financial strength of the businesses they choose to entrust with their investments. With this in mind it should be reassuring to note that the Alpha group has a strong balance sheet, has no borrowings and has been a profitable business every year since inception in 2005.

TIME Investments – Awards

TIME Investments has been awarded the following awards in recognition of the service and investment products provided.

Award	Category	Year
Financial Adviser Service Awards	5 Star Rating	2021
Growth Investor Awards	Best BR Investment Manager - unlisted (for TIME:Advance)	2021
Investment Life & Pensions Moneyfacts Awards	Best Investment Service	2020
Investment Week Tax Efficiency Awards	Tax-efficient Group of the Year	2019/20
Investment Week Tax Efficiency Awards	Best IHT Portfolio Service	2019/20
Investment Week Tax Efficiency Awards	Best AIM Portfolio Service - Tax Efficient and Estate Planning Specialist	2019/20
Investment Week Specialist Investment Awards	Property & Real Estate (for TIME:Commercial Long Income)	2019
Growth Investor Awards	Best BR Investment Manager - Listed (for TIME:AIM)	2019
Investment Week Specialist Investment Awards	Property & Real Estate (for TIME:Commercial Long Income)	2018
Growth Investor Awards	Best BR Investment Manager - non-AIM (for TIME:Advance)	2018
Investment Life & Pensions Moneyfacts Awards	Service Beyond the Call of Duty	2018
Investment Week Tax Efficiency Awards	Best IHT Portfolio Service	2017/18
Growth Investor Awards	Best BR Investment Manager	2015

Authorised Corporate Director's report

The Authorised Corporate Director ("ACD") presents its report and the financial statements of the sub-fund of ARC TIME:Funds III for the period 23 August 2021 to 30 June 2022. This report is available on the Investment Manager's website www.time-investments.com or is available from the Investment Manager on request by emailing: enquiries@time-investments.com.

Statement of authorised status of the scheme

ARC TIME:Funds III (the "Company") is an authorised umbrella Open-Ended Investment Company ("OEIC"). The Company was incorporated on 23 August 2021. The Company is authorised by the Financial Conduct Authority ("FCA") as a UCITS Retail Scheme ("UCITS").

The Company is structured as an umbrella company comprising of the sub-fund ARC TIME UK Infrastructure Income Fund II ("TIME:UK Infrastructure Income" ("the Fund").

The Company's principal activity is to carry on the business of an OEIC. In the future, new sub-funds may be established by the ACD from time to time with the agreement of the Depositary and approval from the FCA. The sub-funds are operated separately and the assets and liabilities of each sub-fund are managed in accordance with the investment objective and policy applicable to that sub-fund.

The Investment Manager's report and financial statements for TIME:UK Infrastructure Income for the period 23 August 2021 to 30 June 2022 are set out in detail in its section of this report (see contents page).

Full Company details and its key service providers are provided on page 26.

Scheme of Arrangement and merger with ARC TIME UK Infrastructure Income Fund

On 6 January 2022, Shareholders in ARC TIME UK Infrastructure Income Fund gave approval for a merger with ARC TIME UK Infrastructure Income Fund II, under the terms of a Scheme of Arrangement which was pre-approved by the FCA.

Effective from 10 January 2022 Shareholders received on a one-for-one basis new Shares of the same class and types as their current Shares in ARC TIME UK Infrastructure Income Fund, in exchange for the transfer of the assets of the ARC TIME UK Infrastructure Income Fund to the ARC TIME UK Infrastructure Income Fund II.

Any historical information, pre 10 January 2022, stated in these financial statements relate to ARC TIME UK Infrastructure Income Fund.

Statement concerning debts of the Company

Investors are not liable for the debts of the Company.

Management of the Company

NatWest Trustee and Depositary Services Limited acts as the Depositary of the Company, with the role of Custodian delegated to The Northern Trust Company. Alpha Real Capital LLP ("Alpha") is the ACD and the AFM of the Company.

TIME Investments acts as the Investment Manager, Administrator and Transfer Agent of the Company.

Changes to the Instrument and Prospectus of ARC TIME:Funds III

There were no changes in the period.

Going concern

The ACD has assessed TIME:UK Infrastructure Income to be a going concern. In arriving at this assessment the ACD has taken account of the listed investment securities it holds and their ability to be realised in the market, the cash reserves of the fund, its dividends receivable and its quarterly distributions, its ongoing operating costs and its reasonable expectations of subscriptions and redemptions over the period for at least 12 months from the date of this report. The ACD has also considered the trading volumes of its investments and their potential performance. The fund has no capital commitments.

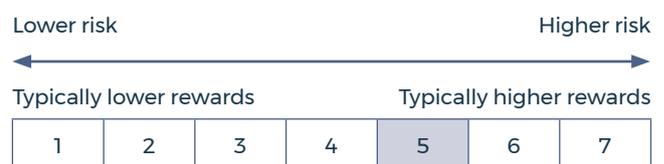
On this basis, the fund is expected to be able to meet its outgoings as they fall due, for at least the next 12 months from the date of this report.

Impact of war in Ukraine

The ACD does not currently see any direct material consequences for the Company as a result of the war in Ukraine, as the Company and its sub-fund TIME:UK Infrastructure Income do not hold any Russian or Ukrainian asset holdings.

Risk and reward profile

The following table shows the risk number associated with the fund and is based on Class C Accumulation and Class C Income shares.



The risk and reward category is based on historical simulated data which may not be a reliable indicator of the Fund's future risk profile.

The risk and reward category may shift over time and is not a target or a guarantee. The lowest category (i.e. Category 1) does not mean a risk-free investment.

Authorised Corporate Director's report (continued)

Risk warning

Shareholders should be aware that there are risks inherent in the holding of investments.

An investment in an open-ended investment company should be regarded as a medium to long term investment.

Shareholders should be aware that the price of shares and the income from them can fall as well as rise and shareholders may not receive back the full amount invested. Past performance is not a guide to future performance.

For further risk information please see the Prospectus.

Remuneration of Authorised Fund Manager ("AFM")

The AFM, and its regulated delegates, maintain remuneration policies for its staff appropriate for the management of a UCITS and are consistent with and promote sound and effective risk management. Alpha, as AFM, has delegated investment management to a subsidiary company, TIME Investments. The Alpha group approach to measuring performance is based on both financial and non-financial performance. Financial performance is viewed by the Executive Committee (who are involved in the day to day operation of the business) in its widest sense and takes into account the specific features of the types of activities carried out and so reflects volatility and cycles and avoids rewarding artificial or exaggerated short term performance.

Alpha Real Capital LLP

5 August 2022

Policies and Risk

1. Policies

Accounting policies

The principal accounting policies are summarised below.

(a) Basis of preparation

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the United Kingdom and the Republic of Ireland' (FRS 102) and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, and the Financial Conduct Authority's Collective Investment Scheme Sourcebook (COLL). These financial statements have been prepared under the historical cost convention, as modified for the fair value of investment properties and certain financial instruments.

The financial statements are the first compliant accounts since the date of the authorisation order being granted on 23 August 2021. The effective date of the Scheme of Arrangement and merger with ARC TIME UK Infrastructure Income Fund was 10 January 2022.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the ACD to exercise judgment in applying the accounting policies (see page 7).

The financial statements have been prepared on a going concern basis. Please refer to note 1(c) for details of going concern.

(b) Functional and presentational currency

These financial statements have been presented in Sterling as this is the Company's functional currency, being the primary currency in which the Fund operates. The amounts presented in these financial statements have been rounded to the nearest thousand.

(c) Going concern

The ACD has assessed TIME:UK Infrastructure Income to be a going concern. In arriving at this assessment the ACD has taken account of the listed investment securities it holds and their ability to be realised in the market, the cash reserves of the fund, its dividends receivable and its quarterly distributions, its ongoing operating costs and its reasonable expectations of subscriptions and redemptions over the period for at least 12 months from the date of this report. The ACD has also considered the trading volumes of its investments and their potential performance. The Fund has no capital commitments.

The ACD does not currently see any direct material consequences for the Company as a result of the war in Ukraine, as the Company and its sub-fund TIME:UK Infrastructure Income do not hold any Russian or Ukrainian asset holdings.

On this basis, the fund is expected to be able to meet its outgoings as they fall due, for at least the next 12 months from the date of this report.

(d) Recognition of revenue

Investment income is recognised when the shares are first quoted on an ex-dividend basis.

Overseas revenue received after the deduction of withholding tax is shown net of tax.

(e) Interest receivable

Interest income is accounted for on a receivable basis.

(f) Financial instruments

Investments in listed securities are initially measured at cost (which is equal to fair value at inception). Listed securities are subsequently measured at bid price or at fair value as permitted by the Prospectus under Fair Value Pricing. Investments in listed securities are valued at their fair value as at 30 June 2022. Realised and unrealised gains and losses on investments are included in the Statement of Total Return.

Any dividend or distribution income received during the investment holding period is recognised as income in the income account.

Financial assets, being cash and debtors, which are receivable within one year are recorded at transaction price. Any losses arising from impairments are recognised in the statement of total return.

Financial liabilities, being creditors and distributions payable to investors, which are payable within one year are recorded at transaction price. Any losses arising from impairments are recognised in the statement of total return.

(g) Taxation

TIME:UK Infrastructure Income's net distributable income is classified as a dividend distribution. No tax is withheld from dividend distributions.

(h) Treatment of expenses

Expenses are recognised on an accruals basis.

(i) Foreign currencies

Transactions in foreign currencies are translated into sterling at the exchange rate prevailing on the date of the transaction. Assets and liabilities valued in foreign currencies have been translated into sterling at the exchange rates prevailing at the balance sheet date.

Policies and Risk (continued)

Distribution policy

(a) Basis of distribution

Income is generated by the sub-fund's investments during each accounting period. Distributions of income are made in respect of the income available for distribution in each accounting period. Distributions which have remained unclaimed for a period of six years after they have become due will be forfeited and will revert to the sub-fund. Distributions are based on the sub-fund's individual net revenue after taxation.

(b) Apportionment to multiple share classes

The allocation of revenue and expenses to each share class is based on the proportion of the Fund's assets attributable to each share class on the day the revenue is earned or the expense is suffered.

(c) Expenses

In determining the amount available for distribution in any accounting period, the aggregate of the income received or receivable by the Fund for the accounting period is taken and any charges and expenses paid or payable out of income in respect of that accounting period are deducted. The ACD then makes such other adjustments as it considers appropriate in relation to taxation, income equalisation, and income unlikely to be received within twelve months following the relevant income allocation date, transfers between the income and capital account and any other adjustments which the ACD considers appropriate after consulting the auditor and the Depositary. This treatment will increase the amount of income (which may be taxable) available for distribution to shareholders in the Fund but may constrain capital growth.

Equalisation Policy

Equalisation applies to shares subscribed or redeemed during the period. It is the amount of revenue included in the price of shares subscribed or redeemed.

Equalisation may be refunded on distribution or accumulated at the time of distribution. Shareholders are not liable to income tax on equalisation distributed as it is a return of capital and therefore must be deducted from the cost of shares for capital gains tax purposes.

Judgements in applying accounting policies and key estimation uncertainty

In applying the Company's accounting policies, the ACD is required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The ACD's judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The critical judgements that the ACD has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed as follows.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the ACD has considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability for the Fund.

There have been no indicators of impairments identified during the current financial period.

Key sources of estimation uncertainty

The key sources of estimation uncertainty that have a risk of causing an adjustment to the carrying amounts of assets and liabilities are discussed below.

(i) Valuation of investment holdings

Investments are held at market value or fair value. The value of these investments may fluctuate depending on market conditions. The value of the holdings could vary within the next financial year, making this an area of estimation uncertainty.

(ii) Recoverability of receivables

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the ACD considers factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of customers.

Policies and Risk (continued)

Risk management policies

The ACD is responsible for establishing, implementing and maintaining an adequate and documented risk management policy for identifying, measuring and managing all risks to which the Fund is or might be exposed.

The Fund's investment activities exposes it to various types of risk which are associated with the types of investments it holds and the markets and sectors in which it invests.

The following risk management policies are applicable to the Fund.

(a) Market risk and valuations of investments

The exposure to market risk arising from the prevailing general economic conditions and market sentiment, may affect the balance sheet and total return of the Fund.

For further details please refer to the Fund's notes to the financial statements on page 24.

(b) Currency risk

TIME:UK Infrastructure Income is exposed to currency risk. TIME:UK Infrastructure Income's revenue received in other currencies is translated to sterling on or near the date of receipt. TIME:UK Infrastructure Income does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

At the period end date, the majority (82.8%) of TIME:UK Infrastructure Income's financial assets and liabilities were denominated in sterling. The balance of TIME:UK Infrastructure Income's net assets are exposed to the US Dollar (14.6%) and Euro (2.6%) currencies.

(c) Interest rate risk

The Fund's cash is exposed to interest rate risk.

The ACD considers the impact of a change in interest rate as immaterial.

Due to the nature of assets in TIME:UK Infrastructure Income, the impact of interest fluctuations may be greater for these assets than for the economy as a whole, in the country in which the interest fluctuation occurs.

(d) Credit and liquidity risk

TIME:UK Infrastructure Income's liquidity is reviewed at each dealing point. The securities are listed and therefore can be sold, typically within two business days, to meet redemption requirements.

Where TIME:UK Infrastructure Income is exposed to credit risk, the credit rating, yield and maturity of each interest-bearing security is considered to determine if the yield fully reflects the risk. The capital value of interest-bearing securities will fall in the event of the default or perceived increased credit risk of an issuer.

The capital value of interest-bearing securities may also be affected by interest rate fluctuations such that when interest rates rise, the capital value of the interest-bearing securities is likely to fall and vice versa. Inflation will also decrease the real value of capital. Currently TIME:UK Infrastructure Income does not hold any interest-bearing securities.

Where requested redemptions are received across all Classes of the Fund for a particular valuation point on a dealing day which exceed 10% of the Net Asset Value of the sub-fund, the ACD may defer redemptions to the next dealing day.

(e) Concentration risk

Concentration risk is the risk of a portfolio being too concentrated in a particular position or too exposed to certain factors. To manage this risk the Fund's direct portfolio is diversified by sector.

ARC TIME UK INFRASTRUCTURE INCOME FUND II

("TIME:UK Infrastructure Income" or the "Fund")
A sub-fund of ARC TIME:Funds III

Characteristics of ARC TIME UK Infrastructure Income Fund II

Diversification

The infrastructure sector is highly diverse and has low correlation to traditional asset classes. Underlying exposure through 25-30 securities to over 5,000 individual assets in over 30 sub-sectors.

Attractive income levels

We target sustainable and regular dividends, distributed quarterly to shareholders. Consistent income is often supported by long term contracted revenues from high quality counterparties.

Lower volatility

Focus on securities with defensive characteristics, such as high quality counterparties and provision of essential services, to enhance risk-adjusted returns over the long term.

Inflation linkage

Infrastructure assets often have income streams directly linked to inflation, helping to protect income returns in real terms.

UK focus

Over 80% of the securities will be GBP denominated and domiciled in the UK. Any non-UK exposure is expected to increase diversification and exposure to attractive sectors.

Liquidity

Focus on larger and more liquid infrastructure securities. The average market capitalisation of the securities in the Fund is in excess of £10 billion.

Capital growth prospects

Long-term capital growth prospects as many companies we invest in, not only pay dividends but also seek to reinvest capital in attractive opportunities.

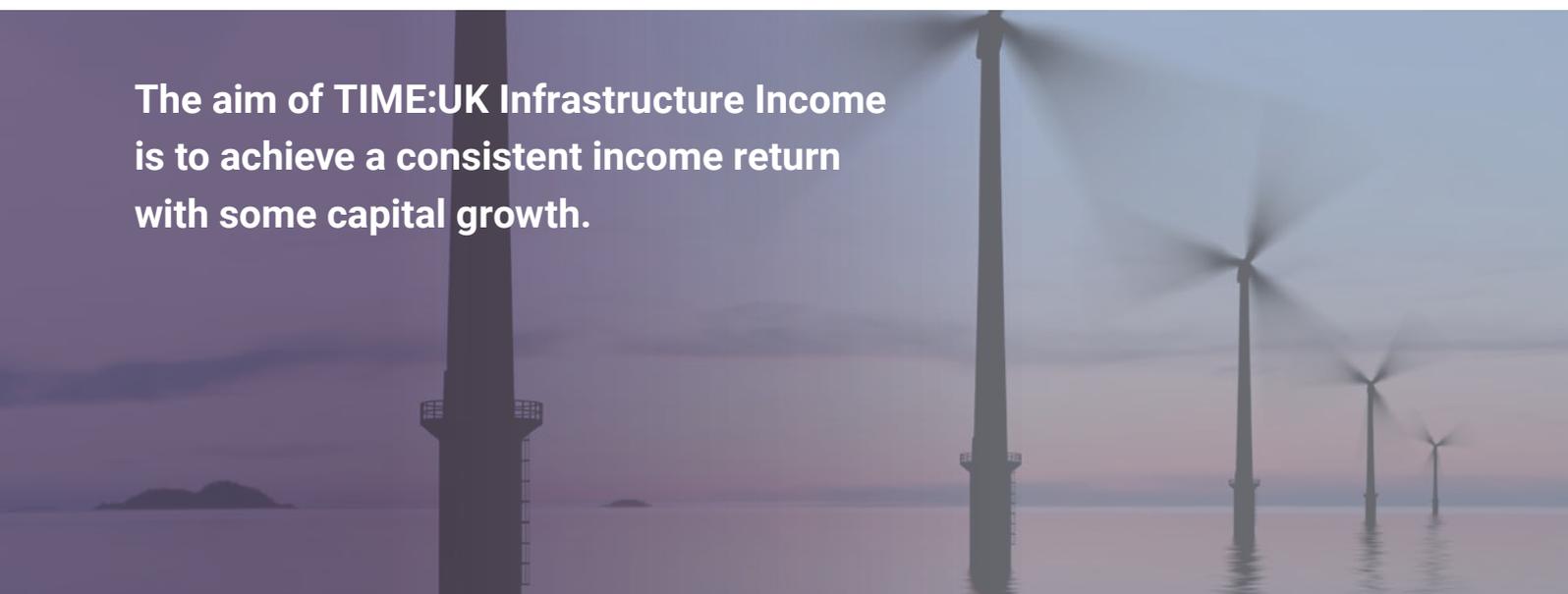


Stephen Daniels
Fund Manager
TIME Investments

“The Fund seeks to deliver a consistent income return with long-term capital growth potential from a portfolio of infrastructure exposed securities.”

ARC TIME UK Infrastructure Income Fund II

("TIME:UK Infrastructure Income", or the "Fund")



The aim of TIME:UK Infrastructure Income is to achieve a consistent income return with some capital growth.

Key achievements

- Completion of Scheme of Arrangement and merger with ARC TIME UK Infrastructure Income Fund on 10 January 2022****.
- TIME:UK Infrastructure Income has generated an income return for the period 10 January to 30 June 2022 of 2.11%**.
- TIME:UK Infrastructure Income generated a total return for the twelve months to 30 June 2022**** of 5.22%*. This is made up of an income return of 4.34%** and a capital return of 0.88%***.
- TIME:UK Infrastructure Income is a fund which holds a portfolio of listed asset-backed investment companies and has a net asset value of £73.3 million at 30 June 2022.

* Representative for a Class C Accumulation shareholder.

** Income return is calculated from the net asset value of Class C Accumulation shares at the start of the period.

*** Capital return is calculated as the total return less the income return.

**** Any historical information before 10 January 2022 stated in these financial statements relates to ARC TIME UK Infrastructure Income Fund II predecessor fund, ARC TIME UK Infrastructure Income Fund.

£73.3m

Fund size as at
30 June 2022

2.11%

Income return for
the period**

5.22%

Total return for
12 months to
30 June 2022*

Investment Manager's report

Investment Objective and Investment Policy of TIME:UK Infrastructure Income

Investment Objective

The aim of TIME:UK Infrastructure Income is to achieve a consistent income return with some capital growth.

There is no guarantee that a consistent income return will be achieved, and your capital is at risk.

Investment Policy

TIME:UK Infrastructure Income's investment policy is to invest at least 70% of the portfolio in defensive, asset-backed securities exposed to the UK infrastructure, renewable energy and real estate sectors.

The Fund may also invest in non-UK securities listed on eligible securities markets.

Exposure to these securities may additionally be achieved indirectly through investing in collective investment schemes (which can include open-ended investment companies, SICAVs and exchange traded funds (managed by the ACD or by third parties)) which themselves invest in shares and corporate bonds of these companies.

The Fund will not invest more than 10% of the Net Asset Value in collective investment schemes.

The Fund may also invest in other types of transferable securities, equities, bonds, secured notes, cash, near cash, deposits and money market instruments.

TIME:UK Infrastructure Income summary

TIME:UK Infrastructure Income offers investors a choice of income shares, which pay a quarterly income distribution (in January, April, July and October) and accumulation shares, for which income is automatically reinvested, thereby enhancing the value of those shares.

Shares in the Fund are, and are expected to continue to be, widely available. The intended categories of investors include retail investors (but only where such retail investors have sought financial advice where required before investing in the Fund and that this can be demonstrated to the Transfer Agent), offshore investors, ISA eligible investors and institutional investors. Each share class has the same rights on wind-up.

Each share class has the same voting rights. For more information about voting rights please refer to Section 35 of the Company's Prospectus, which is available on the Investment Manager's website www.time-investments.com/tiif or is available from the Investment Manager on request by emailing enquiries@time-investments.com.

Dilution levy

The actual cost of purchasing, selling or switching assets and investments in TIME:UK Infrastructure Income may deviate from the value used in calculating its share price, due to dealing charges, taxes, and any spread between buying and selling prices of the Fund's underlying investments. These costs could have an adverse effect on the value, known as "dilution". In order to mitigate the effect of dilution, the Administrator, on behalf of the ACD, may impose a charge on the purchase or sale of shares in each relevant share class.

This rate will vary to reflect actual or expected transaction costs, fiscal policy changes or other costs associated with the underlying investments of the Fund. The levy shall be retained by the Fund. The levy, chargeable at the discretion of the Administrator, on behalf of the ACD, would only be payable if the specific subscription or redemption is likely to lead to transaction costs being incurred. It is not possible to predict accurately whether dilution is likely to occur. The Administrator will act in the best interests of all shareholders.

Dealing in TIME:UK Infrastructure Income

The dealing day for the issue of shares in TIME:UK Infrastructure Income is 10am daily on each business day.

The cut off point for receipt of subscriptions is 10am on each business day. Settlement is due by 5pm on the third business day after the relevant dealing day.

Notices for redemptions are required to be delivered no later than 10am on each business day. Further details on the value of shares in the Fund can be found on the website www.time-investments.com/tiif or by calling the Investment Manager on 0345 600 1213 or by email at enquiries@time-investments.com.

Investment Manager's report (continued)

Investors can participate in the Fund through its four share classes. Their characteristics are set out in the tables below.

A Share Classes:	
These share classes are only open to institutional investors, with no adviser commission payable.	
ACCUMULATION	INCOME
Class A Accumulation (Institutional) Shares	Class A Income (Institutional) Shares
Shares in respect of which income is automatically reinvested.	Shares in respect of which income is distributed.
Initial fee: 0%	Initial fee: 0%
Minimum subscription: £5,000,000	Minimum subscription: £5,000,000

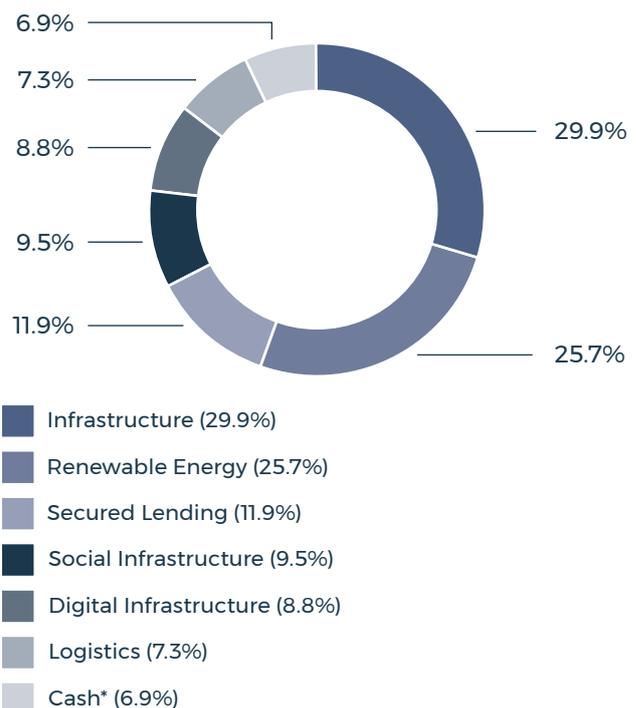
C Share Classes:	
These share classes are open to all investors. These share classes are Retail Distribution Review (RDR) compliant, with no commission payable to Financial Advisers.	
ACCUMULATION	INCOME
Class C Accumulation Shares	Class C Income Shares
Shares in respect of which income is automatically reinvested.	Shares in respect of which income is distributed.
Initial fee: 0%	Initial fee: 0%
Minimum subscription: £5,000	Minimum subscription: £5,000

Performance review

As at 30 June 2022, TIME:UK Infrastructure Income held a diversified portfolio of 26 listed equities across a range of infrastructure, renewable energy, social infrastructure, digital infrastructure, secured lending and logistics sectors and was valued at £68.3 million. The Fund generated a total return for the period 10 January to 30 June 2022 of -0.85% (for a Class C Accumulation shareholder). This is made up of an income return of 2.11% and a capital loss of 2.96%.

Global stock indices were weaker during the first half of 2022, as markets reacted to the combination of interest-rate rises, geopolitical tensions caused by the conflict in Ukraine and the threat of a recession. As equities markets were suffering sharp falls, 10-year U.S. Treasury bonds which are the benchmark of global borrowing markets and traditional assets of choice in times of uncertainty recorded one of their worst half yearly recorded performance since 1788. Against this backdrop the Fund has delivered relatively low levels of volatility compared to wider equity markets meaning the Fund's risk adjusted returns over the period remain attractive.

Portfolio sector split



* Cash is shown net of debtor and creditors
Source: TIME Investments, as at 30 June 2022

INFRASTRUCTURE

HICL INFRASTRUCTURE



HICL Infrastructure PLC (HICL) is a long-term equity investor in infrastructure.

HICL's main objective for shareholders is to deliver predictable, sustainable dividends from the stable, inflation-correlated cashflows of underlying infrastructure projects. The portfolio comprises more than 100 investments and is valued at over £3 billion. Projects span a range of sectors including education, health and transport, in the UK and overseas.

Example project:

A249 Road, UK

Erection of the 5km A249 Iwade Bypass and new high-level fixed-link crossing of The Swale, to improve access and journey times to the Isle of Sheppey. This project extends the existing dual carriageway road northwards to Queenborough.

RENEWABLE ENERGY

BLUEFIELD SOLAR INCOME FUND



Bluefield Solar Income Fund invests in a diversified portfolio of UK solar-energy assets, focusing on utility-scale assets and portfolios. Long-life solar-energy infrastructure is expected to generate stable, renewable energy over a 25-year period.

Example project:

Elms, Oxfordshire

Elms, Oxfordshire was acquired in February 2015, and involved a total commitment of £32.8 million from the Bluefield Solar Income Fund.

Elms is expected to save nearly 12,450 tonnes of CO₂ annually, and provide green electricity for approximately 8,770 homes every year.

Investment Manager's report (continued)

The performance of the sectors in which the Fund invests was mixed during the period. Renewable energy was the best performer, assisted by increased inflation and higher wholesale energy prices. The logistics sector was the largest negative performer, following the announcement in May 2022 by Amazon about potential overcapacity in its fulfilment centres. The Fund held a larger than usual cash position at the end of the period, the majority of which was used to purchase additional shares in securities in July 2022. The Fund remains well diversified across the principal infrastructure sectors, which helps to mitigate the impact of any sector specific weakness going forward.

Infrastructure assets typically benefit from periods of higher inflation, and so far have continued to deliver relatively consistent and attractive returns compared to global equity and fixed income markets. Whether the UK economy falls in to another recession, or if the Bank of England can deliver a 'soft landing', the risks to financial markets over the months ahead remain high. In either instance, investing with caution amidst this volatility is likely the prudent approach.

Investment review

As at 30 June 2022, TIME:UK Infrastructure Income's portfolio consisted of 26 holdings valued at £68.3 million.

The Fund generated a total return for the period 10 January to 30 June 2022 of -0.85% (for a Class C Accumulation shareholder). This is made up of an income return of 2.11% and a capital loss of 2.96%. The Fund underperformed its benchmark, the IA Infrastructure sector which delivered a total return of 4.93% for the period.

The Fund's return for the twelve month to 30 June 2022 is 5.22%*. This is made up of an income return of 4.34%* and a capital return of 0.88%*.

* Any historical information before 10 January 2022 stated in these financial statements relates to ARC TIME UK Infrastructure Income Fund II predecessor fund, ARC TIME UK Infrastructure Income Fund.

No new sectors or stocks were added to the Fund's portfolio during the period. However, the Fund's portfolio is participating in the key infrastructure sectors and underlying exposure to a well-diversified range of operational infrastructure assets situated across the globe. Our investment approach and process are rigorous and methodical. As such we are monitoring the progress of an increasing number of UK listed infrastructure companies that have come to the market for potential inclusion in the Fund in the years ahead. Where we have sufficient comfort and transparency in their portfolios and that they offer investors exposure to assets that provide essential services, have long term contracts with high quality counterparties, and have clear social or environmental benefits to society, we may seek to include them in the future.

The Fund's exposure to non UK listed companies, remains below its limit of 20% and is currently at 14.6% of net assets.

With markets highly volatile over the period, new capital raises were limited with the Fund participating in the capital raises which did proceed; allocating capital to International Public Partnership and Bluefield Solar Income. Participating in follow on market issuances is seen as a benefit to investors as they are often done at a discount to the prevailing market price.

The Investment Manager believes that the Fund's portfolio remains well positioned to continue delivering attractive risk adjusted returns with relatively high, often inflation linked levels of income over the coming years. The Fund remains focused on a defensive approach to investing in the asset class.

Liquidity management

All the assets of TIME:UK Infrastructure Income are considered to be liquid as they comprise either cash or readily realisable investments.

The securities, being listed, can generally be sold in normal market conditions within a short period of time to provide liquidity if required.

The Fund had cash reserves of £4.4 million as at 30 June 2022.

Stephen Daniels
for TIME Investments
Investment Manager

5 August 2022

RENEWABLE ENERGY / INFRASTRUCTURE

3i INFRASTRUCTURE PLC



3i Infrastructure invests across mid-market economic infrastructure and greenfield projects in developed markets, particularly in the UK and Europe.

Example project:

Infinis

Infinis is the largest generator of electricity from landfill gas (LFG) in the UK, with a portfolio of 121 landfill sites and total installed capacity of over 300MW. Using LFG to generate power not only lessens the global warming effect of methane emissions, but also provides an efficient, secure source of energy for local communities. In January 2021, Infinis completed a refinancing on favourable terms, extending the maturity of its debt facilities and thereby establishing a platform to fund future solar growth.

REITS / PROPERTY INVESTMENTS

ASSURA PLC



Assura Plc ('Assura') is a UK Real Estate Investment Trust ('REIT') that invests in, develops, and manages high-quality, sustainable medical centres and other Primary Care facilities that provide crucial infrastructure for the local communities.

The portfolio is currently made up of 609 properties from across the UK with a value of over £2.5 billion and serving over 6 million patients annually. Assura's ultimate goal is to 'make a difference' with the aim to have six million people benefit from improvements made to their buildings by 2026.

One of the facilities owned by Assura is the Kensington Park Health Centre based in West London which has a wide range of healthcare professionals available to both public and private patients.

Performance Record

Class A Accumulation		Period ended 30 June 2022
CHANGE IN NET ASSETS PER SHARE		
Opening net asset value per share		1.3348
Return before operating charges*		(0.0087)
Operating charges		(0.0021)
Return after operating charges*		(0.0108)
Closing net asset value per share		1.3240
Retained distributions on accumulation shares		0.0140
*Returns are stated after direct transaction costs of:		0.0008
PERFORMANCE		
Return after charges		(0.81%)
OTHER INFORMATION		
Closing net asset value (£'000)		3,285
Closing number of shares		2,502,357.94
Operating charges		0.23%
Direct transaction costs		0.06%
PRICES		
Highest share price		1.3839
Lowest share price		1.2625

Class A Income		Period ended 30 June 2022
CHANGE IN NET ASSETS PER SHARE		
Opening net asset value per share		1.1126
Return before operating charges*		(0.0069)
Operating charges		(0.0018)
Return after operating charges*		(0.0087)
Distributions on income shares		(0.0117)
Closing net asset value per share		1.0922
*Returns are stated after direct transaction costs of:		0.0006
PERFORMANCE		
Return after charges		(0.78%)
OTHER INFORMATION		
Closing net asset value (£'000)		11,193
Closing number of shares		10,448,122.73
Operating charges		0.23%
Direct transaction costs		0.06%
PRICES		
Highest share price		1.1417
Lowest share price		1.0524

All Share Classes were launched on 23 August 2021 with the first shares being issued to investors on 10 January 2022. Amounts are shown in Sterling (£) unless otherwise stated.

LOGISTICS

TRITAX BIG BOX REIT



Tritax Big Box is dedicated to owning, managing and developing large logistics facilities around the UK that aim to deliver sustainable, long-term income and value growth for investors.

The logistics real estate they own are strategically important assets for tenants, providing them with efficiency savings and are increasingly fulfilling online retail sales. Tenants include well-known names in retail, logistics, consumer products and automotive including Amazon, Tesco, DHL and Ocado.

SECURED LENDING

GCP ASSET BACKED INCOME



GCP Asset Backed Income (GCP) is a UK listed, closed-ended, investment company that predominantly invests in UK asset-backed loans. The company's investment objective is to generate attractive risk-adjusted returns primarily through regular, growing distributions and modest capital appreciation over the long-term.

GCP lends to owners of assets that are integral to society, or the economy, secured against physical assets or dependable cash flows. The company has exposure across four sectors including social infrastructure, property, energy and infrastructure and asset finance. The portfolio is currently diversified across 53 holdings, valued at over £450 million. The sector is split between 33% into social infrastructure and 48% in property.

Performance Record (continued)

Class C Accumulation		Period ended 30 June 2022
CHANGE IN NET ASSETS PER SHARE		
Opening net asset value per share		1.3339
Return before operating charges*		(0.0082)
Operating charges		(0.0032)
Return after operating charges*		(0.0114)
Closing net asset value per share		1.3225
Retained distributions on accumulation shares		0.0141
*Returns are stated after direct transaction costs of:		0.0011
PERFORMANCE		
Return after charges		(0.85%)
OTHER INFORMATION		
Closing net asset value (£'000)		50,770
Closing number of shares		38,715,564.62
Operating charges		0.28%
Direct transaction costs		0.06%
PRICES		
Highest share price		1.3827
Lowest share price		1.2616

Class C Income		Period ended 30 June 2022
CHANGE IN NET ASSETS PER SHARE		
Opening net asset value per share		1.1118
Return before operating charges*		(0.0074)
Operating charges		(0.0018)
Return after operating charges*		(0.0092)
Distributions on income shares		(0.0117)
Closing net asset value per share		1.0909
*Returns are stated after direct transaction costs of:		0.0006
PERFORMANCE		
Return after charges		(0.83%)
OTHER INFORMATION		
Closing net asset value (£'000)		8,082
Closing number of shares		7,553,062.15
Operating charges		0.28%
Direct transaction costs		0.06%
PRICES		
Highest share price		1.1405
Lowest share price		1.0514

All Share Classes were launched on 23 August 2021 with the first shares being issued to investors on 10 January 2022. Amounts are shown in Sterling (£) unless otherwise stated.

Portfolio Statement

as at 30 June 2022

	Market valuation £'000	Total net assets %
International Public Partnerships Limited (3,205,773 shares)	5,219	7.12%
HICL Infrastructure PLC (2,980,623 shares)	5,133	7.00%
BBGI Global Infrastructure S.A. (2,959,500 shares)	4,694	6.40%
Sequoia Economic Infrastructure Income Fund Limited (5,075,345 shares)	4,649	6.34%
The Renewables Infrastructure Group Limited (2,630,495 shares)	3,556	4.85%
Greencoat UK Wind Plc (2,176,232 shares)	3,341	4.56%
Assura PLC (4,579,182 shares)	2,995	4.08%
3i Infrastructure plc (857,435 shares)	2,821	3.85%
Primary Health Properties PLC (2,039,866 shares)	2,780	3.79%
Bluefield Solar Income Fund Limited (2,061,597 shares)	2,701	3.68%
JLEN Environmental Assets Group Limited (2,055,203 shares)	2,511	3.42%
Foresight Solar Fund Limited (2,134,165 shares)	2,493	3.40%
Tritax Big Box REIT Plc (1,368,827 shares)	2,484	3.39%
Nextenergy Solar Fund Limited (2,159,302 shares)	2,345	3.20%
GCP Infrastructure Investments Limited (2,060,776 shares)	2,279	3.11%
SDCL Energy Efficiency Income Trust Plc (1,950,462 shares)	2,255	3.08%
Greencoat Renewables Ord (1,880,679 shares)	1,894	2.58%
Digital Realty Trust Inc (17,318 shares)	1,848	2.52%
GCP Asset Backed Income Fund Limited (1,920,609 shares)	1,840	2.51%
Brookfield Infrastructure Partner L.P. (58,085 shares)	1,824	2.49%
American Tower Corp (8,131 shares)	1,710	2.33%
Tritax Eurobox Plc (1,837,760 shares)	1,577	2.15%
Crown Castle International Corp (11,202 shares)	1,550	2.11%
Equinix Inc (2,427 shares)	1,311	1.79%
Prologis Inc (13,444 shares)	1,300	1.77%
Medical Properties Trust Inc (94,007 shares)	1,180	1.61%
Total value of investments	68,290	93.13%
Net other assets	5,040	6.87%
Total net assets as at 30 June 2022	73,330	100.00%

Summary of material portfolio changes

For the period ended 30 June 2022

	Period ended 30 June 2022 £
TOTAL SALES FOR THE PERIOD ENDED 30 JUNE 2022	
Sequoia Economic Infrastructure Income Fund Limited	747,064
Total	747,064
TOTAL PURCHASES FOR THE PERIOD ENDED 30 JUNE 2022	
3i Infrastructure plc	3,046,429
BBGI Global Infrastructure S.A.	5,085,250
Bluefield Solar Income Fund Limited	2,594,008
Foresight Solar Fund Limited	2,196,039
GCP Infrastructure Investments Limited	2,240,167
Greencoat UK Wind Plc	3,094,945
HICL Infrastructure PLC	5,245,532
International Public Partnerships Limited	5,397,074
JLEN Environmental Assets Group Limited	2,164,784
Nextenergy Solar Fund Limited	2,207,902
The Renewables Infrastructure Group Limited	3,485,296
Tritax Big Box REIT Plc	3,139,404
Sequoia Economic Infrastructure Income Fund Limited	6,108,327
Assura PLC	3,100,968
Primary Health Properties PLC	2,973,144
GCP Asset Backed Income Fund Limited	1,884,828
Digital Realty Trust Inc	2,028,653
Brookfield Infrastructure Partner L.P.	1,675,451
Equinix Inc	1,366,543
Medical Properties Trust Inc	1,617,884
Greencoat Renewables Ord	1,792,165
Tritax Eurobox Plc	2,005,897
SDCL Energy Efficiency Income Trust Plc	2,301,367
American Tower Corp	1,576,513
Crown Castle International Corp	1,578,908
Prologis Inc	1,552,614
Total	71,460,092

The above purchases and sales represent all of the purchases and sales during the period.

Statement of total return

For the period ended 30 June 2022

	Period ended 30 June 2022 £'000	Period ended 30 June 2022 £'000
INCOME		
Net capital loss		(2,462)
Revenue	1,452	
Expenses	(198)	
Net revenue before taxation	1,254	
Taxation	-	
Net revenue after taxation		1,254
Total return before distributions		(1,208)
Distributions		(1,405)
Change in net assets attributable to shareholders from investment activities		(2,613)

There are no recognised gains or losses other than those declared in the Statement of Total Return.

Statement of change in net assets attributable to shareholders

For the period ended 30 June 2022

	Period ended 30 June 2022 £'000	Period ended 30 June 2022 £'000
Opening net assets attributable to shareholders		-
Amounts receivable on creation of shares	86,214	
Amounts payable on cancellation of shares	(11,352)	
		74,862
Income accumulated into capital		1,081
Dilution levy		-
Change in net assets attributable to shareholders from investment activities		(2,613)
Closing net assets attributable to shareholders		73,330

Balance sheet

As at 30 June 2022

	30 June 2022	30 June 2022
	£'000	£'000
ASSETS		
Investments		68,290
		68,290
Debtors	980	
Cash at bank	4,377	
Total other assets		5,357
Total assets		73,647
LIABILITIES		
Creditors	(108)	
Distribution payable to shareholders	(209)	
Total liabilities		(317)
Net assets attributable to shareholders		73,330

Authorised for issue and signed on behalf of the Authorised Corporate Director on 5 August 2022.

Alpha Real Capital LLP

Notes to the financial statements

For the period ended 30 June 2022

1. Policies

Please see pages 6 to 8 for the general accounting basis and policies of the Company and the Fund. Below are the Fund specific policies not included in those pages:

Risk management policies

(a) Market risk and valuations of investments

The exposure to market risk arising from the prevailing general economic conditions and market sentiment, may affect the balance sheet and total return of TIME:UK Infrastructure Income.

Equity prices and returns from investing in equity markets are sensitive to various factors including but not limited to expectations of future dividends and profits, economic growth, exchange rates, interest rates and inflation.

The Fund's share price may be volatile due to movements in the prices of the underlying equity and fixed interest security holdings.

The Fund may hold securities in infrastructure investments and as a result will be more susceptible to adverse economic or regulatory occurrences affecting that industry.

If sterling to foreign currency exchange rates had increased by 5% as at the balance sheet date, the net asset value of the Fund would have decreased by £538,920. A 5% decrease would have an equal and opposite effect.

A 5% increase in the value of the Fund's investment portfolio would have the effect of increasing the return and net assets by £3,414,486. A 5% decrease would have an equal and opposite effect.

In relation to market risk, processes are applied that take account of the investment objective and policy of the Fund. In addition, the Fund is monitored for compliance within regulatory limits.

2. Taxation

TIME:UK Infrastructure Income should generally be exempt from UK corporation tax, subject to certain anti-avoidance provisions, on dividends and similar distributions from companies. Any payments it receives from transactions in futures or options contracts are also exempt from tax. The Fund will be subject to corporation tax at a rate equal to the basic rate of income tax, currently 20% on other types of income but after deducting allowable expenses.

To the extent that the Fund receives income from, or realises gains on, investments issued in foreign countries, it may be subject to withholding tax or other taxation in those jurisdictions. Non-UK taxation is recognised by being netted off against the overseas income received.

3. Post balance sheet events

On 29 July 2022, the Fund paid its quarterly distribution for the period ended 30 June 2022.

Further information

Company information and key service providers

Company

ARC TIME:Funds III (the "Company")

Registered in England
with Company Number IC047937

Sub-fund

ARC TIME UK Infrastructure
Income Fund II

Registered Office

338 Euston Road, London, NW1 3BG

Authorised Corporate Director and Authorised Fund Manager

Alpha Real Capital LLP
338 Euston Road
London NW1 3BG

Authorised and regulated by the
Financial Conduct Authority.

The register of shareholders may be
inspected at this address above.

Investment Manager, Administrator and Transfer Agent

TIME Investments
338 Euston Road
London NW1 3BG

Authorised and regulated by the
Financial Conduct Authority.

Depository

NatWest Trustee and Depository
Services Limited
House A, Floor 0
Gogarburn
175 Glasgow Road
Edinburgh EH12 1HQ

Authorised and regulated by the
Financial Conduct Authority.

Custodian

The Northern Trust Company
50 Bank Street
Canary Wharf
London E14 5NT

Authorised and regulated by the
Financial Conduct Authority.

Independent Auditor

Mazars LLP
The Pinnacle
160 Midsummer Boulevard
Milton Keynes MK9 1FF

Taxation Advisers

KPMG LLP
15 Canada Square
London E14 5GL

Legal Advisers

Eversheds LLP
1 Wood Street
London EC2V 7WS

Bankers

The Northern Trust Company
50 Bank Street
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London E14 5NT



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Alpha

Authorised Corporate Director:
Alpha Real Capital LLP

TIME Investments is the trading name of Alpha Real Property Investment Advisers LLP which is registered in England and Wales with company number OC355196. It is a subsidiary of Alpha Real Capital LLP with company number OC312705. Both TIME Investments and Alpha Real Capital LLP are authorised and regulated by the Financial Conduct Authority. FCA registration number 534723 and 436048 respectively. August 2022.

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