

ARC TIME: FEEDER TRUSTS

ANNUAL REPORT 2022

Annual Report and
Financial Statements
for the year to
31 March 2022



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Report of the Authorised Fund Manager of the Trust

The Authorised Fund Manager of ARC TIME:Feeder Trusts (the "Trust") presents the annual report and audited financial statements for the year ended 31 March 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

The Trust is an Authorised Unit Trust and was incorporated on 25 April 2013. The Trust is authorised by the Financial Conduct Authority ("FCA") as a Non-UCITS Retail Scheme ("NURS"). The Trust is structured as an umbrella trust comprising of one sub-fund, ARC TIME Freehold Income Authorised Feeder Trust ("FIAFT").

The sub-fund is a dedicated feeder trust for its respective master sub-fund of ARC TIME:Funds (the "Company").

The sub-fund is generally intended for investors who are unable to access the respective master sub-fund directly as a result of administrative issues which govern a PAIF or for bodies corporate where their holding in the master sub-fund would exceed 10% of Net Asset Value ("NAV").

The annual report and audited financial statements for FIAFT for the year ended 31 March 2022 are set in detail in its section of this report (see contents page).

Investment structure

FIAFT has been established as a feeder trust for investment in ARC TIME Freehold Income Authorised Fund ("TIME:Freehold" or the "Fund") and its sole investment is in TIME:Freehold's B, D, F, H, S and T Share Classes.

The income units pay a six monthly income distribution (in November and May). The accumulation units' income is automatically reinvested, thereby enhancing the value of those units. Each unit class has the same rights on wind-up.

A copy of the Trust Prospectus and Application Form are available on the Investment Manager's website www.time-investments.com or are available from the Investment Manager on request by emailing enquiries@time-investments.com.

Full Trust details and its key service providers are provided on page 35.

Management of the Trust

NatWest Trustee and Depositary Services Limited acts as the Trustee of the Trust, with the role of Custodian delegated to The Northern Trust Company. Alpha Real Capital LLP ("Alpha") is the Trust Manager, the Authorised Fund Manager ("AFM") and the Alternative Investment Fund Manager ("AIFM") of the Trust. TIME Investments acts as the Investment Manager, Administrator and Transfer Agent of the Trust.

Statement concerning debts

Investors are not liable for the debts of the Trust.

Changes to the Trust Deed and Prospectus of ARC TIME:Feeder Trusts

In the period since publication of the half year report to 30 September 2021 on 30 November 2021, there were no changes to the Trust Deed or Prospectus.

Going concern

The Authorised Corporate Director ("ACD") has assessed TIME:Freehold to be a going concern and as a result the AFM considers FIAFT to be a going concern.

In arriving at this assessment the ACD has taken account of the cash reserves and readily realisable investments of the Fund, its undrawn loan facility, its capital commitments, imminent disposal of assets, its six monthly distributions and ongoing operating costs and its reasonable expectation of the Trust and the Fund's subscriptions and redemptions, over the period for at least 12 months from the date of this report. The ACD has also considered the marketability of the Fund's property assets and their potential performance. The ACD/AFM has considered the powers available under the Prospectus (please refer to liquidity management clause 25 of the Fund's Prospectus and to liquidity management clause 20 of FIAFT's Prospectus for details) that are available to take action to ensure the Fund and FIAFT continues as a going concern. These powers are designed to ensure that at any time all investors benefit equally from an orderly management of the underlying portfolio. On this basis, the Fund and FIAFT are expected to be able to continue to operate and meet their outgoings as they fall due, for at least the next 12 months from the date of this report.

Significant information

FCA consultation on open ended property funds

In August 2020, the FCA proposed, through its consultation (CP20/15) on open ended property funds, longer redemption notice periods for daily-dealt funds. The FCA also proposed 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.

This position does not appear to have changed but on 7 May 2021, the FCA released a feedback statement on their ongoing consultation. Within the feedback statement the FCA advised that they had received responses from a wide range of stakeholders, including those involved in the distribution chain (transfer agents, platforms, advisers, wealth managers).

The FCA advised that it will continue to work with industry stakeholders to assess industry concerns, including assessing the conclusions from HMRC's consultation of the impact of the proposals on ISAs, and will not make a decision on whether mandatory redemption notice periods will be introduced "until Q3 2021 at the earliest". However, to date no decision has been made.

Report of the Authorised Fund Manager of the Trust (continued)

If the FCA does proceed with applying mandatory notice periods for authorised open-ended property funds, which is, at this time, not certain, the FCA has stated that the proposed changes for authorised open-ended property funds would not be implemented before late-2023 at the earliest.

In the meantime there are no changes to the way in which TIME:Freehold is operated.

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 open-ended 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 this year.

Government's consultation on "Tackling unfair practices in the leasehold market"

Following on from the Government's consultation on "Tackling unfair practices in the leasehold market" which ran from July 2017 to September 2017 and its subsequent response paper which was issued in December 2017; the Government asked the Law Commission to consider further measures that could assist existing leaseholders of houses and to prioritise enfranchisement solutions, focusing on making it quicker, easier and cheaper to enfranchise.

The Law Commission issued a paper in July 2018 which set out a number of potential solutions followed by a detailed consultation paper in September 2018 which detailed proposals for a new coherent and streamlined enfranchisement regime for leaseholders of houses and flats. 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.

In January 2021 the Government announced proposals to bring forward in the next session of Parliament for legislation to reform the residential leasehold market. These proposals follow from the recommendations for leasehold reform made to the Government by the Law Commission in July 2020. The main focus of the Law Commission's recommendations was to suggest methods of making enfranchisement and extensions of leases 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 Government has now announced proposals to implement these recommendations. At this stage the full detail has not yet been set out by the Government for the method of calculating the value payable by a leaseholder to a freeholder on the enfranchisement or the extension of a lease. The Fund's independent valuer has advised that the Government's statement of January 2021 largely reflected the recommendations as put forward by the Law Commission in July 2020. They and we await confirmation of the Government's detailed proposals for legislative changes within the residential leasehold market.

Royal Assent for the Leasehold Reform Bill was received on 8 February 2022 covering the recommendations for new ground rents. The Leasehold Reform (Ground Rent) Act 2022 comes into force on 30 June 2022 and puts to an end ground rents for new long residential leasehold properties in England and Wales. This change in legislation may result in a reallocation in the split between the Fund's income and capital return on voluntary lease extension income. The Fund's independent valuer has advised that the elements covered in The Leasehold Reform (Ground Rent) Act 2022 does not have a material impact on valuation. The second leasehold reform bill covering the more complex detail affecting existing leases is expected to be published within this Parliamentary term 2022/23 but could easily slip into the next term. We shall continue to monitor and review the Fund's portfolio in light of the Government's residential leasehold market reforms. For more information around our building safety initiatives, please review our Q&A on the Investment Manager's website.

The independent valuer of TIME:Freehold, BNP Paribas Real Estate UK, has, within the valuation of the property portfolio at 31 March 2022 (and at each subsequent monthly valuation of the portfolio up to the date of this report), considered the prevailing market conditions, the Government's response to its own consultation on "Tackling unfair practices in the leasehold market" and the subsequent review and recommendations to the Government by the Law Commission (and continues to do so at each monthly valuation point going forwards).

Report of the Authorised Fund Manager of the Trust (continued)

Building Safety

In February 2022, Michael Gove, the Secretary of State for Levelling Up, announced amendments to the Building Safety Bill to protect leaseholders from having to pay for costly fire safety remediation work. The Bill passed through the Houses and received Royal Assent on 28 April 2022.

Elements from the new Building Safety Act will come into force at various points over the next 18 months and we await guidance on a number of areas.

TIME:Freehold has a database of its property portfolio and has sought to carry out reviews on those properties where potential issues may be, including new fire risk assessments, cladding tests and intrusive surveys. In addition, a specialist fire risk advisory firm and a legal firm specialising in fire safety matters have been engaged on behalf of the Fund and their engagement instruction includes a review of the safety procedures in place as well as reviewing the programmes for specific properties where potential issues are identified.

Where issues have been identified it is a process of working with all parties, including leaseholders, Right To Manage ("RTM") properties and Resident Management Companies ("RMC") (where applicable) to establish the best way forward to ensure safety and the appropriate works are carried out where necessary.

Generally speaking, there are a number of different types of cladding, some of which are safe. Issues arise when cladding is either unsafe or of an as yet unknown standard.

In practice, where a cladding issue exists, for a majority of properties, it is limited to specific sections of the property; or the cladding material itself is not the issue and rather, there may be an issue regarding the cladding system and how it has been constructed, for example, a lack of fire breaks or compartmentalisation. In order to establish the extent to which some of these issues exist, intrusive specialist surveys are undertaken. Once a threshold of over 11 metres in height is reached the fire safety risk is deemed to increase due to the challenges of the deployment of certain firefighting equipment. For context, the buildings owned by the Fund over 11 metres in height represent approximately 17% (£36 million) of the Fund's property portfolio, of which the majority require no remediation. Surveys for relevant buildings have either been carried out with any cladding system concerns registered with the Government's Building Safety Fund and/or the original developer contacted. Where the Fund does not have management rights and is not responsible for the fire safety, we engage with the responsible parties to ascertain how they are progressing with the above matters including surveys and the Building Safety Fund. The majority of the portfolio is below 11 metres in height. A review by the Fund's independent valuer of the element of the portfolio above 11 metres in height and where remediation may need to take place has concluded that the value of these properties net of remedial costs (and therefore subject to material uncertainty), is less than 1% of the Fund's net assets as at 31 March 2022 and at the date of the signing of this report. The Fund continues to review fire safety matters across the portfolio.

Impact of war in Ukraine

The AFM does not currently see any direct material consequences for the Trust as a result of the war in Ukraine, as the Trust and its sub-fund FIAFT do not hold any Russian or Ukrainian asset holdings.

Risk warning

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

An investment in a unit trust should be regarded as a medium to long term investment.

Investors should be aware that the price of units and the income from them can fall as well as rise and investors 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.

By the nature of real property and the time and other factors involved in arranging sales and realising the proceeds therefrom, it should be appreciated that the underlying assets are primarily relatively illiquid assets when compared with other asset classes such as listed equities or bonds. Whilst the ACD will pursue a cautious liquidity policy, the Fund is intended for investors who can accept the risks associated with making potentially illiquid investments in real property.

Remuneration of Alternative Investment Fund Managers

The provisions of the Alternative Investment Fund Managers Directive ("AIFMD") took effect in full on 22 July 2014. That legislation requires the AIFM, and its regulated delegates, to establish and maintain remuneration policies for its staff which are consistent with and promote sound and effective risk management. Alpha Real Capital LLP, as AIFM, 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. Under the Remuneration Code, the AIFM is classified as a Level Three firm, which allows the AIFM to dis-apply many of the technical requirements of the Code and proportionately apply the Code's rules and principles in establishing the AIFM's remuneration policy.

For and on behalf of ARC TIME:Feeder Trusts Authorised Fund Manager of the Trust

Alpha Real Capital LLP

7 July 2022

Statement of Authorised Fund Manager of the Trust's responsibilities in relation to the financial statements of the Trust

The Authorised Fund Manager of the Trust is responsible for preparing the financial statements in accordance with applicable law and FRS 102 'The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland' (FRS 102).

The Financial Conduct Authority Collective Investment Schemes Sourcebook (the "Sourcebook") require the Authorised Fund Manager of the Trust to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Trust for the period. The financial statements are prepared on the basis that the Trust will continue in operation unless it is inappropriate to assume this. In preparing the financial statements the Authorised Fund Manager of the Trust is required to:

- select suitable accounting policies and then apply them consistently;
- make suitable judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements in accordance with the requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014;
- comply with the disclosure requirements of the Prospectus;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business; and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued by and amended by the Financial Conduct Authority.

For and on behalf of ARC TIME:Feeder Trusts
Authorised Fund Manager of the Trust
Alpha Real Capital LLP

7 July 2022

Statement of Trustee's responsibilities

The Trustee must ensure that the Trust is managed in accordance with the Financial Conduct Authority's ("FCA") Collective Investment Scheme Sourcebook, the Investment Funds Sourcebook, the Financial Services and Market's Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Scheme documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the AIFM are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Trust.

Report of the Trustee to the unitholders of the Trust

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Trust, acting through its AIFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's units and the application of the Trust's income in accordance with the regulations and the Scheme documents; and
- has observed the investment and borrowing powers and restrictions applicable to the Trust.

NatWest Trustee and Depositary Services Limited

7 July 2022

Independent auditor's report

to the unitholders of ARC TIME:Feeder Trusts

Opinion

We have audited the financial statements of ARC TIME:Feeder Trusts (the 'Trust') for the year ended 31 March 2022 which comprise the Statement of Total Return, Statement of Change in Net Assets Attributable to Unitholders, Balance Sheet, Statement of Cash Flows and related notes including the Distribution Table for its sub-fund, ARC TIME Freehold Income Authorised Feeder Trust (the 'sub-fund'), and the Policies and Risk disclosures of the Trust set out on pages 10 to 12, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014 and as amended in June 2017 (the "Statement of Recommended Practice for Authorised Funds"), the Collective Investment Schemes Sourcebook, the Trust Deed and the Prospectus.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust comprising of its sub-fund as at 31 March 2022 and of the net revenue and the net capital gains on the scheme property of the Trust comprising of its sub-fund for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes Sourcebook, the Trust Deed and the Prospectus.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Authorised Fund Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's and its sub-fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Authorised Fund Manager with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Authorised Fund Manager is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the Report of the Authorised Fund Manager for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the Authorised Fund Manager

As explained more fully in the Statement of the Authorised Fund Manager's responsibilities set out on page 6, the Authorised Fund Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Fund Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Fund Manager is responsible for assessing the Trust's and its sub-fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Fund Manager either intends to liquidate the Trust or its sub-fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Trust, its sub-fund and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the UK tax legislation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of the Authorised Fund Manager and, where appropriate, those charged with governance, as to whether the Trust and its sub-fund are in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Trust and its sub-fund which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes Sourcebook, the Trust Deed and the Prospectus.

In addition, we evaluated the Authorised Fund Manager's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Authorised Fund Manager on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing; and
- Reviewing the accounting estimate for evidence of management bias and performing procedures to respond to the fraud risk in revenue recognition.

Independent auditor's report (continued)

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Trust's unitholders, as a body, in accordance with paragraph 4.5.12 of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body for our audit work, for this report, or for the opinions we have formed.

Stephen Eames (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle, 160 Midsummer Boulevard
Milton Keynes MK9 1FF

7 July 2022

Policies and Risk

1. Policies

Accounting policies

The principal accounting policies are summarised below.

(a) Basis of preparation

The 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, the Collective Investment Schemes Sourcebook (COLL) and the Trust Deed.

These financial statements have been prepared under the historical cost convention, as modified for the fair value of certain financial instruments.

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 judgement in applying the accounting policies (see page 11).

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 Trust's functional currency, being the primary currency in which the Trust operates. The amounts presented in these financial statements have been rounded to the nearest thousand.

(c) Going concern

The ACD has assessed the Fund to be a going concern and as a result the AFM considers FIAFT to be a going concern.

In arriving at this assessment the ACD has taken account of the cash reserves and readily realisable investments of the Fund, its undrawn loan facility, its capital commitments, imminent disposal of assets, its six monthly distributions and ongoing operating costs and its reasonable expectation of the Trust's and the Fund's subscriptions and redemptions, over the period for at least 12 months from the date of this report. The ACD has also considered the marketability of the Fund's property assets and their potential performance. The ACD has considered the powers available under the Prospectus (please refer to liquidity management clause 25 of the Company's Prospectus and to liquidity management clause 20 of the Trust's Prospectus for details) that are available to take action to ensure the Fund and FIAFT continue as a going concern. These powers are designed to ensure that at any time all investors benefit equally from an orderly management of the underlying portfolio. On this basis, the Fund and FIAFT are expected to be able to continue to operate and meet their outgoings as they fall due, for at least the next 12 months from the date of this report.

The AFM does not currently see any direct material consequences for the Trust as a result of the war in Ukraine, as the Trust and its sub-fund FIAFT do not hold any Russian or Ukrainian asset holdings.

(d) Recognition of revenue

Distributions from the Fund are recognised to the extent they relate to the reporting period and have been declared by the Fund.

(e) Interest receivable

Interest income is accounted for on a receivable basis.

(f) Financial instruments

Investments in the Fund are initially measured at cost (which is equal to fair value at inception). Investments are subsequently measured at fair value derived from the quoted prices of the Fund or a fair value price as permitted by the Prospectus under Fair Value Pricing. If the dealing in the Fund is suspended, there is no dealing price available. Accordingly, the Investments are stated based upon the capital price at the balance sheet date. Fair value gains and losses from revaluation and/or sale are recorded in the Statement of Total Return as capital income.

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

All investments are valued at their fair value as at 31 March 2022.

Financial assets, being cash and amounts due from the Fund, 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

FIAFT is subject to corporation tax which is provided at the rate of 20% on taxable revenue, after the deduction of allowable expenses.

(h) Treatment of expenses

Expenses are recognised on an accrual basis.

Distribution policy

(a) Basis of distribution

Income is generated by FIAFT'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 FIAFT.

Policies and Risk (continued)

(b) Apportionment to multiple unit classes

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

Equalisation policy

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

Equalisation may be refunded on distribution or accumulated at the time of distribution. Unitholders 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 units for capital gains tax purposes.

Judgements in applying accounting policies and key estimation uncertainty

In applying the Trust's accounting policies, the Authorised Fund Manager is required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Authorised Fund Manager'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 Trust's accounting policies

The critical judgements that the Authorised Fund Manager has made in the process of applying the Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of investment holdings, the Authorised Fund Manager has considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. 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 within the next financial year are discussed below:

(i) Valuation of investment holdings

FIAFT's investment holding in the Fund is held at fair value derived from the quoted prices of the Fund or a fair value price as permitted by the Prospectus under Fair Value Pricing. The fair value of these investments may fluctuate depending on market conditions which affect the Fund. The fair value of the holdings could vary within the next financial year, making this an area of estimation uncertainty.

Risk management policies

FIAFT has wholly invested into the Fund and therefore exposed to the same risks as the Fund. The risk management policies of the Fund are:

(a) Market risk and valuations of property

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 individual sub-fund's notes to financials statements on page 29.

(b) Currency risk

All financial assets and liabilities of FIAFT and the Fund are in Sterling, thus there is no exposure to currency risk at the balance sheet date.

(c) Interest rate risk

The sub-fund's cash is exposed to interest rate risk. The Authorised Fund Manager considers the impact of a change in interest rate as immaterial.

(d) Credit and liquidity risk

TIME:Freehold's liquidity is reviewed on a periodic basis, not less than each month and more frequently in the event of major transactions or a trend of transactions e.g. in a net redemption of shares environment. This review will encompass a detailed forecast of imminent liquidity requirements and a broad projection of cash requirements for the next twelve month period.

TIME:Freehold will encounter liquidity risk when attempting to realise assets or otherwise raise funds to meet financial commitments. Investments in immovable property are relatively illiquid and more difficult to realise than most equities or bonds. If an asset cannot be liquidated in a timely manner then it may be harder to attain a reasonable price. The Fund's liquidity can be affected by unexpected or high levels of share redemptions. Cash is held to address liquidity risk and the spread of shareholders and the deferred redemption provision may mitigate this risk. However, under certain market conditions where liquidity risk may be deemed to be elevated, the level of cash held by the Fund may be higher.

Policies and Risk (continued)

Where requested redemptions are received across all Classes of FIAFT for a particular valuation point on a dealing day and these exceed 10% of the Net Asset Value of FIAFT, the AIFM may defer redemptions to the next dealing day.

The AIFM may, acting in the best interests of all unitholders, effect instructions for subscriptions or redemptions of units on a different pricing basis where a dealing request (or series of requests) for a particular dealing day exceeds £50,000 for FIAFT. Unitholders affected by this provision may at the discretion of the AIFM have such large deals refused until such time as the AIFM is satisfied there is no prejudicial impact to the best interests of shareholders as a whole.

The Administrator, on behalf of the AIFM, may make a charge on the redemption of units where a redemption application is in excess of £250,000 on any dealing day. The Administrator may make a charge on the redemption of such units of up to 5% of the total amount redeemed.

(e) Legislative risk

Following on from the Government's consultation on "Tackling unfair practices in the leasehold market" which ran from July 2017 to September 2017 and its subsequent response paper which was issued in December 2017; the Government asked the Law Commission to consider further measures that could assist existing leaseholders of houses and to prioritise enfranchisement solutions, focusing on making it quicker, easier and cheaper to enfranchise.

The Law Commission issued a paper in July 2018 which set out a number of potential solutions followed by a detailed consultation paper in September 2018 which detailed proposals for a new coherent and streamlined enfranchisement regime for leaseholders of houses and flats. 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.

In January 2021 the Government announced proposals to bring forward in the next session of Parliament for legislation to reform the residential leasehold market. These proposals follow from the recommendations for leasehold reform made to the Government by the Law Commission in July 2020. The main focus of the Law Commission's recommendations was to suggest methods of making enfranchisement and extensions of leases 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 Government has now announced proposals to implement these recommendations. At this stage the full detail has not yet been set out by the Government for the method of calculating the value payable by a leaseholder to a freeholder on the enfranchisement or the extension of a lease. The Fund's independent valuer has advised that the Government's statement of January 2021 largely reflected the recommendations as put forward by the Law Commission in July 2020. They and we await confirmation of the Government's detailed proposals for legislative changes within the residential leasehold market.

Royal Assent for the Leasehold Reform Bill was received on 8 February 2022 covering the recommendations for new ground rents. The Leasehold Reform (Ground Rent) Act 2022 comes into force on 30 June 2022 and puts to an end ground rents for new long residential leasehold properties in England and Wales. This change in legislation may result in a reallocation in the split between the Fund's income and capital return on voluntary lease extension income. The Fund's independent valuer has advised that the elements covered in The Leasehold Reform (Ground Rent) Act 2022 does not have a material impact on valuation. The second leasehold reform bill covering the more complex detail affecting existing leases is expected to be published within this Parliamentary term 2022/23 but could easily slip into the next term. We shall continue to monitor and review the Fund's portfolio in light of the Government's residential leasehold market reforms. For more information around our building safety initiatives, please review our Q&A on the Investment Manager's website.

The independent valuer of TIME:Freehold, BNP Paribas Real Estate UK, has, within the valuation of the property portfolio at 31 March 2022 (and at each subsequent monthly valuation of the portfolio up to the date of this report), considered the prevailing market conditions, the Government's response to its own consultation on "Tackling unfair practices in the leasehold market" and the subsequent review and recommendations to the Government by the Law Commission (and continues to do so at each monthly valuation point going forwards).

ARC TIME FREEHOLD INCOME AUTHORISED FEEDER TRUST

('FIAFT')

A sub-fund of ARC TIME:Feeder Trusts

Investment structure of FIAFT

FIAFT is a dedicated feeder trust and wholly invests into TIME:Freehold's Class B Net Accumulation, Class D Net Income, Class F Net Accumulation, Class H Net Income, Class S Net Accumulation and Class T Net Income Share Classes only.

The income units pay a six monthly income distribution (in November and May). The accumulation units' income is automatically reinvested, thereby enhancing the value of those units.

Units in FIAFT are, and are expected to continue to be, widely available. The intended categories of investors include retail investors (typically where such retail investor has sought financial advice where required before investing in FIAFT), offshore investors and institutional investors. Each unit class has the same rights on wind-up.

Each unit class has the same voting rights. For more information about voting rights please refer to Clause 34 of the Trust's Prospectus, which is available on the Investment Manager's website www.time-investments.com/freehold or is available from the Investment Manager on request by emailing enquiries@time-investments.com.

| I-J Unit Classes | |
|---|--|
| These unit classes are open to all investors (except ISA Investors). These two unit classes are Retail Distribution Review (RDR) compliant, with no commission payable to Financial Advisers. | |
| ACCUMULATION | INCOME |
| Class I Net Accumulation Units | Class J Net Income Units |
| Units in respect of which net income is automatically reinvested. | Units in respect of which net income is distributed. |
| Initial fee: Up to 1% of subscription amount Minimum subscription: £5,000 | Initial fee: Up to 1% of subscription amount Minimum subscription: £5,000 |

| K-L Unit Classes | |
|--|--|
| New applications for the following unit classes are only open to non-UK Financial Advisers with non-UK Investors. Financial Advisers may be eligible for Initial and Trail Commission. | |
| ACCUMULATION | INCOME |
| Class K Net Accumulation Units | Class L Net Income Units |
| Units in respect of which net income is automatically reinvested. | Units in respect of which net income is distributed. |
| Initial fee: Up to 3% of subscription amount Minimum subscription: £5,000 | Initial fee: Up to 3% of subscription amount Minimum subscription: £5,000 |

| U-V Unit Classes | |
|---|--|
| These unit classes are only open to offshore (non-UK) professional or institutional investors. Financial Advisers may be eligible for Initial and Trail Commission. | |
| ACCUMULATION | INCOME |
| Class U Net Accumulation Units | Class V Net Income Units |
| Units in respect of which net income is automatically reinvested. | Units in respect of which net income is distributed. |
| Initial fee: Up to 7% of subscription amount Minimum subscription: £5,000,000 | Initial fee: Up to 7% of subscription amount Minimum subscription: £5,000,000 |

Investment structure of FIAFT (continued)

The dealing day for the issue of units in FIAFT is 10am on the 12th day (or the next business day if the 12th day falls on a weekend or public holiday) of each month.

The cut off point for receipt of subscriptions is 10am on the business day two days prior to each relevant dealing day being the 12th of each month (or the next business day).

Settlement is due by 5pm on the third business day after the relevant dealing day.

Notices for the redemption of I-L Units are required to be delivered no later than 10am five business days prior to the relevant dealing day.

Unit Classes U and V, which are available to institutional investors only, require six months' notice of redemption prior to the relevant dealing day. Once such notice is received by the Administrator, the redemption will be processed, to the extent possible, on the first dealing day being the 12th of each month (or the next business day) after six months has expired.

Further details on the value of units in FIAFT can be found by calling the Investment Manager on 0345 600 1213 or by email at enquiries@time-investments.com. A copy of the Application Form is available on the Investment Manager's website www.time-investments.com/freehold or is available from the Investment Manager on request by emailing enquiries@time-investments.com.

Dilution levy

The dilution levy, which is permitted within the terms of the Prospectus, is an additional charge made by FIAFT on new subscriptions to protect existing unitholders from potential dilution of returns. FIAFT had, since 12 June 2019, imposed a dilution levy of 5% on new subscriptions into FIAFT.

The dilution levy also applies to top-ups made to existing holdings. The dilution levy is retained by TIME:Freehold for the benefit of existing unitholders and helps to offset the acquisition costs associated with the Fund making new acquisitions. Since the suspension in dealing of FIAFT has been lifted in July 2020, the dilution levy has been reduced to 0% but the rate will be reviewed each dealing day, and may be changed where it is considered in the unitholders' best interests to do so.

Accumulated distributions within the accumulation share classes are not affected by the dilution levy because no new units are issued upon the distribution of income.

To date a dilution levy has not been imposed on redemptions, which continue to be available on normal terms at every dealing day. However a dilution levy may be imposed on redemptions where it is considered in unitholders' interests to do so.

The Authorised Fund Manager ("AFM") shall continue to monitor the ongoing requirement for the dilution levy at each dealing day, and the rate of dilution levy may therefore be subject to change.

TIME:Freehold

TIME:Freehold is a sub-fund of an umbrella Open-Ended Investment Company ("OEIC"), ARC TIME:Funds. The Fund is authorised by the FCA as a Non-UCITS Retail Scheme ("NURS"). The Fund has also elected into the Property Authorised Investment Fund ("PAIF") tax regime.

Details of TIME:Freehold's key service providers are:

Head office: 338 Euston Road, London, NW1 3BG

Authorised Corporate Director ("ACD") and Alternative Investment Fund Manager ("AIFM"): Alpha Real Capital LLP

Depository: NatWest Trustee and Depository Services Limited

Custodian: The Northern Trust Company

Investment Manager: TIME Investments

Property Manager: Freehold Managers PLC

Auditor: Mazars LLP

Standing Independent Valuer: BNP Paribas Real Estate UK

GROUND RENT

REGENTS CANAL

CAMDEN



Regents Canal is a gated development offering pleasant views of Regents Canal.

Description

13 residential and 2 commercial units.

Location

Well located in the cosmopolitan borough of Camden this property is just a short walk from Camden Town underground station and is within close proximity to Primrose Hill and Hampstead.

GROUND RENT

IMPERIAL COURT

KENNINGTON



Imperial Court is a period property built around a gated courtyard and offers a concierge, gymnasium, sauna and jacuzzi.

Description

83 residential units.

Location

Set within the iconic Navy, Army and Air Force Institute (NAFFI) this Grade II listed building is situated near Kennington Gardens and the River Thames.

Nearby Kennington Lane benefits from a large supermarket and local amenities. Both Vauxhall Cross and Kennington Station are also nearby.

Background to ground rents and TIME:Freehold

A 'ground rent' is created when a freeholder sells a long leasehold interest (typically for 125 or 999 years) over land and buildings. The freeholder charges an annual ground rent to the leaseholder. TIME:Freehold owns a portfolio of approximately 55,400 ground rents each paying an average annual rent of £140. The property portfolio was independently valued by BNP Paribas Real Estate UK as at 31 March 2022 at £203.4 million.

Ground rent payments have proven to be reliable across all market conditions during the last 29 years. This is because non-payment carries the potential penalty of the leaseholder forfeiting its interest in the property.

As illustrated below, the vast majority of the Fund's assets have more than a hundred years left on the lease. The long lease lengths ensure that the Fund carries much lower risk of incurring letting costs or refurbishment costs in contrast to funds with properties let on short leases. Whereas the erosion of lease lengths over time in commercial property funds can reduce the value of their properties, in the case of the Fund, shortening leases may increase the reversionary value of the portfolio and may increase the likelihood that the lessee will pay a premium to extend the lease.

Ground rent income makes up the majority of the Fund's revenue. In addition, the Fund receives premiums from granting the extension of leases. Where leaseholders wish to make alterations to their property, they may be required to pay a premium to the Fund.

Of the Fund's leases, 86% by rental value allow for periodic rent reviews linked to Retail Price Index ("RPI"), property values or fixed uplifts.

The value of ground rents is influenced by the outstanding term of the lease with both current rental income and future rental growth prospects. Capital appreciation can be achieved from both rental growth and from shortening lease terms which in turn increase the prospect of the Fund receiving extension payments.

The Fund can also benefit from capital payments when tenants exercise rights (provided by the Leasehold Reform, Housing and Urban Development Act 1993) to acquire the underlying freehold interest from the Fund.

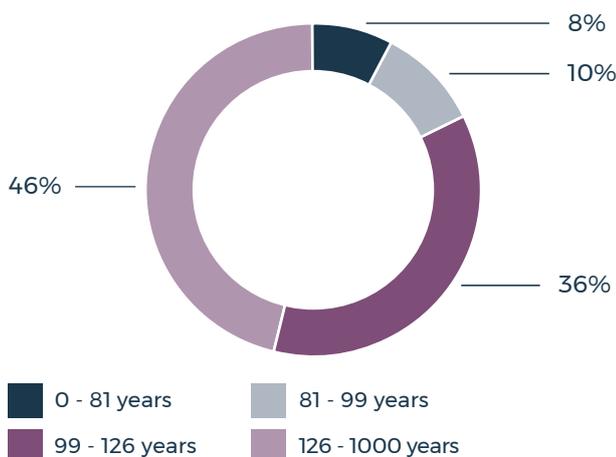
Royal Assent for the Leasehold Reform Bill was received on 8 February 2022 covering the recommendations for new ground rents.

The Leasehold Reform (Ground Rent) Act 2022 comes into force on 30 June 2022 and puts to an end ground rents for new long residential leasehold properties in England and Wales. This change in legislation may result in a reallocation in the split between the Fund's income and capital return on voluntary lease extension income.

The second leasehold reform bill covering the more complex detail affecting existing leases is expected to be published within this Parliamentary term 2022/23 but could easily slip into the next term.

See the Government's consultation on "Tackling unfair practices in the leasehold market" section on page 4 for more information.

TIME:Freehold - lease term profile as at 31 March 2022 by ground rent income split by lease years remaining



Source: TIME Investments, as at 31 March 2022

GROUND RENT

WILLOW GRANGE HERTFORDSHIRE



Willow Grange is an exclusive gated, converted property development.

Description

139 residential flats and houses

Location

Situated in the heart of the highly sought after Nascot Wood area and a short walk from Watford Town Centre with its many restaurants, bars and shops.

GROUND RENT

BOURNE HOUSE MARYLEBONE



Bourne House located in the heart of Marylebone.

Description

50 residential units

Location

Situated close to Regent's Park and Hyde Park, the property is within close range of Paddington Station and the amenities of Marylebone and the West End.

Review of the investment activities during the year – TIME:Freehold

Investment Objective of TIME:Freehold

The aim of TIME:Freehold is to acquire freehold ground rents which offer a consistent income stream and capital growth prospects.

Your capital is at risk and there is no guarantee that the investment objective will be achieved.

It is intended that the Fund will be a PAIF at all times, and as such, its investment objective is to carry on the Property Investment Business and to manage cash raised for investment in the Property Investment Business.

Investment Policy of TIME:Freehold

In accordance with the investment objective of TIME:Freehold, capital will be invested through acquiring freehold ground rents. Such property will only be held directly by the Fund, unless via interim holding vehicles for the sole purpose of satisfying the Landlord and Tenant Act 1987 or to permit completion of an acquisition of property. It is intended that no interim holding vehicles shall be retained by the Fund for a duration of more than 24 months.

In addition, principally to protect the liquidity of the Fund, the Fund shall also invest and maintain an ongoing portfolio of cash and near cash instruments, together with holdings in other collective investment schemes (regulated and unregulated), which have substantially similar investment objectives to those of the Fund. The Fund may invest in the other sub-funds of the Company and any other associated scheme. The Fund may also invest in equities (listed or unlisted), money market instruments and debt securities. The Fund may also utilise derivatives for investment purposes or for efficient portfolio management.

Performance review

TIME:Freehold has generated a total return for the year to 31 March 2022 of 6.49% (for a Class A Cross Accumulation shareholder). This is made up of an income return for the year of 4.57% which was distributed in November 2021 and May 2022, and a capital return of 1.92%.

The Fund has provided investors with over 29 years of consistently positive returns*.

* TIME:Freehold has been operating since 3 April 2013 following its conversion from The Freehold Income Trust. Performance information prior to 3 April 2013, included in this report, is in relation to The Freehold Income Trust.

Property investment review

During the year, strategic sales of portfolios of residential ground rent assets totalling £42.5 million were made to improve liquidity of the Fund. The sales were achieved above valuation, contributing to the Fund's positive capital return for the year.

As at 31 March 2022, TIME:Freehold's portfolio consisted of approximately 55,400 freehold interests in residential properties producing a total annual ground rent income of £7.8 million. The component of the portfolio with inflation mitigating leases through uplifts linked to RPI, house price growth or fixed uplifts is 86% by rental value.

The Fund's investment properties were valued by BNP Paribas Real Estate UK at £203.4 million as at 31 March 2022.

Key characteristics of the portfolio

| Property type | No. of units | Value % | Average rent per annum £ |
|------------------------|---------------|--------------|--------------------------|
| Flats | 38,100 | 92.3 | 179 |
| Houses | 13,275 | 7.0 | 55 |
| Other | 4,105 | 0.7 | 53 |
| Total Portfolio | 55,480 | 100.0 | 140 |

Source: TIME Investments, as at 31 March 2022

Geographical split

| Region | Rental value % |
|--------------|----------------|
| London | 30.0 |
| South East | 28.9 |
| North West | 14.4 |
| Midlands | 13.9 |
| South West | 7.0 |
| North East | 2.9 |
| Wales | 2.9 |
| Total | 100.0 |

Source: TIME Investments, as at 31 March 2022

The Ministry of Housing, Communities and Local Government announced plans in their July 2017 consultation paper to review unfair practices in the residential leasehold market. Royal Assent for the Leasehold Reform Bill was received on 8 February 2022 covering the recommendations for new ground rents.

The Leasehold Reform (Ground Rent) Act 2022 comes into force on 30 June 2022 and puts to an end ground rents for new long residential leasehold properties in England and Wales. This change in legislation may result in a reallocation in the split between the Fund's income and capital return on voluntary lease extension income.

The second leasehold reform bill covering the more complex detail affecting existing leases is expected to be published within this Parliamentary term 2022/23 but could easily slip into the next term.

See the Government's consultation on "Tackling unfair practices in the leasehold market" section on page 4 for more information.

GROUND RENT

PARKVIEW

SOUTHAMPTON



This development offers parking set behind electronic gates and well-maintained communal grounds.

Description

108 residential units

Location

This property is located within walking distance of Southampton City Centre which offers a wide range of amenities, restaurants, and shopping facilities.

Superb transport links with mainline railway to London Waterloo (South Western Railway) and access to the M3.

GROUND RENT

ROZEL HOUSE

WESTON-SUPER-MARE



This unique property boasts sea views and offers secure parking set behind electronic gates.

Description

48 residential units

Location

With spectacular sea views and located opposite Marine Lake this property is within easy reach of local amenities, the beach, restaurants and the town centre.

There are excellent transport links with access to the M5 and a mainline train service (Great Western Railway) providing fast access to all major parts of the country.

Review of the investment activities during the year – TIME:Freehold (continued)

The Fund has maintained a prudent approach and has not historically acquired residential leasehold property with ground rents which were believed to be initially set too high or had aggressive review mechanisms. At the same time, the Competition and Market Authority (“CMA”) had been investigating the practices undertaken by parties who may have conducted unfair or anti-competitive practices in relation to the sale of residential leases. The CMA sought that those parties remedy their unfair or anti-competitive practices or face litigation. As a result, some freeholders have voluntarily undertaken to work with leaseholders to amend any leases in their portfolio which are believed to have aggressive review mechanisms. The Fund is not expected to be affected by this investigation.

Accordingly we believe the Fund’s returns may not be significantly impacted relative to other residential ground rent portfolios in the context of the Government’s consultation on proposals to reform leasehold legislation to address unfair practices in the residential leasehold market.

TIME:Freehold has the following profile of rental uplifts:

| Rental Uplift Profile | Annual Rent £m | Value £m | Value % |
|----------------------------------|-------------------|--------------|--------------|
| RPI | 2.3 | 71.9 | 35.3 |
| Fixed Step (non-doubling) | 1.7 | 57.3 | 28.2 |
| Doubling Steps | 1.0 | 30.1 | 14.8 |
| Capital | 1.7 | 27.0 | 13.3 |
| No Uplifts | 1.1 | 17.1 | 8.4 |
| Total as at 31 March 2022 | 7.8 | 203.4 | 100.0 |

Source: TIME Investments, as at 31 March 2022

The Fund has circa 7% of its portfolio in leasehold houses and has undertaken a programme to offer for sale the freehold of its houses to its leasehold house owners. During the year the ground rents of 428 houses were sold to the leasehold owners for a total of £0.8 million. The “doublers” which represent 14.8% of the portfolio are typically 20 years (0.2%), 25 years (12.3%) and 33 years (2.3%).

In February 2022, Michael Gove, the Secretary of State for Levelling Up, announced amendments to the Building Safety Bill to protect leaseholders from having to pay for costly fire safety remediation work. The intention is that the cost of these works are to be borne by the developer or provided for through the government’s Building Safety Fund. If these works are not funded by the developer or Building Safety Fund, it is not completely clear how these works would be funded and in certain circumstances costs could then be borne by the freeholder.

TIME:Freehold is the freeholder of a diverse portfolio of over £200 million of residential ground rent properties. The majority of the portfolio is below 11 meters in height. A review by the Fund’s independent valuer of the element of the portfolio above 11 meters in height and where remediation may need to take place has concluded that the value of these properties net of remedial costs (and therefore subject to material uncertainty), is less than 1% of the Fund’s net assets as at 31 March 2022 and the date of this report.

The Building Safety Act received Royal Assent on 28 April 2022. Elements from the new Act will come into force at various point over the next 18 months and we await guidance on a number of areas.

Liquidity management

As at 31 March 2022 the Fund had cash of £21.7 million, being 9.4% of NAV.

The Fund also has access to a loan facility with the Royal Bank of Scotland. The loan facility expires on 28 October 2023, and enables the Fund to borrow £25 million, enhancing its liquidity position. The current loan facility has not been drawn to date and is available for the Fund to draw on should it require access to additional funding.

In accordance with the rules for a NURS, the Fund is limited to borrowings of a maximum of 10% of NAV.

The Investment Manager seeks to hold higher levels of cash and, where considered appropriate, assets with enhanced liquidity attributes to seek to ensure that the Fund continues to offer the same level of monthly liquidity to its shareholders. The Investment Manager’s strategy of investing in assets with enhanced liquidity attributes shall be applied where shareholder returns require protection from holding too much cash.

The Fund invests in a property fund, with a similar investment objective to its own, TIME:Commercial Long Income, a sub-fund of ARC TIME:Funds II. TIME:Commercial Long Income delivered a return of 6.07% (inclusive of the 3.52% of income received for the year). At 31 March 2022 the investment in TIME:Commercial Long Income was valued at £22.8 million.

The Fund had, since 12 June 2019, imposed a dilution levy of 5% on new subscriptions into the Fund which was considered necessary to protect existing investors against the costs associated with acquiring further new portfolios of ground rents or investing in associated property funds. Since the suspension in dealing of the Fund has been lifted in July 2020, the dilution levy has been reduced to 0%.

The Investment Manager shall continue to monitor the level of dilution and the ongoing requirement for the dilution levy at each dealing day, and the rate of dilution levy may therefore be subject to change.

Additionally, to improve liquidity, during the year the Fund sold portfolios of residential ground rent assets totalling £42.5 million. The sales were achieved above valuation, contributing to the Fund’s positive capital return for the year.

Review of the investment activities during the year – TIME:Freehold (continued)

Outlook

Due to the longevity and relatively secure nature of freehold ground rents the Investment Manager expects TIME:Freehold to continue to target consistent returns to its shareholders as it has successfully done over the last 29 years. Approximately 86% by rental value of the Fund's freehold ground rents have a form of inflation protection through periodic uplifts linked to RPI, property values or fixed uplifts. The stability of historic returns can be demonstrated by the graph below, showing the returns from the last 10 years by comparison with RPI. Over this period the Fund achieved an average total return of 7.7% per annum.

TIME:Freehold vs RPI



*TIME:Freehold has been operating since 3 April 2013 following its conversion from The Freehold Income Trust. Performance information prior to 3 April 2013, included in this report, is in relation to The Freehold Income Trust.

Since the Fund was launched it has been managed with downside risk to the fore. Liquidity management has remained robust throughout the last five years of uncertainty caused by the Brexit vote, the crisis caused by COVID-19, building safety, the war in Ukraine and subsequent volatility in the property market. Uncertainties remain, such as the changing residential ground rent landscape being driven by leasehold reform and new legislation on building safety, but the fundamentals of the Fund and asset class remain.

During the year the Fund completed on sales of residential ground rents totalling £42.5 million. The profile of the Fund's portfolio has not materially changed following these sales.

Throughout the period since the initial COVID-19 lockdown, the Fund has continued to deliver a secure income with some capital growth from its portfolio of 55,400 ground rents. During the year to 31 March 2022, the Fund's total performance was 6.49%.

The Fund's portfolio has the advantage of lower rental payments averaging £140 per annum per ground rent interest and longer review cycles, typically averaging a minimum of 25 years between review, meaning the lease terms are fairer to the tenants than the newer type of ground rent leases, and hence sustainable over the long term.

The Fund's income return is expected to be around 4% per annum. With the uncertainty in the wider markets around inflation and rising interest rates, we believe that the Fund can continue to offer reliable income returns and the prospect of an element of capital return.

As part of the Fund's strategic review process, we regularly review the portfolio to ensure that it is well positioned to continue to meet the Fund's investment objective. In that regard, we are assessing other sectors with similar income security and low volatility, such as commercial ground rents, which could complement the existing residential ground rent portfolio and deliver performance in line with the Fund's return profile. The Fund will continue to be managed in accordance with its investment objective and intends to pay its distributions in the normal manner every six months.

Nigel Ashfield
for TIME Investments
Investment Manager

7 July 2022

Performance Record

| Class I Net Accumulation | Year ended 31 March 2022 | Year ended 31 March 2021 | Year ended 31 March 2020 |
|--|-----------------------------|-----------------------------|-----------------------------|
| CHANGE IN NET ASSETS PER UNIT | | | |
| Opening net asset value per unit | 7.3056 | 7.0552 | 6.7574 |
| Return before operating charges* | 0.5233 | 0.3582 | 0.4045 |
| Operating charges | (0.1175) | (0.1078) | (0.1016) |
| Return after operating charges* | 0.4058 | 0.2504 | 0.2978 |
| Closing net asset value per unit | 7.7114 | 7.3056 | 7.0552 |
| Retained distributions on accumulation units | 0.2815 | 0.2590 | 0.2476 |
| *Returns are stated after direct transaction costs of: | 0.0909 | 0.0080 | 0.0084 |
| PERFORMANCE | | | |
| Return after charges | 5.55% | 3.55% | 4.41% |
| OTHER INFORMATION | | | |
| Closing net asset value (£'000) | 12,728 | 17,373 | 20,347 |
| Closing number of units | 1,650,520.48 | 2,378,097.75 | 2,884,038.07 |
| Operating charges | 1.57% | 1.50% | 1.54% |
| Direct transaction costs | 1.21% | 0.11% | 0.12% |
| PRICES | | | |
| Highest unit price | 7.7114 | 7.3056 | 7.0552 |
| Lowest unit price | 7.3287 | 6.8654 | 6.7766 |

| Class J Net Income | Year ended 31 March 2022 | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|-----------------------------|
| CHANGE IN NET ASSETS PER UNIT | | | |
| Opening net asset value per unit | 2.2413 | 2.2454 | 2.2307 |
| Return before operating charges* | 0.1558 | 0.1109 | 0.1300 |
| Operating charges | (0.0350) | (0.0333) | (0.0342) |
| Return after operating charges* | 0.1208 | 0.0776 | 0.0958 |
| Distributions on income units | (0.0855) | (0.0817) | (0.0811) |
| Closing net asset value per unit | 2.2766 | 2.2413 | 2.2454 |
| * Returns are stated after direct transaction costs of: | 0.0271 | 0.0025 | 0.0027 |
| PERFORMANCE | | | |
| Return after charges | 5.39% | 3.46% | 4.29% |
| OTHER INFORMATION | | | |
| Closing net asset value (£'000) | 7,320 | 9,884 | 8,898 |
| Closing number of unit | 3,215,341.85 | 4,409,961.09 | 3,962,790.90 |
| Operating charges | 1.57% | 1.50% | 1.54% |
| Direct transaction costs | 1.21% | 0.11% | 0.12% |
| PRICES | | | |
| Highest unit price | 2.2766 | 2.2489 | 2.2454 |
| Lowest unit price | 2.2057 | 2.1063 | 2.1948 |

Unit Classes I-L were launched on 25 April 2013 and Unit Classes U-V were launched on 14 September 2016. There are no units issued in Unit Classes U and V and therefore no performance data is available for these unit classes.

Amounts shown are in Sterling (£) unless otherwise stated.

Direct transactions costs relate to costs incurred by TIME:Freehold for each of its asset classes.

Performance Record (continued)

| Class K Net Accumulation | Year ended 31 March 2022 | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| CHANGE IN NET ASSETS PER UNIT | | | |
| Opening net asset value per unit | 7.1501 | 6.9233 | 6.6482 |
| Return before operating charges* | 0.5129 | 0.3543 | 0.3989 |
| Operating charges | (0.1357) | (0.1275) | (0.1238) |
| Return after operating charges* | 0.3772 | 0.2268 | 0.2751 |
| Closing net asset value per unit | 7.5273 | 7.1501 | 6.9233 |
| Retained distributions on accumulation units | 0.2756 | 0.2542 | 0.2435 |
| * Returns are stated after direct transaction costs of: | 0.0890 | 0.0078 | 0.0082 |
| PERFORMANCE | | | |
| Return after charges | 5.28% | 3.28% | 4.14% |
| OTHER INFORMATION | | | |
| Closing net asset value (£'000) | 339 | 365 | 422 |
| Closing number of units | 44,986.88 | 51,033.49 | 60,909.31 |
| Operating charges | 1.85% | 1.81% | 1.82% |
| Direct transaction costs | 1.21% | 0.11% | 0.12% |
| PRICES | | | |
| Highest unit price | 7.5273 | 7.1501 | 6.9233 |
| Lowest unit price | 7.1712 | 6.7222 | 6.6660 |
| Class L Net Income | | | |
| | Year ended 31 March 2022 | Year ended 31 March 2021 | Year ended 31 March 2020 |
| CHANGE IN NET ASSETS PER UNIT | | | |
| Opening net asset value per unit | 2.1982 | 2.2081 | 2.1994 |
| Return before operating charges* | 0.1533 | 0.1100 | 0.1283 |
| Operating charges | (0.0401) | (0.0395) | (0.0398) |
| Return after operating charges* | 0.1132 | 0.0705 | 0.0885 |
| Distributions on income units | (0.0846) | (0.0804) | (0.0798) |
| Closing net asset value per unit | 2.2268 | 2.1982 | 2.2081 |
| * Returns are stated after direct transaction costs of: | 0.0263 | 0.0024 | 0.0026 |
| PERFORMANCE | | | |
| Return after charges | 5.15% | 3.19% | 4.02% |
| OTHER INFORMATION | | | |
| Closing net asset value (£'000) | 34 | 1,450 | 1,744 |
| Closing number of unit | 15,408.33 | 659,457.20 | 789,658.25 |
| Operating charges | 1.85% | 1.81% | 1.82% |
| Direct transaction costs | 1.21% | 0.11% | 0.12% |
| PRICES | | | |
| Highest unit price | 2.2268 | 2.2086 | 2.2083 |
| Lowest unit price | 2.1627 | 2.0667 | 2.1636 |

Unit Classes I-L were launched on 25 April 2013 and Unit Classes U-V were launched on 14 September 2016. There are no units issued in Unit Classes U and V and therefore no performance data is available for these unit classes.

Amounts shown are in Sterling (£) unless otherwise stated.

Direct transactions costs relate to costs incurred by TIME:Freehold for each of its asset classes.

Portfolio Statement

| 31 March 2022 | % | Net Asset Value £'000 |
|--|---------------|--------------------------|
| TIME:Freehold Share Class B Net Accumulation (1,646,073.87 shares) | 62.33 | 12,519 |
| TIME:Freehold Share Class D Net Income (3,215,341.94 shares) | 35.85 | 7,200 |
| TIME:Freehold Share Class F Net Accumulation (44,867.96 shares) | 1.66 | 333 |
| TIME:Freehold Share Class H Net Income (15,408.34 shares) | 0.17 | 34 |
| Total investment value | 100.01 | 20,086 |
| Other net liabilities | (0.01) | (1) |
| Total net assets as at 31 March 2022 | 100.00 | 20,085 |

| 31 March 2021 | % | Net Asset Value £'000 |
|--|---------------|--------------------------|
| TIME:Freehold Share Class B Net Accumulation (2,373,277.13 shares) | 59.76 | 17,036 |
| TIME:Freehold Share Class D Net Income (4,409,961.18 shares) | 34.00 | 9,693 |
| TIME:Freehold Share Class F Net Accumulation (50,932.76 shares) | 1.26 | 358 |
| TIME:Freehold Share Class H Net Income (659,457.21 shares) | 4.99 | 1,422 |
| Total investment value | 100.01 | 28,509 |
| Other net liabilities | (0.01) | (6) |
| Total net assets as at 31 March 2021 | 100.00 | 28,503 |

Statement of total return

For the year ended 31 March 2022

| | Note | Year ended 31 March 2022 £'000 | Year ended 31 March 2021 £'000 | Year ended 31 March 2021 £'000 | Year ended 31 March 2021 £'000 |
|--|------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| INCOME | | | | | |
| Net capital gain/(loss) | 2 | | 610 | | (15) |
| Distributions received from TIME:Freehold | | 770 | | 1,061 | |
| Net revenue before taxation | | 770 | | 1,061 | |
| Taxation | | (10) | | (17) | |
| Net revenue after taxation | | | 760 | | 1,044 |
| Total return before distributions | | | 1,370 | | 1,029 |
| Distributions | 3 | | (760) | | (1,044) |
| Change in net assets attributable to unitholders from investment activities | | | 610 | | (15) |

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 unitholders

For the year ended 31 March 2022

| | Year ended 31 March 2022 £'000 | Year ended 31 March 2021 £'000 | Year ended 31 March 2021 £'000 | Year ended 31 March 2021 £'000 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Opening net assets attributable to unitholders | | 28,503 | | 30,804 |
| Amounts receivable on creation of units | 2,199 | | 3,124 | |
| Amounts payable on cancellation of units | (11,720) | | (6,050) | |
| | | (9,521) | | (2,926) |
| Income accumulated into capital | | 493 | | 640 |
| Change in net assets attributable to unitholders from investment activities | | 610 | | (15) |
| Closing net assets attributable to unitholders | | 20,085 | | 28,503 |

Balance sheet

As at 31 March 2022

| | Note | As at 31 March 2022 £'000 | As at 31 March 2021 £'000 |
|---|------|---------------------------------|---------------------------------|
| ASSETS | | | |
| Investment in TIME:Freehold | 4 | 20,086 | 28,509 |
| Debtors | 5 | 123 | 197 |
| Cash at bank | | 5 | 19 |
| Total assets | | 20,214 | 28,725 |
| LIABILITIES | | | |
| Creditors | 6 | (129) | (222) |
| Total liabilities | | (129) | (222) |
| Net assets attributable to unitholders | | 20,085 | 28,503 |

Authorised for issue and signed on behalf of the Authorised Fund Manager of the Trust on 7 July 2022.

Alpha Real Capital LLP

Statement of cash flows

For the year ended 31 March 2022

| | Year ended 31 March 2022 £'000 | Year ended 31 March 2021 £'000 |
|--|--------------------------------------|--------------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Total return | 610 | (15) |
| Adjustments for: | | |
| Net capital (gain)/loss | (610) | 15 |
| Decrease/(increase)in debtors | 74 | (3) |
| (Decrease)/increase in creditors | (92) | 9 |
| Cash from operations | (18) | 6 |
| Tax paid | (12) | - |
| Net cash flow from operating activities | (30) | 6 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of shares in TIME:Freehold | (2,199) | (3,124) |
| Disposal of shares in TIME:Freehold | 11,731 | 6,060 |
| Distributions received from TIME:Freehold | 347 | 419 |
| Net cash flow from investing activities | 9,879 | 3,355 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Creation of units | 2,199 | 3,124 |
| Cancellation of units | (11,720) | (6,050) |
| Distributions paid | (342) | (418) |
| Net cash flow from financing activities | (9,863) | (3,344) |
| Net (decrease)/increase in cash | (14) | 17 |
| Cash at the beginning of the year | 19 | 2 |
| Cash at the end of the year | 5 | 19 |

Please note that the cash movements for the creation and cancellation of units and also the purchase and disposal of shares in the Fund that are presented in the Statement of Cash Flows are not direct cash movements of FIAFT. The cash is sent directly between the Collection Agent and the Fund.

Notes to the financial statements

For the year ended 31 March 2022

1. Policies

Please see pages 10 to 12 for the general accounting basis and policies of the Trust and FIAFT. Below are FIAFT specific policies not included in those pages:

Risk management policies

(a) Market risk and valuations of property

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:Freehold.

The Fund's exposure to market price risk is comprised mainly of movements in the value of the Fund's investments in properties. The Fund invests in ground rent assets. This concentrates the risk to the Fund in one asset class. However the Fund shall not invest in any one single property representing more than 15% of the Scheme Property (or 25% once included within the Scheme Property). In practice the Fund has approximately 55,400 ground rent assets across more than 5,700 legal titles. This provides a diversification of risk across the asset class and therefore reduces the Fund's exposure to a single asset.

Property investments are inherently difficult to value and difficult to transform into cash due to the individual nature of each property. As a result, valuations are subject to uncertainty. There is no assurance that the actual sale price will reflect the estimates resulting from the valuation process even where such sales occur shortly after the valuation date. Where it is necessary for the Fund to sell properties in order to meet redemptions, the amount realised from the sales may be materially less than the current valuation.

(b) Building safety and material uncertainty

TIME:Freehold has a database of its property portfolio and has sought to carry out reviews on those properties where potential issues may be, including new fire risk assessments, cladding tests and intrusive surveys. In addition, a specialist fire risk advisory firm and a legal firm specialising in fire safety matters have been engaged on behalf of the Fund and their engagement instruction includes a review of the safety procedures in place as well as reviewing the programmes for specific properties where potential issues are identified.

Where issues have been identified it is a process of working with all parties, including leaseholders, Right to Manage properties and Resident Management Companies (where applicable) to establish the best way forward to ensure safety and the appropriate works are carried out where necessary.

Generally speaking, there are a number of different types of cladding, some of which are safe. Issues arise when cladding is either unsafe or of an as yet unknown standard.

In practice, where a cladding issue exists, for a majority of properties, it is limited to specific sections of the property; or the cladding material itself is not the issue and rather, there may be an issue regarding the cladding system and how it has been constructed, for example, a lack of fire breaks or compartmentalisation. In order to establish the extent to which some of these issues exist, intrusive specialist surveys are undertaken. Once a threshold of over 11 meters in height is reached the fire safety risk increases due to the challenges of the deployment of certain firefighting equipment. For context, the buildings owned by the Fund over 11 meters in height represents approximately 17% (£36 million) of the Fund's property portfolio, of which the majority require no remediation. Surveys for relevant buildings have either been carried out with any cladding system concerns registered with the Government's Building Safety Fund and/or the original developer contacted. Where the Fund does not have management rights and is not responsible for the fire safety, we still engage with the responsible parties to ascertain how they are progressing with the above matters including surveys and the Building Safety Fund. The majority of the portfolio is below 11 meters in height. A review by the Fund's independent valuer of the element of the portfolio above 11 meters in height and where remediation may need to take place has concluded that the value of these properties net of remedial costs (and therefore subject to material uncertainty), is less than 1% of the Fund's net assets as at 31 March 2022 and the date of this report. The Fund continues to review fire safety matters across the portfolio.

In February 2022, Michael Gove, the Secretary of State for Levelling Up, announced amendments to the Building Safety Bill to protect leaseholders from having to pay for costly fire safety remediation work, with the costs to be borne by the developer or provided for through the government's Building Safety Fund. Guidance has since been published that, if these works are not funded by the developer or Building Safety Fund, in certain circumstances the costs could then be borne by the freeholder.

As a result of these proposals, the Royal Institute of Chartered Surveyors (RICS), which is made up of valuers from the UK's leading surveying firms, has agreed that material uncertainty clauses be applied to certain residential ground rent properties over 11 meters in height where, due to remediation costs, their value is uncertain. The Fund standing independent valuer, BNP Paribas has placed material uncertainty on certain residential ground rents of the Fund above 11 meters in height.

Consequently, the shares of TIME:Freehold continued to be priced on the normal basis and dealing in the shares of the Fund continue to be accepted in the normal manner.

(c) Impact of war in Ukraine

The AFM does not currently see any direct material consequences for FIAFT as a result of the war in Ukraine, as FIAFT and the Fund do not hold any Russian or Ukrainian asset holdings.

Notes to the financial statements (continued)

For the year ended 31 March 2022

2. Net capital gain/(loss)

(a) Realised gains on investments

| | Year ended 31 March 2022 £'000 | Year ended 31 March 2021 £'000 |
|--|--------------------------------------|--------------------------------------|
| Redemption proceeds on sale of shares in TIME:Freehold | 11,731 | 6,060 |
| Cost of investment | (10,482) | (5,421) |
| Realised gains on investments in TIME:Freehold | 1,249 | 639 |

(b) Unrealised loss on investments

| | Year ended 31 March 2022 £'000 | Year ended 31 March 2021 £'000 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Unrealised loss on investments | (639) | (654) |
| Total unrealised loss | (639) | (654) |

(c) Total net capital (loss)/gain

| | Year ended 31 March 2022 £'000 | Year ended 31 March 2021 £'000 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Total net capital gain/(loss) | 610 | (15) |

Notes to the financial statements (continued)

For the year ended 31 March 2022

3. Distributions

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|-----------------------------------|-----------------------------|-----------------------------|
| | £'000 | £'000 |
| Class I Net Accumulation | 480 | 626 |
| Class J Net Income | 267 | 357 |
| Class K Net Accumulation | 12 | 14 |
| Class L Net Income | 1 | 47 |
| Distributions for the year | 760 | 1,044 |

Distribution Table (for the year to 31 March 2022 (in pence per unit))

Interim distribution accounting date 30 September 2021 paid 30 November 2021

Final distribution accounting date 31 March 2022 paid 31 May 2022

| | Total Revenue | Distribution Paid 31/05/2022 | Distribution Paid 30/11/2021 |
|--------------------------|---------------|---------------------------------|---------------------------------|
| | p | p | p |
| Class I Net Accumulation | 26.79 | 12.54 | 14.25 |
| Class J Net Income | 7.99 | 3.70 | 4.29 |
| Class K Net Accumulation | 26.19 | 12.24 | 13.95 |
| Class L Net Income | 7.91 | 3.63 | 4.28 |

Distribution Table for the year to 31 March 2021 (in pence per unit)

Interim distribution accounting date 30 September 2020 paid 30 November 2020

Final distribution accounting date 31 March 2021 paid 28 May 2021

| | Total Revenue | Distribution Paid 28/05/2021 | Distribution Paid 30/11/2020 |
|--------------------------|---------------|---------------------------------|---------------------------------|
| | p | p | p |
| Class I Net Accumulation | 26.50 | 13.90 | 12.60 |
| Class J Net Income | 8.19 | 4.26 | 3.93 |
| Class K Net Accumulation | 25.96 | 13.61 | 12.35 |
| Class L Net Income | 8.05 | 4.18 | 3.87 |

The amount of income equalisation that is returned to investors with the distribution payment is the actual amount of income included in the issue price at the time of purchase. Therefore there is no equalisation rate available.

4. Investments

| | Cost | Net unrealised appreciation | Net book value |
|---|---------------|--------------------------------|----------------|
| | £'000 | £'000 | £'000 |
| As at 31 March 2021 | 20,551 | 7,958 | 28,509 |
| Additions | 2,199 | - | 2,199 |
| Disposals (note 2) | (10,482) | - | (10,482) |
| Net decrease in unrealised appreciation | - | (639) | (639) |
| Accumulation dividend reinvested | - | 499 | 499 |
| As at 31 March 2022 | 12,268 | 7,818 | 20,086 |

Notes to the financial statements (continued)

For the year ended 31 March 2022

5. Debtors: amounts falling due within one year

| | 31 March 2022 £'000 | 31 March 2021 £'000 |
|--------------------------------|------------------------|------------------------|
| Amounts due from TIME:Freehold | 120 | 197 |
| Other debtors | 3 | - |
| | 123 | 197 |

6. Creditors: amounts falling due within one year

| | 31 March 2022 £'000 | 31 March 2021 £'000 |
|-------------------------------------|------------------------|------------------------|
| Distribution payable to unitholders | (119) | 193 |
| Taxation | (10) | 29 |
| | (129) | 222 |

7. Financial instruments

| | 31 March 2022 £'000 | 31 March 2021 £'000 |
|---|------------------------|------------------------|
| Investments measured at fair value | 20,086 | 28,509 |
| Financial assets measured at transaction price | 123 | 197 |
| Cash | 5 | 19 |
| Financial liabilities measured at transaction price | (119) | 193 |

8. Movement in units

| | Opening number of units as at 1 April 2021 | Units issued | Units cancelled | Conversions in | Conversions out | Closing number of units as at 31 March 2022 |
|--------------------------|--|--------------|-----------------|----------------|-----------------|---|
| Class I Net Accumulation | 2,378,097.75 | 262,443.22 | (990,020.49) | - | - | 1,650,520.48 |
| Class J Net Income | 4,409,961.09 | 103,436.44 | (1,298,055.68) | - | - | 3,215,341.85 |
| Class K Net Accumulation | 51,033.49 | - | (6,046.61) | - | - | 44,986.88 |
| Class L Net Income | 659,457.20 | - | (644,048.87) | - | - | 15,408.33 |

9. Commitments, contingent liabilities and contingent assets

There are no commitments, contingent liabilities and contingent assets as at 31 March 2022.

Notes to the financial statements (continued)

For the year ended 31 March 2022

10. Related parties

The definition of related parties in The Financial Reporting Standard 102, Section 33 'Related Party Disclosures' has been reviewed and based upon this the Authorised Fund Manager, Investment Manager and Trustee have been identified as related parties as they have the ability to control other parties or exert significant influence over other parties in making financial or operational decisions.

The Fund is a related party by virtue of joint management. All income is received from investments in the Fund. As at 31 March 2022 a balance of £120,304 (2021: £196,085) was due from the Fund.

Alpha Real Capital LLP is the Authorised Fund Manager of FIAFT and the parent of the Investment Manager and thus is considered a related party to FIAFT.

11. Post balance sheet events

On 31 May 2022, FIAFT paid its final distribution for the year ended 31 March 2022.

Further information

Trust information and key service providers

Trust

ARC TIME:Feeder Trusts (the "Trust")

Sub-fund

ARC TIME Freehold Income
Authorised Feeder Trust

Registered Office

338 Euston Road
London NW1 3BG

Authorised Fund Manager and Alternative Investment Fund Manager

Alpha Real Capital LLP
338 Euston Road
London NW1 3BG

Authorised and regulated by the
Financial Conduct Authority.

Investment Manager, Administrator and Transfer Agent

TIME Investments
338 Euston Road
London NW1 3BG

Authorised and regulated by the
Financial Conduct Authority.

Trustee

NatWest Trustee and Depositary
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 Auditors

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
Canary Wharf
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. July 2022.

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