

## Assessment of Value Report

31 July 2022

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ARC TIME Freehold Income Authorised Fund, a sub-fund of ARC TIME:Funds  
ARC TIME Commercial Long Income PAIF, a sub-fund of ARC TIME:Funds II  
ARC TIME Property Long Income & Growth PAIF, a sub-fund of ARC TIME:Funds II  
ARC TIME Social Long Income PAIF, a sub-fund of ARC TIME:Funds II  
ARC TIME UK Infrastructure Income Fund II, a sub-fund of ARC TIME:Funds III

# Alpha Real Capital

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# Alpha Real Capital

## Introduction

Alpha Real Capital is the Authorised Corporate Director (“ACD”) to each of the Funds listed in this report. The ACD is required under the FCA Handbook to conduct an annual Assessment of Value with regards to each authorised fund managed and to report publicly the conclusions. The ACD reports annually on or before 31 July each year.

The Assessment of Value reporting is designed to strengthen both fund governance and transparency to investors. The ACD has a duty to act in the best interests of investors and the annual Assessment of Value is designed to strengthen this existing duty of care to investors.

The FCA Handbook requires the ACD to report on seven non-exhaustive criteria in which value should be assessed, essentially reflecting three main elements: cost, performance against objectives, and quality of service. It is the responsibility of the ACD’s Board to apply effective oversight and challenge on the assessments. In order to ensure that the oversight is rigorous and impartial our ACD Board includes independent directors. One Board member has overall responsibility for the assessment.

## The FCA’s assessment of value criteria

In carrying out the value assessment, the ACD considers the following seven criteria:

1. **Quality of service** – a review of the range and quality of services of the ACD, or those directed or appointed by the ACD, and their importance to Shareholders.
2. **Performance** - an assessment of performance, net of all charges that have been outlined in the prospectus of each Fund. The focus for the assessment of performance is in the context of the Fund’s investment objectives, considering both total return and also the income return to Shareholders.
3. **AFM costs** – identification of “each charge” incurred by the Fund and each class of shares. This reflects what the Fund is paying for each of the services received by both internal and external service providers. This considers the margins attributable to each charge and whether they are reasonable.
4. **Economies of scale** – an assessment to what extent the ACD is able to achieve reduced effective costs and charges, as a percentage of NAV, as Assets under Management grows and to what extent these benefits are being passed onto, or are capable of being passed onto, Shareholders.
5. **Comparable market rates** - an external comparison between the charges incurred by the Fund and the ‘market rate’ of comparable services.
6. **Comparable services** - an internal comparison of the services received by the Fund to that of other funds managed by the ACD.
7. **Classes of shares** – a consideration regarding the pricing of a unit class against the pricing of other unit classes within the same Fund, as well as the points of differentiation between these unit classes.

Each area is considered separately for each Fund and all are given equal weight in determining whether we are providing value for money. The assessments contained within this document provide the ACD’s overall assessment of value along with their consideration of each of the seven criteria.

# Alpha Real Capital

## The ACD and ACD Board

This assessment of value report is delivered by Alpha Real Capital LLP. Alpha Real Capital is the ACD responsible for overall management of the Funds covered in the report, in compliance with FCA Handbook. ARC TIME:Funds and ARC TIME:Funds II are non-UCITS retail schemes. ARC TIME:Funds III is a UCITS.

The role of the ACD is to make sure the Fund is operated at all times in the best interest of investors. As ACD, Alpha Real Capital is accountable to the FCA and has ultimate responsibility for each of the Funds.

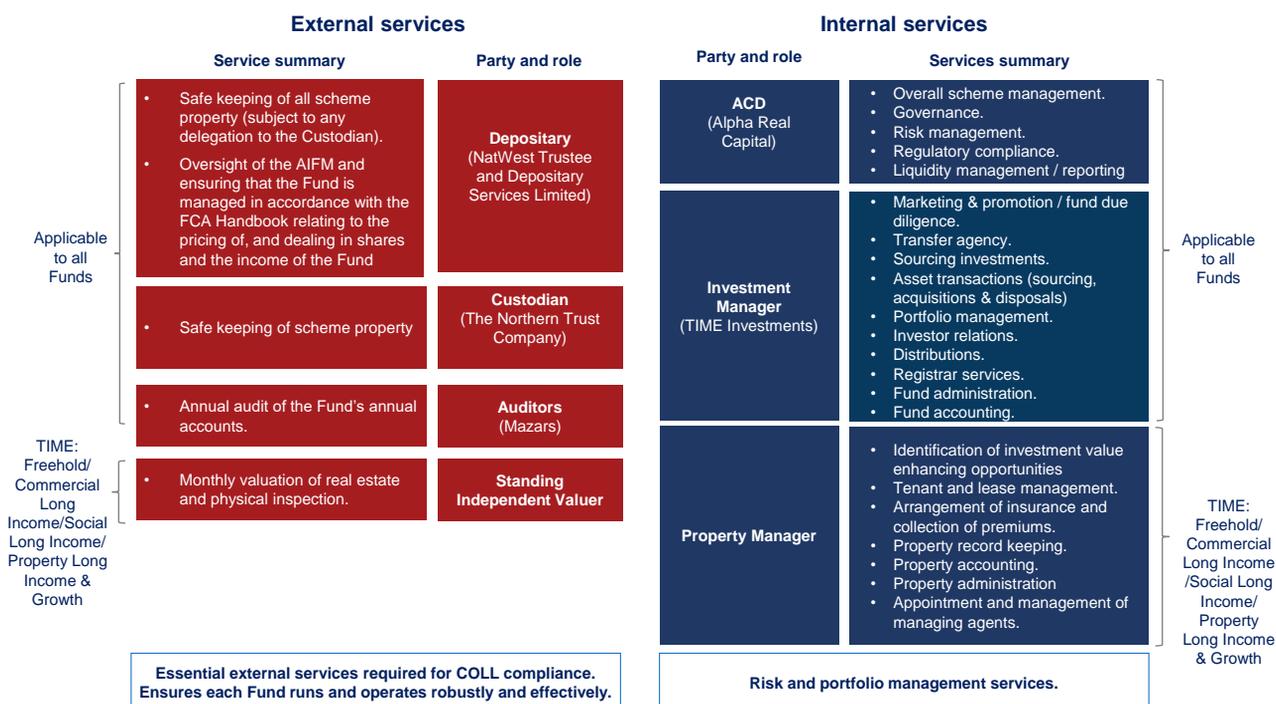
The ACD Board is comprised of five persons including the executive members and independent members, bringing the relevant experience and expertise to carry out its role. We believe a combination of executive and independent ACD Board members is best equipped to ensure the right focus on generating value for investors in the Funds. The role of the independent members includes providing input and challenge as part of the ACD's assessment of value.

## Responsibilities of the ACD

In seeking to ensure each Fund is being managed in accordance with its stated investment objectives and policies, the ACD Board undertakes and oversees a variety of different services and governance functions on behalf of each Fund.

Whilst many of these services are provided internally, certain of the services have been delegated to specialist service providers or indeed are required to be fulfilled by third parties under the terms of the FCA Handbook.

The diagram below provides a comprehensive but generalised scope of service provisions applicable. Whilst many of these services are applicable to all Funds, some are specific to those Funds which have direct real estate investments namely: TIME:Freehold, TIME:Commercial, TIME:Property Long Income & Growth and TIME:Social.



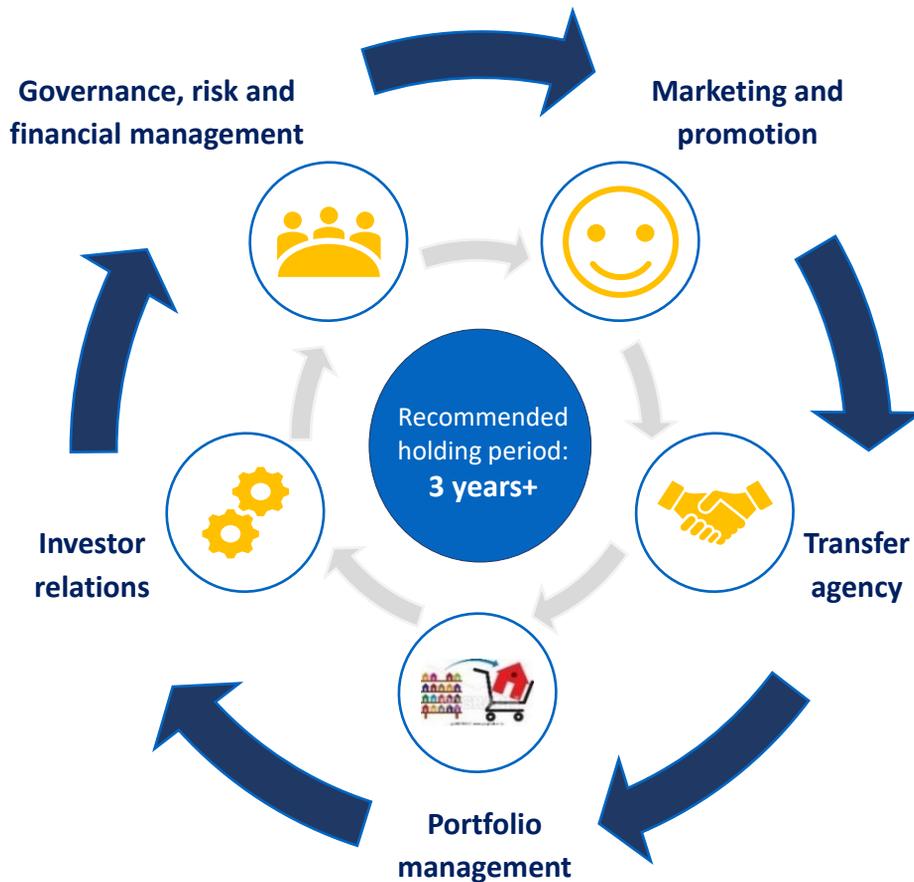
# Alpha Real Capital

## What is an “assessment of value”?

In accordance with the FCA Handbook, every ACD must conduct an assessment at least annually for each Fund it manages of whether the payments out of the Fund set out in the prospectus are justified in the context of the overall value delivered to shareholders.

As noted, the FCA regulations established seven criteria for which Funds would need to be assessed against as part of the annual assessment of value.

Each of our Funds are designed and managed to support a longer-term investment by a shareholder. Typically our Funds have a recommended holding period of at least 3 years. Over that period, being a journey from original investment contemplation through to initial subscription of shares and ultimately through to share redemption, a shareholder interfaces with the Fund’s service providers through a number of junctures, as set out below. These points are underpinned by both internal and external services organised and governed by the ACD on behalf of each Fund.



# Alpha Real Capital

## Our approach to assessing value

For each of the FCA's seven value criteria areas, through the shareholder journey, we have designed and undertaken the following analytical approach as part of our assessment:

	Step 1	Step 2	Step 3	Step 4
<b>Quality of Service</b>	Identify all services provided throughout the Shareholder's investment journey	Determine the importance of each of these services to the overall Shareholder experience	Assess the quality of services and the key differentiators through quantitative assessment	Board Assessment and Conclusions
<b>Performance</b>	Review of performance against the Fund's existing performance measures plus defined peer group	Analysis of absolute and relative performance over defined time horizons	Summary conclusions of data analysis, including on a risk-adjusted basis	
<b>AFM Costs</b>	Identification of "each charge" reflecting the services the Fund is paying for and the fees charged	Analysis of the cost base associated with providing internal functions, allowing for margin analysis	Detailed analysis of each identified service and consider margin outcomes	
<b>Economies of Scale</b>	Identify services and review fee structures and the approach to procurement and tendering	Quantitative assessment based on historical cost data	Risk based assessment and procurement policies	
<b>Comparable Market Rates</b>	Establish each service within the management of the Fund to be subject to benchmarking	Define a comparable peer group of funds with comparable services	Undertake benchmarking analysis and consider variations	
<b>Comparable Services</b>	Define funds in scope across the full funds range of the ACD	Review comparable services and identify fees for each service	Analysis of identified fee structures	
<b>Classes of Shares</b>	Identify each share class within the Fund	Consider all factors that differentiate each share class from one another	Undertake analysis to explain variations	

## Funds Included within this composite Assessment of Value Report

- **ARC TIME Freehold Income Authorised Fund, a sub-fund of ARC TIME:Funds ("TIME:Freehold")**
- **ARC TIME Commercial Long Income PAIF, a sub-fund of ARC TIME:Funds II ("TIME:Commercial Long Income")**
- **ARC TIME Property Long Income & Growth PAIF, a sub-fund of ARC TIME:Funds II ("TIME:Property Long Income & Growth")**
- **ARC TIME Social Long Income PAIF, a sub-fund of ARC TIME:Funds II ("TIME:Social Long Income")**
- **ARC TIME UK Infrastructure Income Fund II, a sub-fund of ARC TIME:Funds III ("TIME:UK Infrastructure Income")**

The overall assessment period for each Fund, except TIME:Property Long Income & Growth, is for the 12 months to 31 March 2022. For TIME:Property Long Income & Growth, the review period is from the date of inception, on 1 September 2021, to 31 March 2022.

The conclusions for each of the above Funds, apply equally to their relevant dedicated feeder trust, as relevant.

## ARC TIME Freehold Income Authorised Fund, “TIME:Freehold” (1/2)

### Overall Assessment:

Taking into account all seven areas included in the assessment of value, the ACD has concluded that the Fund is demonstrating high value overall.

### Assessment Outcomes

- 1. Quality of service
- 2. Performance
- 3. AFM costs
- 4. Economies of scale
- 5. Comparable market rates
- 6. Comparable services
- 7. Classes of shares

#### Key:

- Value is being achieved
- Value is being achieved but the fund has some areas that could be improved upon
- The assessment has found areas that need action

### 1. Quality of service

The ACD has considered the quality of service to Shareholders by considering the direct and indirect interactions with Shareholders over the lifecycle of investment: a journey from initial interest in the Fund and subscription through to redemption. During this period a Shareholder interfaces with the Fund’s service providers through a number of junctures split into five primary areas: marketing and promotion; transfer agency; portfolio management; investor relations and governance, risk and financial management. These are delivered by both internal and external services organised and governed by the ACD on behalf of the Fund, its investment objective and policy.

Against each of the service areas identified, the quality of the services provided to investors has been assessed using the Prospectus terms or key performance metrics, including those with external service providers.

Overall the ACD Board determined that the Fund’s operating model continues to be considered highly effective. Very high levels of service continue to be delivered. In particular, Shareholders continue to receive clear, relevant and timely information to enable them to make informed decisions regarding their investment.

### 2. Performance

The Fund’s overall performance, relative to its investment objectives, policy and strategy, was in-line with the expected outcome during the period under consideration – both on an absolute performance and relative performance basis to its peers. Total return in the 12 months to 31 March 2021 was 6.5% (comprising an income return of 4.6% and a capital return of 1.9%) and the 5-year annualised total return is 6.7% per year.

The Fund did not exceed its performance fee target benchmark or RPI, being the Fund’s comparative benchmark in the review period. The Fund’s total return has, however, exceeded RPI on an annualised basis over the last 5 years.

Over the 12 months to 31 March 2021, TIME:Freehold has been able to demonstrate its inherent defensive qualities for Shareholders, despite the Fund being impacted in the review period by legislative and regulatory headwinds impacting sentiment in the sector, notably Royal Assent for the Leasehold Reform Bill was received on 8 February 2022 and the Act came into force on 30 June 2022 and puts to an end ground rents for new long residential leasehold properties in England and Wales. The ACD and Investment Manager continue to monitor and review the Fund’s portfolio in light of the Government’s residential leasehold market reforms and building safety initiatives. The Building Safety Bill became law after the review period and the impact of this regarding landlord liability remains under review.

The ACD Board is of the opinion that overall the Fund has successfully balanced the aim of delivering the Fund’s stated objective, whilst also ensuring that the Fund maintained a sufficient level of liquidity to meet operational requirements.

Overall, it was determined the Fund’s performance – both capital and income returns – has been very good in the review period and no concerns to performance have been identified.

## ARC TIME Freehold Income Authorised Fund, “FI AF” (2/2)

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### 3. AFM costs

The ACD has analytically reviewed all fees and charges incurred by the Fund, including an assessment of margins arising, and confirms the payments out of scheme property, as permitted in the Prospectus, are justified in the context of the overall value delivered to Shareholders and represents good value for money.

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### 4. Economies of scale

It is concluded that all services are appointed on appropriate terms for the scope and quality of services provided and all Shareholders participated appropriately in the general economies of scale derived from investing with the Fund based on a range of benefits and services provided and the overall fees charged.

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### 5. Comparable market rates

The fees paid for each of the services provided to the Fund (whether internally or externally provided) were considered to be sufficiently competitive to those charged by similar competitor ground rent funds and those within the UK regulated property funds market, when adjusted for the variations arising from property asset classes. TIME:Freehold's overall OCF is higher than other authorised funds but the additional fees and costs charged by TIME:Freehold are not deemed to be unreasonably higher considering the intensity of operation arising from the granular asset base portfolio which requires substantially more resource and overhead to manage the portfolio of over 50,000 individual ground rents.

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### 6. Comparable services

On the basis of very limited comparable funds, and the comparable services considered, the fees charged were deemed to be reasonable compared to the fees charged within the Alpha Real Capital group (including associates) for any comparable products available of an equivalent size and with a similar investment objective and policy to the Fund.

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### 7. Classes of shares

The ACD Board has assessed whether investors hold shares in the most appropriate share class for their investment, in terms of the fees applied and concluded that this was the case and no actions were required. The ACD also considered differentials in the fees charged to different classes of Shares and determined the variations were justified based on the eligibility criteria for different classes.

## ARC TIME Commercial Long Income PAIF, “TIME:Commercial Long Income” (1/2)

### Overall Assessment:

Taking into account all seven areas included in the assessment of value, we believe that the Fund is demonstrating high value overall.

### Assessment Outcomes

- 1. Quality of service
- 2. Performance
- 3. AFM costs
- 4. Economies of scale
- 5. Comparable market rates
- 6. Comparable services
- 7. Classes of shares

#### Key:

- Value is being achieved
- Value is being achieved but the fund has some areas that could be improved upon
- The assessment has found areas that need action

### 1. Quality of service

The ACD has considered the quality of service to Shareholders by considering the direct and indirect interactions with Shareholders over the lifecycle of investment: a journey from initial interest in the Fund and subscription through to redemption. During this period a Shareholder interfaces with the Fund's service providers through a number of junctures split into five primary areas: marketing and promotion; transfer agency; portfolio management; investor relations and governance, risk and financial management. These are delivered by both internal and external services organised and governed by the ACD on behalf of the Fund, its investment objective and policy.

Against each of the service areas identified, the quality of the services provided to investors has been assessed using the Prospectus terms or key performance metrics, including those with external service providers.

Overall the ACD Board determined that the Fund's operating model continues to be considered highly effective. Very high levels of service continue to be delivered. In particular, Shareholders continue to receive clear, relevant and timely information to enable them to make informed decisions regarding their investment.

### 2. Performance

The Fund's performance in the review period was very robust with a total return to 31 March 2022 of 6.1%, of which 3.4% is attributed to income. Overall the Fund underperformed its comparative benchmarks, being RPI and the IA Direct Property Index, in the 1-year review period but over a 5 year horizon, the Fund outperformed both on an annualised basis (when the Fund's pricing is revised for the amendment to the dilution adjustment).

Rental collection rates throughout the COVID-19 period had been in excess of 85% of the rent due. In the earlier part of the review period this remained the case but improved throughout the period - some tenants were allowed to defer their rent in periods during COVID with repayments expected through 2022. The Fund has no vacant properties or voids and operational stability has returned to most sectors, indeed many sectors have experienced positive valuation movements supported by the increased occupier demand and supportive dynamics.

The WALT of the portfolio is 46 years which gives significantly greater visibility of income than in traditional commercial property. This is achieved through the specific features of long income, which includes the visibility of income through the high Weighted Average Unexpired Lease Term, married with tenant quality, sector sustainability and quality of the real estate. Whilst inflation has been on an aggressive upward trajectory, around 94% of the rent reviews are linked to an inflation index or have a fixed percentage growth allowing for robust inflation arbitrage.

The ACD Board remains of the view that the Fund's performance is strong and no immediate concerns to performance have been identified.

## ARC TIME Commercial Long Income PAIF, “TIME:Commercial Long Income” (2/2)

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### 3. AFM costs

The ACD has analytically reviewed all fees and charges incurred by the Fund, including an assessment of margins arising, and confirms the payments out of scheme property, as permitted in the Prospectus, are justified in the context of the overall value delivered to Shareholders and represents good value for money.

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### 4. Economies of scale

It is concluded that all services are appointed on appropriate terms for the scope and quality of services provided and all Shareholders participated appropriately in the general economies of scale derived from investing with the Fund based on a range of benefits and services provided and the overall fees charged.

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### 5. Comparable market rates

The fees paid for each of the services provided to the Fund (whether internally or externally provided) were considered to be sufficiently competitive to those charged by similar competitor funds and those within the UK regulated property funds market.

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### 6. Comparable services

On the basis of very limited comparable funds, and the comparable services considered, the fees were deemed to be reasonable compared to the fees charged by associated companies within the Alpha Real Capital group (including associates) for any comparable products available in the UK of an equivalent size and with a similar investment objective and policy to the Fund.

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### 7. Classes of shares

The ACD Board has assessed whether investors hold shares in the most appropriate share class for their investment, in terms of the fees applied and concluded that this was the case and no actions were required. The ACD also considered differentials in the fees charged to different classes of Shares and determined the variations were justified based on the eligibility criteria for different classes.

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## ARC TIME Property Long Income & Growth PAIF, “TIME:Property Long Income & Growth” (1/2)

### Overall Assessment:

Taking into account all seven areas included in the assessment of value, we believe that the Fund is demonstrating high value overall.

It is noted that the review period is limited to just 7 months being from 1 September 2021 (the date of inception of the Fund) to 31 March 2022.

#### Key:

 Value is being achieved  Value is being achieved but the fund has some areas that could be improved upon  The assessment has found areas that need action

### Assessment Outcomes

-  1. Quality of service
-  2. Performance
-  3. AFM costs
-  4. Economies of scale
-  5. Comparable market rates
-  6. Comparable services
-  7. Classes of shares

### 1. Quality of service

The ACD has considered the quality of service to Shareholders by considering the direct and indirect interactions with Shareholders over the lifecycle of investment: a journey from initial interest in the Fund and subscription through to redemption. During this period a Shareholder interfaces with the Fund's service providers through a number of junctures split into five primary areas: marketing and promotion; transfer agency; portfolio management; investor relations and governance, risk and financial management. These are delivered by both internal and external services organised and governed by the ACD on behalf of the Fund, its investment objective and policy.

Against each of the service areas identified, the quality of the services provided to investors has been assessed using the Prospectus terms or key performance metrics, including those with external service providers.

Overall the ACD Board determined that the Fund's operating model continues to be considered highly effective. Very high levels of service continue to be delivered. In particular, Shareholders continue to receive clear, relevant and timely information to enable them to make informed decisions regarding their investment.

### 2. Performance

The Fund's performance in the 7-month review period was a total return of 0.95%. This was below the Fund's comparative benchmark of the IA Property Other Sector Index which delivered an equivalent performance of 1.92%.

Noting the Fund remains sub-scale and indeed the data set is only 7 months, the ACD confirms that caution should be appropriately applied. Accordingly no meaningful conclusions are capable of being drawn for this review period.

The ACD Board remains of the view that the Fund's performance is in line with expectations, expressly noting the volatility in equity markets, and no immediate concerns to performance have been identified.

## ARC TIME Property Long Income & Growth PAIF, “TIME:Property Long Income & Growth ” (2/2)

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### 3. AFM costs

The ACD has analytically reviewed all fees and charges incurred by the Fund, including an assessment of margins arising, and confirms the payments out of scheme property, as permitted in the Prospectus, are justified in the context of the overall value delivered to Shareholders and represents good value for money.

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### 4. Economies of scale

It is concluded that all services are appointed on appropriate terms for the scope and quality of services provided. The limited data set of 7 months does not allow for any meaningful analysis.

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### 5. Comparable market rates

The fees paid for each of the services provided to the Fund (whether internally or externally provided) were considered to be sufficiently competitive to those charged by similar competitor funds and those within the UK regulated property funds market.

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### 6. Comparable services

On the basis of very limited comparable funds, and the comparable services considered, the fees were deemed to be reasonable compared to the fees charged by associated companies within the Alpha Real Capital group (including associates) for any comparable products available in the UK of an equivalent size and with a similar investment objective and policy to the Fund.

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### 7. Classes of shares

The ACD Board has assessed whether investors hold shares in the most appropriate share class for their investment, in terms of the fees applied and concluded that this was the case and no actions were required. The ACD also considered differentials in the fees charged to different classes of Shares and determined the variations were justified based on the eligibility criteria for different classes.

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## ARC TIME Social Long Income PAIF, “TIME:Social Long Income” (1/2)

### Overall Assessment:

Taking into account all seven areas included in the assessment of value, we believe that the Fund is demonstrating high value overall.

### Assessment Outcomes

- 1. Quality of service
- 2. Performance
- 3. AFM costs
- 4. Economies of scale
- 5. Comparable market rates
- 6. Comparable services
- 7. Classes of shares

#### Key:

- Value is being achieved
- Value is being achieved but the fund has some areas that could be improved upon
- The assessment has found areas that need action

### 1. Quality of service

The ACD has considered the quality of service to Shareholders by considering the direct and indirect interactions with Shareholders over the lifecycle of investment: a journey from initial interest in the Fund and subscription through to redemption. During this period a Shareholder interfaces with the Fund’s service providers through a number of junctures split into five primary areas: marketing and promotion; transfer agency; portfolio management; investor relations and governance, risk and financial management. These are delivered by both internal and external services organised and governed by the ACD on behalf of the Fund, its investment objective and policy.

Against each of the service areas identified, the quality of the services provided to investors has been assessed using the Prospectus terms or key performance metrics, including those with external service providers.

Overall the ACD Board determined that the Fund’s operating model continues to be considered highly effective. Very high levels of service continue to be delivered. In particular, Shareholders continue to receive clear, relevant and timely information to enable them to make informed decisions regarding their investment.

### 2. Performance

The Fund’s overall performance, relative to its investment objectives, policy and strategy, was within the range of expected outcomes during the periods under consideration – both on an absolute performance and relative performance basis to its peers. Total return in the 12 months to 31 March 2022 was 5.5%.

Against the Fund’s comparative benchmarks, being RPI and the IA Direct Property Index, performance of the Fund was below these measurements in the review period, albeit over an annualised 5 year horizon the Fund has outperformed.

The Fund has demonstrated a robust performance in the review period, with sectoral recovery accelerating as COVID has receded. The property portfolio of the Fund experienced accelerating capital appreciation which is being driven from various sectors, including its largest exposure in the care home sector. Rental collection remains at around 100% as was seen throughout 2020 and 2021 following the onset of the global pandemic.

The WALT of the portfolio as at the reference date of this analysis is 23 years which gives significantly greater visibility of income than in traditional commercial property, and hence the name, long income. With concerns around increased levels of inflation, long income property, where rent reviews are typically linked to an inflation index or contain fixed uplifts, offers investors an attractive option. Within the portfolio, 86% of the rent reviews are linked to an inflation index or have a fixed percentage growth.

The ACD Board continues to be of the opinion that the Fund maintains its successful balance of delivering its stated objectives, whilst ensuring that the Fund has sufficient level of liquidity to meet operational requirements, particularly in the current uncertain and more volatile economic and financial market environment. It remains of the view that the Fund’s performance – via both capital and income returns – is favourable and no immediate concerns to performance have been identified.

## ARC TIME Social Long Income PAIF, “TIME:Social Long Income” (2/2)

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### 3. AFM costs

The ACD has analytically reviewed all fees and charges incurred by the Fund, including an assessment of margins arising, and confirms the payments out of scheme property, as permitted in the Prospectus, are justified in the context of the overall value delivered to Shareholders and represents good value for money.

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### 4. Economies of scale

It is concluded that all services are appointed on appropriate terms for the scope and quality of services provided and all Shareholders participated appropriately in the general economies of scale derived from investing with the Fund based on a range of benefits and services provided and the overall fees charged.

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### 5. Comparable market rates

The fees paid for each of the services provided to the Fund (whether internally or externally provided) were considered to be sufficiently competitive to those charged by similar competitor funds and those within the UK regulated property funds market.

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### 6. Comparable services

On the basis of very limited comparable funds, and the comparable services considered, the fees were deemed to be reasonable compared to the fees charged by associated companies within the Alpha Real Capital group (including associates) for any comparable products available in the UK of an equivalent size and with a similar investment objective and policy to the Fund.

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### 7. Classes of shares

The ACD Board has assessed whether investors hold shares in the most appropriate share class for their investment, in terms of the fees applied and concluded that this was the case and no actions were required. The ACD also considered differentials in the fees charged to different classes of Shares and determined the variations were justified based on the eligibility criteria for different classes.

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## ARC TIME UK Infrastructure Income Fund II, “TIME:UK Infrastructure Income” (1/2)

### Overall Assessment:

Taking into account all seven areas included in the assessment of value, the ACD has concluded that the Fund is demonstrating good value overall.

#### Key:

 Value is being achieved  Value is being achieved but the fund has some areas that could be improved upon  The assessment has found areas that need action

### Assessment Outcomes

-  1. Quality of service
-  2. Performance
-  3. AFM costs
-  4. Economies of scale
-  5. Comparable market rates
-  6. Comparable services
-  7. Classes of shares

### 1. Quality of service

The ACD has considered the quality of service to Shareholders by considering the direct and indirect interactions with Shareholders over the lifecycle of investment: a journey from initial interest in the Fund and subscription through to redemption. During this period a Shareholder interfaces with the Fund's service providers through a number of junctures split into five primary areas: marketing and promotion; transfer agency; portfolio management; investor relations and governance, risk and financial management. These are delivered by both internal and external services organised and governed by the ACD on behalf of the Fund, its investment objective and policy.

Against each of the service areas identified, the quality of the services provided to investors has been assessed using the Prospectus terms or key performance metrics, including those with external service providers.

Overall the ACD Board determined that the Fund's operating model continues to be considered highly effective. Very high levels of service continue to be delivered. In particular, Shareholders continue to receive clear, relevant and timely information to enable them to make informed decisions regarding their investment.

### 2. Performance

During the review period, the Fund was converted into a UCITS (from a non-UCITS retail scheme) by way of scheme of arrangement.

The Fund's overall performance, relative to its investment objectives, policy and strategy, was within the range of expected outcomes - both on an absolute performance and relative performance basis to its peers.

Over the 12 month period the Fund delivered total return of 12.8%. Income yield since inception has been 4.49% per annum; this is ahead of the income yield yardstick of 4% per annum.

TIME:UK Infrastructure Income's performance in the review period has been impacted by the increased overall market volatility since COVID and the outbreak of conflict in Ukraine, along with the Fund's peers. Overall in the review period the Fund has generally demonstrated consistent positive progression.

The ACD Board remains of the view that the Fund's performance is in-line with expectations and no immediate concerns to performance have been identified.

## ARC TIME UK Infrastructure Income Fund II, “TIME:UK Infrastructure Income” (2/2)

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### 3. AFM costs

The ACD has analytically reviewed all fees and charges, including margins arising, and confirms the payments out of scheme property, as set out in the Prospectus, are justified in the context of the overall value delivered to Shareholders and represents good value for money.

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### 4. Economies of scale

It is concluded that generally all services are appointed on appropriate terms for the scope and quality of services provided and all Shareholders participated appropriately in the general economies of scale derived from investing with the Fund based on a range of benefits and services provided and the overall fees charged.

Noting the recent restructuring to a UCITS, it was recommended by the ACD Board for the audit services provided to the Fund to be benchmarked and, if determined as appropriate, to be retendered.

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### 5. Comparable market rates

The fees paid for each of the services provided to the Fund (whether internally or externally provided) were considered to be sufficiently competitive to those charged by similar competitor funds by reference to the IA Specialist Sector Index.

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### 6. Comparable services

No other funds in the ACD's portfolio of funds are considered comparable to TIME:UK Infrastructure Income.

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### 7. Classes of shares

The ACD Board has assessed whether investors hold shares in the most appropriate share class for their investment, in terms of the fees applied and concluded that this was the case and no actions were required. The ACD also considered differentials in the fees charged to different classes of Shares and determined the variations were justified based on the eligibility criteria for different classes.

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