

Please read this letter and the accompanying documents carefully as they contain important information regarding your investment. Should you be in any doubt about the content and how it may affect you and your investment, you should consult with your professional adviser before taking any action.

25 February 2019

Dear Unitholder,

Proposals in relation to your investment in Commercial Freehold Feeder Trust ("CFFT")

We are writing to you as a Unitholder in the fund to explain our proposals and to seek your consent to transfer your current holding to a new fund, Commercial Long Income Feeder Trust ("CLIFT"). **The proposals are intended to have no impact on your investment and shall have no tax consequences for UK investors.** CLIFT is materially identical to the current CFFT fund in which you hold an investment.

The details below set out the reasons and technical mechanisms for the proposed transfer and also the action we request you undertake.

What is the proposed change?

The proposal is for you to exchange your existing Units in CFFT, which is a sub-fund of ARC TIME:Feeder Trusts, for new Units in CLIFT, a new sub-fund of a new umbrella, ARC TIME:Trusts II. The terms of your investment shall be unaltered.

Why is there a change?

The change is proposed for administrative purposes to separate CFFT into a new authorised scheme which will simplify the documented features of your fund by removing the additional disclosures and terms pertaining to other sub-funds (i.e. such as those not relevant for non-long income commercial real estate, being the primary objective of the master schemes) and allowing for the introduction of bespoke terms relating to your fund. The proposals will also enhance the level of control by unitholders in respect of their own fund.

Should the proposals be approved, Shareholders will also benefit from the following as a consequence of being a Unitholder in CLIFT:

- i) Reduced ongoing charges with Trustee fees (via their fees as Depositary to Commercial Long Income PAIF) falling by 0.02% p.a. of net asset value; and,
- ii) Removal of the performance fee of 20% of the return above 8% p.a. in the Commercial Long Income PAIF, which is currently shared by the Investment Manager and the Property Manager.

These changes have been reviewed and approved by the Financial Conduct Authority.

Why is the name of the fund changing?

The Authorised Fund Manager is taking the opportunity to update the name of the new fund to better describe its primary strategy. As noted there is no intention to change any aspect of your investment or what the new fund will invest in.

What are the costs of the proposals?

The aggregate costs of the proposals to the fund (including those for the Commercial Freehold Fund, being the master fund) are capped to £48,000. As noted, there will be a reduction of overall annual fees paid. Therefore the costs arising from the proposals are expected to be recouped by CLIP in around 18 months, with ongoing accelerating annual costs savings thereafter.

What do I need to do?

We request that **you complete the enclosed Proxy Voting Form - as contained at Appendix B** – and vote in favour of the proposed scheme of arrangement which effects the merger of CFFT with CLIFT (the “Scheme of Arrangement”).

Please refer to **Appendix A** for further details of the proposals regarding your Units.

When is this happening?

Should the proposals be approved by Unitholders the new CLIFT fund should be effective on 1 April 2019.

In order to meet this deadline we kindly request you complete and return the Proxy Voting Form in the enclosed reply paid envelope as soon as possible and **no later than 10.am on 22 March 2019.**

What happens if you do not wish to participate?

If you do not wish to participate by completing the Proxy Voting Form and the proposals are approved by Unitholders, you will be issued with Units in CLIFT equivalent to the Units you hold in CFFT.

Alternatively you may redeem your Units in CFFT by sending a signed redemption instruction to us in the usual manner.

What happens if the proposals do not proceed?

In the event that the proposals are not approved you will continue to hold Units in CFFT, which will continue to operate unchanged.

How to contact us

If you have any questions about the information enclosed within this communication, please call our Client Services team on 0845 600 1213, which is open from Monday to Friday between 9.00am and 5.00pm.

Yours faithfully,

Nigel Ashfield
Managing Director
TIME Investments

With the consent of Alpha Real Capital LLP, as Authorised Fund Manager

Appendix A: INFORMATION ON THE SCHEME OF ARRANGEMENT AND NOTICE OF UNITHOLDER MEETING

Appendix B: PROXY VOTING FORM