

APPENDIX A:
INFORMATION AND NOTICE OF MEETING FOR UNITHOLDERS

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services and Markets Act 2000 to advise on investments of the type referred to in this document such as your stockbroker, tax adviser, accountant or other financial adviser.

SCHEME OF ARRANGEMENT

Proposed Scheme of Arrangement for the merger of

COMMERCIAL FREEHOLD FEEDER TRUST

(a sub-fund of ARC TIME:Feeder Trusts, a unit trust authorised and regulated by the Financial Conduct Authority as a non-UCITS retail scheme)

with

COMMERCIAL LONG INCOME FEEDER TRUST

(a sub-fund of ARC TIME:Trusts II, a unit trust authorised and regulated by the Financial Conduct Authority as a non-UCITS retail scheme)

25 February 2019

Appendix A includes the following:

- Glossary
- Timetable
- Scheme of Arrangement for the Merger
- Summary of changes arising compared to the current terms of the Commercial Freehold Feeder Trust
- Procedure for the Meeting of Unitholders
- Notice of Meeting of Unitholders

Appendix B: is the Proxy Voting Form which all Unitholders should complete and return.

GLOSSARY

“CFF”	Commercial Freehold Fund, a sub-fund of ARC TIME: Funds;
“CLIP”	the Commercial Long Income PAIF, a sub-fund of ARC TIME:Funds II;
“Effective Date”	the effective date of the Merger, being 1 April 2019, or such other date as may be agreed by the Manager, the Trustee and the FCA;
“FCA”	the Financial Conduct Authority;
“FCA Rules”	the FCA Handbook of Rules and Guidance as amended or re-enacted from time to time, including the rules contained in the Collective Investment Schemes Sourcebook and the Investment Funds Sourcebook;
“Feeder Trust”	the ARC TIME:Feeder Trusts;
“Feeder Trust II”	the ARC TIME:Trusts II;
“Feeder II Trust Deed”	the trust deed, including any supplemental trust deeds, which govern the Feeder Trust II;
“Feeder Trust Deed”	the trust deed, including any supplemental trust deeds, which govern the Feeder Trust;
“Manager”	Alpha Real Capital LLP, the authorised fund manager and alternative investment fund manager of each of the Feeder Trust and Feeder Trust II and which (through these appointments) is responsible for managing each of the Feeder Trust and Feeder Trust II;
“Meeting”	the extraordinary general meeting of Shareholders in the Feeder Trust to be held on 22 March 2019, or if adjourned, on 29 March 2019 to be held at the offices of the Manager, 6th Floor, 338 Euston Road, London, NW1 3BG;
“Merger”	the merger of Commercial Freehold Feeder Trust with Commercial Long Income Feeder Trust, to be carried out by a scheme of arrangement in accordance with the FCA Rules;
“Merging Fund”	the Commercial Freehold Feeder Trust, a sub-fund of the Feeder Trust;
“Merging Fund Value”	the value of the property of the Merging Fund calculated as set out in the Scheme of Arrangement;
“New Units”	Units in the Receiving Fund as appropriate issued pursuant to the Scheme of Arrangement;
“NURS KII”	the NURS Key Investor Information, a document providing information to investors about a fund prior to investment;

“Prospectus”	the Prospectus of ARC TIME:Feeder Trusts or ARC TIME:Trusts II, as the context dictates;
“Proxy Voting Form”	the form attached with this document at Appendix B to allow investors to provide instructions on how they wish to cast their vote on the Extraordinary Resolution at the Meeting of Unitholders in the Merging Fund.
“Receiving Fund”	the Commercial Long Income Feeder Trust, a sub-fund of the Feeder Trust II;
“Retained Amount”	an amount, if any, which is calculated by the Manager of the Merging Fund (after consultation with the Trustee) to be necessary to meet the actual and contingent liabilities of the Merging Fund after the Merger, and which is to be retained by the Trustee (as the trustee of the Merging Fund) for the purpose of discharging those liabilities;
“Scheme of Arrangement”	the scheme of arrangement for the merger of the Merging Fund into the Receiving Fund, which is set out in this document;
“Trustee”	NatWest Trustee and Depositary Services Limited, the trustee of the Merging Fund and the Receiving Fund;
“Units”	income and accumulation Units in the Merging Fund, as the context requires; and
“Unitholders”	unitholders in the Merging Fund.

Words in the Glossary denoting the singular shall, where relevant, include the plural and vice versa.

In addition, where relevant in the context, terms which are defined in the FCA Rules have the same meaning in this document.

In this document, unless otherwise stated, the terms used shall have the meaning set out in this Glossary.

All references in this document to times refer to UK time, unless specifically stated otherwise.

TIMETABLE OF MERGER

Action	Date
Qualification date for Unitholders	18 February 2019
Dispatch documentation to Unitholders	25 February 2019
Proxy Voting Form for the Meeting of Unitholders in the Merging Fund to be returned by	10am on 22 March 2019
Meeting of Unitholders in the Merging Fund	12 noon on 22 March 2019
Adjourned Meeting of Unitholders in the Merging Fund (if required)	12 noon on 29 March 2019
Last dealing cut-off point for the purpose of dealing in Units in the Merging Fund	10am on 29 March 2019
Last valuation point for the purpose of dealing in Units in the Merging Fund	12 noon on 29 March 2019
Suspension of dealing in Units in the Merging Fund	After dealing on 29 March 2019
Valuation used for the purpose of the Scheme of Arrangement (as valid on 31 March 2019)	12 noon on 29 March 2019
End of accounting period of the Merging Fund	11.59pm on 31 March 2019
Effective Date of the Merger	1 April 2019
New Units in the Receiving Fund issued	1 April 2019
First Dealing Day of the Receiving Fund	1 April 2019

These dates may be amended by the Manager with the agreement of the Trustee.

Scheme of Arrangement for the Merger

1. Definitions and interpretation

- 1.1 In this section which explains the mechanics of the Scheme of Arrangement, unless the context otherwise requires, the terms shall have the meaning set out in the Glossary to this Appendix A. In addition, where relevant in the context, terms which are defined in the FCA Rules shall have the same meaning in this Scheme of Arrangement.
- 1.2 References to paragraphs are to paragraphs of the Scheme of Arrangement.
- 1.3 If there is any conflict between the Scheme of Arrangement, the Feeder Trust Deed, the Feeder Trusts II Deed or either Prospectus, then the Scheme of Arrangement will prevail. If there is any conflict between the Scheme of Arrangement and the FCA Rules, then the FCA Rules will prevail.

2. Transfer of property from the Merging Fund to the Receiving Fund and the issue of New Units

- 2.1 Subject to paragraph 3 below, the property of the Merging Fund will become the property of the Receiving Fund in exchange and in full payment for the issue of New Units.
- 2.2 The Trustee, as trustee of the Merging Fund, shall cease to hold the property of the Merging Fund as attributable to the Merging Fund, and shall hold the property as attributable to the Receiving Fund, as appropriate, and the Trustee shall make or ensure the making of such transfers and re-designations as may be necessary as a result.
- 2.3 The Manager will arrange for the issue of New Units to Unitholders in the Receiving Fund (who are registered as holding Units on the Effective Date) free of any initial charge.
- 2.4 All Units in the Merging Fund will be deemed to be cancelled and will cease to be of any value from the Effective Date.
- 2.5 Unitholders will be treated as exchanging their Units for New Units. The value of the New Units received under the Scheme of Arrangement will not include any element of income.

3. Approval of Unitholders and conditionality of the Merger

- 3.1 The Merger is conditional upon the passing of an extraordinary resolution at a Meeting of Unitholders of the Merging Fund, by which Unitholders of the Merging Fund approve the Scheme of Arrangement and authorise the implementation of the Merger in respect of the Merging Fund.
- 3.2 If the extraordinary resolution is passed, the Merger will be binding on all Unitholders (whether or not they voted in favour of it, or voted at all) and the Scheme of Arrangement will be implemented in relation to the Merging Fund as set out in the following paragraphs, subject to paragraph 3.3.
- 3.3 The Manager, in its capacity as the authorised corporate director of CLIP, has made an offer to the shareholders of the CFF that they exchange their shares in CFF for shares of the equivalent type and value in the CLIP. Unless this offer is accepted by not less than 75% in value of those who respond to the offer then even if the Merger is approved, the Merger will not go ahead.
- 3.4 The procedure for the meeting of Unitholders is set out at the end of this Appendix A.

4. Dealings in the Merging Fund

- 4.1 The last dealing in Units in the Merging Fund will be at 12 noon on 29 March 2019.

5. Income allocation arrangements

- 5.1 The actual and estimated income (if any) available for allocation in respect of the period from the end of the previous accounting period accruing to accumulation units in the Merging Fund shall be transferred to the capital account of the Merging Fund and allocated to accumulation units and shall be reflected in the value of those accumulation units. The income so allocated to those accumulation units shall be included in the value which is used to calculate the number of New Units to be issued under the Merger.
- 5.2 The actual and estimated income (if any) available for distribution in respect of the then current accounting period accruing to income units in the Merging Fund will be allocated to income units and transferred to the distribution account of the Merging Fund. Within two months of the Effective Date, this income will be distributed to income unitholders.
- 5.3 Any distributions (together with any interest arising on the distributions) attributable to income units deemed in issue immediately before the Effective Date which are unclaimed after the expiry of six years from the date of payment shall revert to the Receiving Fund.

6. Calculation of the Merging Fund Value

- 6.1 The Merging Fund Value will be calculated as at 12 noon on Friday 29 March 2019.
- 6.2 The Merging Fund Value will be used to calculate the number of New Units of the appropriate class to be issued to each Unitholder. Unitholders will receive one New Unit for each Unit they hold in the Merging Fund as at the Effective Date.

7. Basis for the issue of New Units

- 7.1 Each Unitholder holding Units in the Merging Fund immediately before the Effective Date shall be issued with New Units in the relevant class of the Receiving Fund on a one for one basis.
- 7.2 For the purposes of paragraph 7.1 "relevant class" means in respect of the Merging Fund the class of Units held by the Unitholder immediately before the Effective Date and in respect of the Receiving Fund the class of New Unit to be issued to that Unitholder under the Scheme of Arrangement and as set out below.

Unit class and type in the Merging Fund	Unit class and type to be issued in the Receiving Fund
Class I (Acc) (Net)	Class I (Acc) (Net)
Class J (Income) (Net)	Class J (Income) (Net)
Class K (Acc) (Net)	Class K (Acc) (Net)
Class L (Income) (Net)	Class L (Income) (Net)
Class Q (Acc) (Net)	Class Q (Acc) (Net)
Class R (Income) (Net)	Class R (Income) (Net)
Class U (Acc) (Net)	Class U (Acc) (Net)
Class V (Income) (Net)	Class V (Income) (Net)

8. Notification of the New Units issued under the Scheme of Arrangement

- 8.1 It is intended that the Manager will notify each Unitholder, by way of contract note, of the number and class of New Units issued to that Unitholder within 14 days of the Effective Date.
- 8.2 Transfers, exchanges, subscriptions, redemptions, conversions or switches of New Units issued under the Scheme of Arrangement may be effected from the 1 April 2019, being the first Dealing Day of the Receiving Fund.

9. Mandates and other instructions in respect of New Units

Mandates and other instructions to the Manager in force on the Effective Date in respect of Units will be deemed to be effective in respect of New Units issued under the Scheme of the Arrangement and in respect of other later acquired units in the Receiving Fund, if relevant. Unitholders may change these mandates or instructions at any time.

10. Termination of the Merging Fund

- 10.1 On the Scheme of Arrangement becoming effective the Manager shall immediately proceed to terminate the Merging Fund in accordance with the FCA Rules, the Feeder Trust Deed, the prospectus of the Feeder Trust and the Scheme of Arrangement.
- 10.2 The Retained Amount, if required, (which will be made up of cash and other assets, if necessary) and any income arising on it, will be used by the Trustee (as trustee of the Merging Fund) to pay any outstanding liabilities of the Merging Fund in accordance with the directions and instructions of the Manager (as manager of the Merging Funds) and the provisions of the Feeder Trust Deed, the Prospectus and the FCA Rules.
- 10.3 If, on the completion of the termination of the Merging Fund, there are any surplus moneys remaining in that fund, they, together with any income arising therefrom, shall be transferred to the Receiving Fund. No further issue of New Units shall be made as a result. The Trustee shall cease to hold the Retained Amount in its capacity as trustee of the Merging Fund and shall make such transfers and re-designations as may be directed and/or instructed by the Manager as manager of the Merging Fund.
- 10.4 If the Retained Amount is insufficient to discharge all the liabilities of the Merging Fund, the Trustee in its capacity as trustee of the Receiving Fund, shall pay the amount of the shortfall out of the scheme property attributable to the Receiving Fund in proportion to the value of the Merging Fund transferred to the Receiving Fund, in accordance with the directions and/or instructions of the Manager and the FCA Rules.
- 10.5 On completion of the termination of the Merging Fund, the Trustee and the Manager will be discharged from all their obligations and liabilities in respect of the Merging Fund, except those arising from a breach of duty before that time. Final accounts in respect of the Merging Fund will be drawn up and, within four months of the termination of each Merging Fund, a copy of these final accounts and the Auditor's report on it will be sent to the FCA and to each person who was a Unitholder in the Merging Fund immediately before completion of the termination.
- 10.6 If after the completion of the termination of the Merging Fund contingent assets should arise in the Merging Fund that were not recognised or only partly recognised by the Manager and the Trustee (as manager and trustee respectively of the Merging Fund) at the time of the Effective Date, such assets will be transferred to the Receiving Fund, as appropriate, less any costs that the Manager or the New Trustee might incur in securing these assets for the Receiving Fund, as appropriate.

11. Costs, charges and expenses

- 11.1 The Trustee and the Manager (as manager and trustee respectively of the Merging Fund) will continue to receive their usual fees and expenses for being the trustee and alternative

investment fund manager respectively of the Merging Fund as set out in the current Prospectus out of the property of the Merging Fund which accrue to the Effective Date but not beyond this date.

12. Reliance on the Register

12.1 The Trustee and the Manager shall be entitled to assume that all information contained in the register of Unitholders of the Merging Fund on and immediately prior to the Effective Date is correct, and to utilise the same in calculating the number of New Units to be issued and registered pursuant to the Scheme of Arrangement.

12.2 The Manager may act and rely upon any certificate, opinion, evidence or information furnished to it by its professional advisers in connection with the Scheme of Arrangement and shall not be liable or responsible for any resulting loss to the Merging Fund.

13. Alterations to the Scheme of Arrangement

13.1 The Manager may determine with the prior approval of the FCA and the Trustee that the Effective Date of the Merger is to be other than as set out in this document, in which case such consequential adjustments may be made to the other elements in the timetable of the Merger as the Manager considers appropriate.

13.2 The terms of the Merger may be amended as determined by the Manager and approved by the FCA (and in consultation with the Trustee).

14. Governing law

14.1 The Scheme of Arrangement is governed by and shall be construed in accordance with the laws of England and Wales.

15. Consents

15.1 The Manager

Alpha Real Capital LLP, as the alternative investment fund manager of the Merging Fund, confirms that in its opinion the Merger is not likely to result in any material prejudice to Unitholders.

15.2 The Trustee

NatWest Trustee and Depositary Services Limited, as trustee of the Merging Fund and the Receiving Fund, has informed the Manager by letter that, while expressing no opinion as to the merits of the Merger which is a matter for the judgement of each Unitholder, and not having been responsible for the preparation of this document, it consents to the references made to it in this document in the form and context in which they appear

16 Tax

16.1 Tax clearances and commentary for the Merging Fund

HM Revenue & Customs ("HMRC") has given clearance by letter under section 701 of the Income Tax Act 2007 and section 748 of the Corporation Tax Act 2010, that the Merger does not create any tax advantages which should be cancelled.

HMRC has further given clearance that Section 103K(1) TCGA 1992 will not apply with the result that Section 103H TCGA 1992 will not be prevented from applying to unitholders who are involved in the scheme of reconstruction and the transaction is such that no notice under Section 698 ITA 2007 or Section 743 CTA 2010 would be given in respect of them.

16.2 Tax impact for UK Unitholders

It is not expected that the tax treatment in respect of New Units will be different to the treatment applying to your Units. Further, the tax position of Merging Fund and should not differ either.

HM Revenue & Customs has confirmed by letter to KPMG that section 103K of the Taxation of Chargeable Gains Act 1992 should not apply to the Merger and consequently section 103H of that Act may apply regardless the size of holding. Accordingly, the Merger should not involve a disposal of Units for the purposes of tax on capital gains. New Units will have the same acquisition cost and acquisition date for capital gains tax purposes for each UK Unitholder as their existing Units.

It is not anticipated that UK stamp taxes should be payable in respect of the Merger. KPMG has received clearance from HMRC that stamp duty will not arise as the Merger is within the principles of *Save & Prosper Securities Ltd v CIR* as it takes effect by operation of law rather than an 'agreement'.

This is a summary of our understanding of the current UK legislation and HM Revenue & Customs' practice relevant to UK resident investors regarding the issue of new Units as a result of the Merger. It may be subject to change. **If you are in any doubt about your potential liability to tax, you should consult a professional financial or tax adviser.**

16.3 Tax impact for non-UK Unitholders

The tax consequences of the Merger may vary depending on the law and regulations of your country of residence, citizenship or domicile. **If you are in any doubt about your potential liability to tax, you should consult a professional financial or tax adviser.**

17 Documents for inspection

The following documents are available for inspection at the offices of the ACD during normal business hours until 22 March 2019:

1. the Feeder Trust Deed;
2. the current prospectus of the Feeder Trust;
3. the Feeder Trusts II Deed;
4. the Prospectus of the Feeder Trust II (containing details of the Receiving Fund);
5. the following letters referred to above:
 - a. the letter from the Trustee;
 - b. the letter from the FCA to Eversheds Sutherland (International) LLP; and
 - c. the letters from HM Revenue & Customs;
6. the NURS KIIs relating to each of the Merging Fund and the Receiving Fund; and
7. the latest Report and Accounts for the Feeder Trust.

Summary of changes arising from Commercial Freehold Feeder Trust to Commercial Long Income Feeder Trust

The Receiving Fund, Commercial Long Income Feeder Trust, is materially identical to CFFT in which you hold an investment.

Feature	Commercial Freehold Feeder Trust	Commercial Long Income Feeder Trust
Large Deal Provision	The Manager 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 £250,000 (a "Large Deal") for the Fund.	The Manager 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 (a "Large Deal") for the Fund.

Unitholders should note the change in terms in the Prospectus for ARC TIME:Funds II impacting CFF.

Unitholders shall be provided a copy of the Circular to Shareholders in CFF for information only.

Procedure for the Meeting of Unitholders including Notice of Adjournment

A Notice of Meeting of Unitholders setting out the resolution to approve the Merger is set below.

The quorum for the Meeting is two Unitholders, present in person or by proxy.

The Trustee has appointed Nigel Ashfield or failing him, any other duly authorised representative of the Manager, to be chairman of the Meeting.

The resolution at the Meeting will be proposed as an "extraordinary resolution" and must be carried by a majority in favour of not less than 75% of the total number of votes cast at the Meeting. (Persons who are Unitholders in the Merging Fund on the Qualification Date, but excluding persons who are known to the Manager not to be Unitholders at the time of that Meeting, are entitled to vote and be counted in the quorum.) Once passed, an extraordinary resolution is binding on all Unitholders in the Merging Fund whether or not they voted in favour of it or voted at all.

The Manager is only entitled to be counted in the quorum and vote at a meeting in respect of Units which it holds on behalf of or jointly with a person who, if himself the registered Unitholder, would be entitled to vote and from whom the Manager has received voting instructions.

Associates of the Manager are entitled to be counted in a quorum. They may vote at a meeting in respect of Units which they hold on behalf of or jointly with a person who, if himself the registered holder, would be entitled to vote and from whom they have received voting instructions.

In view of the importance of the Merger, the chairman of the Meeting will order a poll to be taken in respect of the resolution. On a poll, each investor may vote either in person or by proxy. The voting rights attaching to each Unit are such proportion of the voting rights attached to all the Units in issue that the price of the Unit bears to the aggregate price(s) of all the Units in issue at the date seven days before the Notice of Meeting is sent out. A Unitholder who is entitled to more than one vote on a poll need not, if he votes, use all his votes or cast all the votes he uses in the same way.

Should a quorum not be achieved at the Meeting of Unitholders at 12 noon on 22 March 2019, the Meeting shall be adjourned to 12 noon on 29 March 2019 and this document should be construed as prior notice of this adjournment. The quorum for an adjourned meeting is also two Unitholders present in person or by proxy, however if a quorum is not present from a reasonable time from the time appointed for the meeting, generally considered to be 15 minutes, then one person entitled to be counted in a quorum present at the meeting shall be a quorum.

Notice of Meeting of Unitholders including Notice of Adjournment
COMMERCIAL FREEHOLD FEEDER TRUST
(a sub-fund of ARC TIME:Feeder Trusts)

NOTICE IS HEREBY GIVEN that a Meeting of the Unitholders in Commercial Freehold Feeder Trust will be held at the offices of Alpha Real Capital LLP, at 6th Floor, 338 Euston Road, London NW1 3BG at 12 noon on 22 March 2019, or failing to reach a quorum an adjourned Meeting of Unitholders at 12 noon on 29 March 2019, to consider and, if thought fit, to pass the following resolution which will be proposed as an extraordinary resolution:

Extraordinary Resolution

THAT the scheme of arrangement (the "Scheme of Arrangement") for the merger of the Commercial Freehold Feeder Trust (the "Merging Fund") with the Commercial Long Income Trust (the "Receiving Fund"), the terms of which are contained in a document dated 25 February 2019 and addressed to Unitholders in the Merging Fund, be and is hereby approved, and accordingly that Alpha Real Capital LLP, as the alternative investment fund manager of the Merging Fund, and NatWest Trustee and Depositary Services Limited, as trustee of the Merging Fund, are, subject to the conditions set out in paragraph 2 of the Scheme of Arrangement, hereby instructed to implement and give effect to the Scheme in accordance with its terms.

for and on behalf of
ALPHA REAL CAPITAL LLP
(as Manager of Commercial Freehold Feeder Trust, a sub-fund of ARC TIME: Feeder Trusts)

25 February 2019

Notes

- 1.** To be passed, an extraordinary resolution must be carried by a majority in favour of not less than 75% of the total votes validly cast for and against the resolution at the Meeting.
- 2.** A Unitholder who holds Units in the Merging Fund and who is entitled to attend and vote may appoint a proxy, who need not be another Unitholder, to attend and vote on behalf of that Unitholder. Forms of proxy and the power of attorney or other authority (if any) under which they are signed (or a notarially certified copy thereof) must be deposited with Alpha Real Capital LLP, 338 Euston Road, London NW1 3BG not later than 10am on 22 March 2019. Please use the envelope provided.
- 3.** On a poll, the voting rights of each Unitholder (whether present in person or by proxy) are the proportion of the voting rights attached to all of the Units in issue in the Merging Fund that the price of a Unit bears to the aggregate price or prices of all of the Units in issue in the Merging Fund on the date seven days before the Notice of Meeting was sent out. A Unitholder entitled to more than one vote on a poll need not, if they vote, use all their votes or cast all the votes they use in the same way.
- 4.** The quorum for the Meeting, unless adjourned, is two Unitholders present in person or by proxy or, in the case of a body corporate, by a duly authorised representative. For the purposes of the Meeting, "Unitholder" includes persons who hold Units on the Qualification Date, but excludes any persons who are known to the Manager not to be Unitholders at the time of the Meeting.