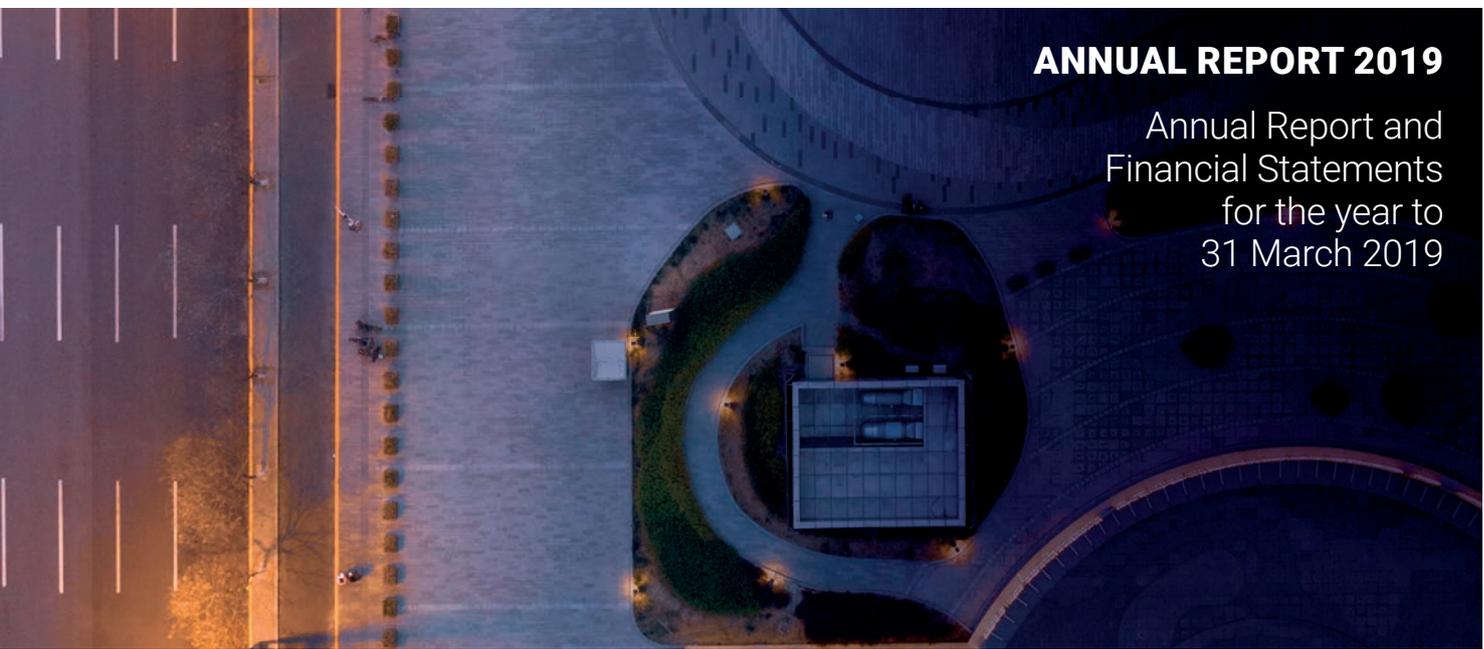


COMMERCIAL FREEHOLD FUND

A long income fund investing in commercial freeholds with long leases. Targeting income and capital growth with a degree of inflation protection.



ANNUAL REPORT 2019

Annual Report and
Financial Statements
for the year to
31 March 2019

Reasons to invest in TIME:Commercial Freehold's successor fund, TIME:Commercial Long Income

Income security

Our properties generate consistent, long-term cash flows. This is achieved through long, high quality tenancies, the financial strength of the tenants, and/or an over-collateralised ground-rent structure.

Inflation protection

Over 95% of rent reviews are linked to inflation or have a fixed uplift, rather than being subject to open-market negotiation. 100% of the rent reviews are upwards only.

Diversified portfolio

The portfolio is made up of over 50 properties around the UK, including tenant businesses from many different sectors of the economy.

Lower volatility

The Weighted Average Lease Term (WALT) is more than five times greater than many traditional UK commercial property funds. This removes significant uncertainty in valuation around the potential loss of tenants.

Track record

The TIME group has a long track record in long income property and manages over £2 billion of UK long income property assets.

Capital growth

The fund may benefit from capital value increases in its property portfolio. This can happen in several ways, such as rental growth, lease extensions and yield shift.



“The fund has continued to deliver secure and stable returns with consistent liquidity. The fund provides a unique opportunity to provide investors with the security of an investment in a bricks and mortar fund with the more bond-like qualities that Long Income Property provides.”

Nigel Ashfield
Managing Director
TIME Investments

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* Collectively these comprise the Authorised Corporate Director's report

Commercial Freehold Fund

("TIME:Commercial Freehold", or the "Fund")

The aim of TIME:Commercial Freehold was to provide a secure and stable investment primarily through investing in long income properties, that offer a consistent income stream and capital growth prospects.

Key achievements

- The Fund generated a total return for the year to 31 March 2019 of 4.80%. This included an income return of 3.72% of which 1.89% was distributed as income in November 2018, 0.98% was distributed as income in February 2019 and 0.85% distributed as income in May 2019 and a capital return of 1.08%.
- Acquisition of £85.6 million of long income property during the year.
- As at 31 March 2019, the portfolio was valued at £200.5 million comprising 56 properties, with a total annual rental income of £9.9 million.
- The Fund's portfolio had a weighted average lease length of 52 years at 31 March 2019.
- Income growth and inflation mitigation through inflation linked or other fixed upwards only regular rent reviews. 97% of TIME:Commercial Freehold's properties had either index linked or fixed uplifts. Traditional commercial property leases have rent reviews that are usually linked to open market property values which are less certain.
- TIME:Commercial Freehold is AAA rated by Citywire, putting the team in the top 2.5% of fund managers tracked globally.

* Representative for a Class A Gross Accumulation shareholder.

** Income return is calculated from the price of Class A Gross Accumulation shares at the start of the year.

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

4.80%

Total return
for the year*

3.72%

Income return
for the year**

1.08%

Capital return for
the year***

About Alpha and TIME Investments



The Alpha group has over £3 billion in assets under management, has a strong balance sheet and has no borrowings.



The Authorised Corporate Director (the “ACD”) and Alternative Investment Fund Manager (“AIFM”) is Alpha Real Capital LLP (“Alpha”), a Financial Conduct Authority (“FCA”) regulated co-investing institutional investment manager, with over £3 billion in assets under management. Established in 2005, Alpha is owned by its partners and has offices in Central London and in Europe. Alpha Real Property Investment Advisers LLP trading as TIME Investments, a subsidiary of Alpha, is the Investment Manager of TIME:Commercial Freehold and provides administrative and transfer agency services and is also regulated by the FCA. TIME:Commercial Freehold is AAA rated by Citywire, putting the team in the top 2.5% of fund managers tracked globally.

TIME Investments has over 70 staff and forms the financial adviser facing division of Alpha. In addition to its role as Investment Manager of TIME:Commercial Freehold and its successor fund, Commercial Long Income PAIF (TIME:Commercial Long Income), it is also the Investment Manager of Freehold Income Authorised Fund (TIME:Freehold), Social Long Income PAIF (TIME:Social Long Income) and Defensive Income Securities Fund (TIME:Defensive Income Securities). The team also runs two capital preservation focused Inheritance Tax (IHT) mitigation services, TIME:Advance and TIME:CTC (Corporate Trading Companies); the latter having a 23 year track record of successfully achieving 100% relief from IHT for qualifying investors. TIME Investments also runs a unique growth focused IHT mitigation service, TIME:AIM, which invests in a portfolio of Alternative Investment Market (“AIM”) shares.

In November 2018 TIME Investments was awarded the winner of ‘Best Business Relief Manager’ at the Growth Investor Awards. TIME Investments was also awarded the winner of the prestigious “Best IHT Portfolio Services” category at the Investment Week’s Tax Efficiency Awards 2017/18. TIME Investments also won ‘Service Beyond The Call of Duty’ at the Moneyfacts Life & Pension awards 2018/19 and TIME:Commercial Freehold was named the winner in the Property & Real Estate category at the Investment Week’s Specialist Investment Awards 2018.

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

Authorised Corporate Director's report

Following the Exchange Offer and Merger with TIME:Commercial Long Income, we are pleased to present the final audited annual report and financial statements of Commercial Freehold Fund ("TIME:Commercial Freehold"), a sub-fund of ARC TIME:Funds (the "Company") for the year to 31 March 2019. This report is available on the Investment Manager's website www.time-investments.com/clip or is available from the Investment Manager on request by emailing: enquiries@time-investments.com.

Statement of authorised status of the scheme

TIME:Commercial Freehold was a sub-fund of an umbrella Open-Ended Investment Company ("OEIC"), ARC TIME:Funds and was launched on 9 June 2014. The Company was authorised by the FCA as a Non-UCITS Retail Scheme ("NURS"). TIME:Commercial Freehold was also elected into the Property Authorised Investment Fund ("PAIF") tax regime.

Full Company details and its key service providers are provided on page 40.

Statement concerning the debts of TIME:Commercial Freehold

Investors are not liable for the debts of TIME:Commercial Freehold.

Investment Objective and Investment Policy

Investment Objective

The aim of TIME:Commercial Freehold was to manage investor capital to provide a secure and stable investment primarily through acquiring commercial freehold ground rents and commercial freehold properties which benefit from long leases. It was intended that the assets targeted for acquisition by TIME:Commercial Freehold would offer a consistent income stream with capital growth prospects. The ACD's aim was to achieve an income return of 4% per annum and some capital growth in the long term.

It was intended that TIME:Commercial Freehold would be a PAIF at all times, and as such, its investment objective was to carry on Property Investment Business and to manage cash raised for investment in the Property Investment Business.

Investment Policy

In accordance with the investment objective of TIME:Commercial Freehold, capital was to be invested primarily through acquiring commercial freehold ground rents and commercial freehold properties which benefit from long leases. Such property was to be held directly by TIME:Commercial Freehold, unless it is held via interim holding vehicles for the sole purpose to permit completion of an acquisition of property. It was intended that no interim holding vehicles shall be retained by TIME:Commercial Freehold for a duration of more than 24 months.

In addition, principally to protect its liquidity, TIME:Commercial Freehold was to 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 TIME:Commercial Freehold. The ACD would not invest more than 15% of the Net Asset Value ("NAV") in non-associated collective investment schemes. TIME:Commercial Freehold could have also invested in equities (listed or unlisted), money market instruments and debt securities. TIME:Commercial Freehold could have also utilised derivatives for investment purposes or for efficient portfolio management.

Management of TIME:Commercial Freehold

NatWest Trustee and Depositary Services Limited acted as the Depositary of TIME:Commercial Freehold, with the role of Custodian delegated to The Northern Trust Company. Alpha was the ACD and AIFM of TIME:Commercial Freehold and TIME Investments acted as Investment Manager, Administrator and Transfer Agent of TIME:Commercial Freehold with Property Manager responsibilities delegated to Landa Asset Management PLC.

Notice of change in Depositary

In order to comply with EU ring-fencing regulations within the banking sector, on 1 November 2018 the Depositary of the Company changed from National Westminster Bank Plc to NatWest Trustee and Depositary Services Limited (an associated company within the RBS/NatWest banking group). The new Depositary is authorised by the FCA and acts on the same basis as the outgoing Depositary.

Exchange Offer and Merger with TIME:Commercial Long Income

On 22 March 2019 shareholder consent to exchange shares in TIME:Commercial Freehold for equivalent shares in a new FCA authorised fund, Commercial Long Income PAIF ("CLIP"), was overwhelmingly given by over 97% of shareholders who returned a Form of Election. The date of the change was 1 April 2019.

Proposals were also unanimously approved by unitholders in TIME:Commercial Freehold's dedicated feeder trust, Commercial Freehold Feeder Trust ("CFFT") and therefore Units in CFFT were transferred to CLIP's new dedicated feeder trust, Commercial Long Income Feeder Trust ("CLIFT") on 1 April 2019.

The changes have had no material impact for Shareholders and no tax consequences for UK investors. This change was approved by the FCA and became effective on 1 April 2019. The new funds are materially similar to the old funds and all shares were transferred at the same value on a 1 for 1 basis.

LONG LEASE

DAVID LLOYD LEISURE
PETERBOROUGH



A purpose built sports club located in Peterborough, leased to David Lloyd Clubs on a 25 year lease.

Asset type

Long lease property

Sector

Leisure

Tenant

David Lloyd Clubs

LONG LEASE

PREMIER INN
GREAT YARMOUTH



A purpose built 80 bedroom hotel, located in Great Yarmouth and leased to Premier Inn, with five yearly inflation linked uplifts.

Asset type

Long lease property

Sector

Hotel

Tenant

Premier Inn

Authorised Corporate Director's report (continued)

Changes to the Instrument and Prospectus of ARC TIME:Funds

In the period since publication of the half year report to 30 September 2018 on 30 November 2018 the following are the significant or notifiable changes for Shareholders:

Changes to the Instrument of ARC TIME:Funds

The key changes made to the Instrument are as follows:

- Further to the merger of Commercial Freehold Fund into a new umbrella, ARC TIME:Funds II, this sub-fund is noted as winding up and is no longer available for investment. This will be removed from the Instrument in due course.

Changes to the Prospectus of ARC TIME:Funds

Notifiable changes – effective immediately:

- The Authorised Corporate Director has appointed Hugo James, a partner of Alpha Real Capital LLP, to be an additional member of the executive committee of the Authorised Corporate Director. His appointment was effective from 1 April 2019.

Brexit risk assessment

TIME:Commercial Freehold has mitigated the cross-border risk of Brexit as all of TIME:Commercial Freehold's property is located within the UK. Additionally TIME:Commercial Freehold's cash reserves are only held in pounds sterling. While the cross-border risks of Brexit have been mitigated TIME:Commercial Freehold is still exposed to the effect of a downturn or a recession in the property market or the wider economy caused by the adverse effects of Brexit. This cannot be measured with any certainty. However, it is expected that the property portfolio of TIME:Commercial Freehold would, as long income property, provide greater defensive characteristics to mitigate the effect on TIME:Commercial Freehold of any Brexit related downturn in the property market or in the wider economy, when compared against conventional property funds with shorter lease lengths.

Remuneration of AIFM

The provisions of the Alternative Investment Fund Managers Directive ("AIFMD") took effect in full on 22 July 2014. That legislation requires the ACD (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, 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 in to account the specific features of the types of activities carried out and so reflect 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 Alpha to dis-apply many of the technical requirements of the Code and proportionately apply the Code's rules and principles in establishing Alpha's policy.

Alpha Real Capital LLP

31 July 2019

LONG LEASE

HOLIDAY INN HOTEL

SOUTHEND AIRPORT, ESSEX



A newly constructed 129 bedroom hotel, located by London Southend Airport let on a long lease to Stobart Group.

Asset type

Long lease property

Sector

Hotel

Tenant

Stobart Group

Location

Southend, Essex

GROUND RENT

ST MARTINS CARE

NORTH EAST



A family owned company that has been involved in looking after people with care and support needs in the North of England for over 20 years.

Asset type

Ground rent property

Sector

Healthcare

Location

North East

Investment Manager's report

TIME:Commercial Freehold summary

TIME:Commercial Freehold offered investors a choice of income shares, which paid a quarterly income distribution (in August, November, February and May) and accumulation shares, where the income was automatically reinvested, thereby enhancing the value of those shares. Shares were either in a net share class (subject to withholding tax on income distribution where applicable) or a gross share class (for exempt investors who are not subject to withholding tax on income distributions).

Shares in TIME:Commercial Freehold were widely available. The intended categories of investors were retail investors (but only where such retail investor has sought financial advice before investing in TIME:Commercial

Freehold and that can be demonstrated to the Transfer Agent), offshore investors, ISA eligible investors and institutional investors. Each share class had the same rights on wind-up. Each share class had the same voting rights. For more information about voting rights please refer to Section 39 of the Company's Prospectus, which is available on the Investment Manager's website www.time-investments.com/clip or is available from the Investment Manager on request by emailing enquiries@time-investments.com.

Investors could have participated in TIME:Commercial Freehold through its twelve share classes. Their characteristics are set out below.

A - D Share Classes			
These share classes were open to all investors, with no adviser commission payable.			
ACCUMULATION		INCOME	
Class A Gross Accumulation Shares	Class B Net Accumulation Shares	Class C Gross Income Shares	Class D Net Income Shares
For Exempt Investors only. Income distributions will be automatically reinvested without deducting withholding tax.	Shares in respect of which income is automatically reinvested net of withholding tax where applicable.	For Exempt Investors only. Income distributions will be paid without deducting withholding tax.	Shares in respect of which income is distributed net of withholding tax where applicable.
Initial fee: Up to 3% of subscription amount Minimum subscription: £5,000	Initial fee: Up to 3% of subscription amount Minimum subscription: £5,000	Initial fee: Up to 3% of subscription amount Minimum subscription: £5,000	Initial fee: Up to 3% of subscription amount Minimum subscription: £5,000

F and H Share Classes	
These share classes were only open to non-UK Financial Advisers with non-UK Investors. Financial Advisers may be eligible for Initial and Trail commission.	
ACCUMULATION	INCOME
Class F Net Accumulation Shares	Class H Net Income Shares
Shares in respect of which income is automatically reinvested net of withholding tax where applicable.	Shares in respect of which income is distributed net of withholding tax where applicable.
Initial fee: Up to 5% of subscription amount Minimum subscription: £5,000	Initial fee: Up to 5% of subscription amount Minimum subscription: £5,000

GROUND RENT

THE ARBORETUM HOLIDAY PARK DEVON



This purpose built holiday park is made up of both apartments and lodges, and is let for 250 years under the Beyond Escapes brand.

Asset type

Ground rent property

Sector

Leisure

Location

Devon

LONG LEASE

MORRISONS SUPERMARKET BIRTLEY



A purpose built, 60,000 square foot town centre supermarket set across three floors with parking, which is let to Morrisons on a long lease with regular inflation linked uplifts.

Asset type

Long Lease

Sector

Retail

Tenant

WM Morrisons plc

Location

Birtley, North East

Investment Manager's report (continued)

M - P Share Classes			
These share classes were only open to institutional investors, with no adviser commission payable.			
ACCUMULATION		INCOME	
Class M Gross Accumulation Shares	Class N Net Accumulation Shares	Class O Gross Income Shares	Class P Net Income Shares
For Exempt Investors only. Income distributions will be automatically reinvested without deducting withholding tax.	Shares in respect of which income is automatically reinvested net of withholding tax where applicable.	For Exempt Investors only. Income distributions will be paid without deducting withholding tax.	Shares in respect of which income is distributed net of withholding tax where applicable.
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	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

S and T Share Classes	
These share classes were only open to offshore (non-UK) professional or institutional investors.	
ACCUMULATION	INCOME
Class S Net Accumulation Shares	Class T Net Income Shares
Shares in respect of which income is automatically reinvested net of withholding tax where applicable.	Shares in respect of which income is distributed net of withholding tax where applicable.
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

Commercial Freehold Feeder Trust ("CFFT"), the feeder trust

CFFT, a sub-fund of ARC TIME:Feeder Trusts was an FCA Authorised Unit Trust and was established in June 2014 as a dedicated feeder trust. It was generally intended for investors who were unable to access TIME:Commercial Freehold as a result of administrative issues which govern a PAIF or for bodies corporate where their holding in TIME:Commercial Freehold would exceed 10% of NAV. CFFT's sole investment were in TIME:Commercial Freehold and so it was expected that the performance and pricing of the I, J, K, L, Q, R, U and V Unit Classes of CFFT would materially follow those of the B, D, F, H, N, P, S and T Share Classes of TIME:Commercial Freehold respectively.

Exchange Offer and Merger with TIME:Commercial Long Income

As a result of the Exchange Offer and Merger with TIME:Commercial Long Income, Shares in TIME:Commercial Freehold and TIME:Commercial Freehold Feeder Trust are no longer available. The above share and unit classes have been replicated in the new CLIP and CLIFT funds.

A separate Prospectus and Application Form for both CLIP and CLIFT are available on the Investment Manager's website www.time-investments.com/clip or are available from the Investment Manager on request by emailing enquiries@time-investments.com.

GROUND RENT

THE DOUBLETREE BY HILTON SHEFFIELD



This purpose built, 131 bedroom hotel is let for 125 years and operated under the DoubleTree by Hilton brand.

Asset type

Ground rent property

Sector

Hotel

Location

Sheffield

GROUND RENT

RICHMOND WIGHT ESTATES SCOTLAND



Residential park homes, luxury lodges and holiday homes across three stunning locations in Scotland.

Asset type

Ground rent

Sector

Holiday park

Tenant

Richmond Wight Estates

Location

Scotland

Investment Manager's report (continued)

Dealing in TIME:Commercial Freehold

TIME:Commercial Freehold increased its dealing frequency from a weekly basis to a daily basis, commencing from 31 August 2018. The Fund dealt on each business day.

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

Notices for the redemption of shares were required to be delivered no later than 10am of the relevant dealing day. Classes S and T required six months' notice of redemption prior to the relevant dealing day. Once such notice was received by the Administrator, the redemption would have been processed, to the extent possible, on the first dealing day after six months has expired.

These dealing terms have been replicated in the fund's successor, TIME:Commercial Long Income.

Further details on the value of shares in TIME:Commercial Freehold can be found on the website www.time-investments.com/clip or by calling the Investment Manager on 0345 600 1213 or by email at enquiries@time-investments.com.

Dilution adjustment

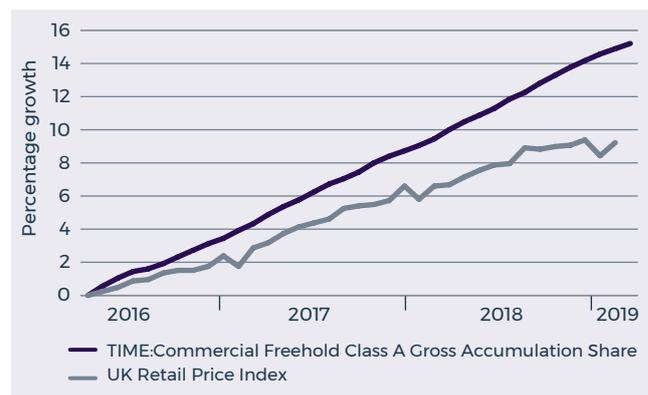
The Administrator, on behalf of the ACD, did apply a dilution adjustment to the price of shares to reduce the impact of "dilution". The Fund priced its shares each dealing day at net asset value with a dilution adjustment to reflect the costs of acquiring or disposing of property. The dilution adjustment ensured that incoming investors bore their proportionate share of the costs of acquiring property so that existing investors did not suffer disproportionately. It also ensured that when there were significant or prolonged net redemptions that redeeming investors bore their proportionate share of the costs of disposing of property so that continuing investors do not suffer disproportionately. The exact calculation of the dilution adjustment on any dealing day was with reference to the composition of the Fund's balance sheet (broadly the higher the property composition the higher the dilution adjustment + or -, and the higher the cash composition the lower the dilution adjustment + or -).

The dilution adjustment pricing method is also known as a single swinging price. In broad terms the price will always be at the offer price unless the Fund is experiencing significant or prolonged net redemptions (at which point it would swing to the bid price). Since the introduction of the dilution adjustment the Fund's shares were dealt at the offer price. Were the fund to swing to the bid price (as described above) the price of the shares subscribed or redeemed would be circa 7% - 9% lower. Please refer to Clause 21.4 of the Prospectus for further information.

TIME:Commercial Freehold Weighted Average Lease Term as at 31 March 2019



TIME:Commercial Freehold returns for the three years to 31 March 2019 by comparison with RPI



Performance review

The Fund has generated a total return for the year to 31 March 2019 of 4.80% (based on the Class A Gross Accumulation Shares), which includes an income return of 3.72% and a capital return of 1.08%.

Investment Manager's report (continued)

Property investment review

During the year TIME:Commercial Freehold acquired £85.6 million of long income property bringing the portfolio value at 31 March 2019 to £200.5 million with a total annual rental income of £9.9 million across 56 properties.

As at 31 March 2019 the portfolio consisted of 77% commercial long lease properties and 23% commercial ground rent properties. TIME:Commercial Freehold's portfolio at 31 March 2019 has a weighted average lease length of 52 years versus a typical average lease term of 7 years on traditional commercial property. 97% of the current portfolio by value has a form of inflation protection through periodic rental uplifts linked to the Retail Price Index ("RPI"), Consumer Price Index ("CPI") or fixed uplifts which occur typically annually or every 5 years.

As a result of the greater length of lease and the security and predictability of long income that long income properties provide, the value of TIME:Commercial Freehold's property portfolio has increased for its fifth year in succession.

TIME:Commercial Freehold's property assets were acquired by TIME:Commercial Long Income on 1 April 2019 as a result of the Exchange Offer and Merger. Therefore, as TIME:Commercial Freehold has divested itself of its assets it is intended that the ACD will apply to the FCA later in 2019 for the Fund to be wound up and to cease to be an authorised fund.

Nigel Ashfield for TIME Investments
Investment Manager

31 July 2019

Statement of Authorised Corporate Director's responsibilities

in relation to the financial statements of TIME:Commercial Freehold

The Open-Ended Investment Companies Regulations 2001 and the Financial Conduct Authority Collective Investment Schemes Sourcebook (the "Sourcebook") requires the Authorised Corporate Director to prepare financial statements for each accounting period which give a true and fair view of the financial position of TIME:Commercial Freehold for the period. The financial statements are prepared on the basis that TIME:Commercial Freehold is a going concern. In preparing the financial statements the Authorised Corporate Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- comply with the disclosure 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;
- comply with FRS 102 'The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland' (FRS 102) and follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

The Authorised Corporate Director was responsible for the management of TIME:Commercial Freehold in accordance with the Prospectus.

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. In accordance with the requirements of the Sourcebook, the report and financial statements are approved on behalf of the Partners of Alpha Real Capital LLP, the ACD.

Alpha Real Capital LLP

31 July 2019

Statement of Depositary's responsibilities

The Depositary must ensure that TIME:Commercial Freehold was managed in accordance with the Financial Conduct Authority's ("FCA") Collective Investment Scheme Sourcebook, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations"), as amended, the Financial Services and Market's Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of TIME:Commercial Freehold and its investors.

The Depositary was responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of TIME:Commercial Freehold in accordance with the Regulations.

The Depositary must ensure that:

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

The Depositary also had a duty to take reasonable care to ensure that TIME:Commercial Freehold was managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to TIME:Commercial Freehold.

Report of the Depositary to the shareholders of TIME:Commercial Freehold, a sub-fund of ARC TIME:Funds

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

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of TIME:Commercial Freehold's shares and the application of TIME:Commercial Freehold's income in accordance with the Regulations and the Scheme documents of TIME:Commercial Freehold; and
- has observed the investment and borrowing powers and restrictions applicable to TIME:Commercial Freehold.

NatWest Trustee and Depositary Services Limited

31 July 2019

Independent auditor's report

to the shareholders of Commercial Freehold Fund

Opinion

We have audited the financial statements of Commercial Freehold Fund ("TIME:Commercial Freehold") for the year ended 31 March 2019 which comprise the Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders, Balance Sheet, Statement of Cash Flows and related notes including the Distribution Table. 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 United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice "Financial Statements of Authorised Funds" issued by the Investment Association (the "Statement of Recommended Practice for Authorised Funds"), the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

In our opinion, the financial statements:

- give a true and fair view of the state of TIME:Commercial Freehold's affairs as at 31 March 2019 and of the net revenue and the net capital loss of the scheme property of TIME:Commercial Freehold for the year then ended; and
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice, Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

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 TIME:Commercial Freehold 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.

The impact of uncertainties due to United Kingdom exiting the European Union on our audit

The Authorised Corporate Directors' view on the impact of Brexit is disclosed on page 5.

The terms on which the United Kingdom may withdraw from the European Union are not clear and it is therefore not currently possible to evaluate all the potential implications to TIME:Commercial Freehold's trade, customers and the wider economy.

We considered the impact of Brexit on TIME:Commercial Freehold as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with TIME:Commercial Freehold's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for TIME:Commercial Freehold and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about TIME:Commercial Freehold's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Authorised Corporate Director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent auditor's report (continued)

Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Authorised Corporate Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Authorised Corporate Director's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of TIME:Commercial Freehold and its environment obtained in the course of the audit, we have not identified material misstatements in the Authorised Corporate Director's report.

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;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all relevant information and explanations we require for our audit.

Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of Authorised Corporate Director's responsibilities set out on page 13, the Authorised Corporate Director 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 Corporate Director 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 Corporate Director is responsible for assessing TIME:Commercial Freehold'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 Corporate Director either intend to liquidate TIME:Commercial Freehold 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 these financial statements.

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 TIME:Commercial Freehold's members as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes Sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to TIME:Commercial Freehold's members 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 TIME:Commercial Freehold and TIME:Commercial Freehold's members 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

31 July 2019

The financial statements are published at: www.time-investments.com. The maintenance and integrity of the website is the responsibility of the Investment Manager under its delegation from the Authorised Corporate Director. The work carried out by the independent auditors does not involve consideration of these matters, and accordingly, the independent auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Net Asset Value per share, Performance Record, Ongoing Charge

Net Asset Value

31 March 2019	Net Asset Value £'000	Net Asset Value per share £	Number of shares in issue
Class A Gross Accumulation	49,493	1.2425	39,832,367.65
Class B Net Accumulation	100,147	1.1959	83,740,590.87
Class C Gross Income	18,842	1.0267	18,352,145.94
Class D Net Income	17,350	1.0250	16,927,078.87
Class F Net Accumulation	2,715	1.1851	2,290,667.99
Class H Net Income	131	1.0156	128,951.51
Class M Gross Accumulation	27,084	1.2537	21,603,055.74
Class N Net Accumulation	18,351	1.2070	15,203,692.28
Class O Gross Income	3,605	1.0363	3,479,182.28
Class P Net Income	7,052	1.0340	6,820,106.34
Class T Net Income	14,606	1.0250	14,249,485.01
	259,376		
Less: Distribution paid in cash to income share class investors post period end	(466)		
Add: period end dealing dilution adjustment	69		
	258,979		

TIME:Commercial Freehold was launched on 9 June 2014. The tables show the net asset value per share class at the end of the relevant accounting period.

31 March 2018	Net Asset Value £'000	Net Asset Value per share £	Number of shares in issue
Class A Gross Accumulation	30,445	1.1764	25,880,439.34
Class B Net Accumulation	42,110	1.1404	36,927,112.33
Class C Gross Income	7,972	1.0240	7,785,138.92
Class D Net Income	12,855	1.0195	12,609,871.70
Class F Net Accumulation	1,108	1.1328	978,122.18
Class H Net Income	799	1.0126	788,708.95
Class M Gross Accumulation	2,355	1.1840	1,988,781.87
Class P Net Income	1,813	1.0262	1,766,649.47
Class T Net Income	33,464	1.0195	32,824,761.23
	132,921		
Less: Distribution paid in cash to income share class investors post period end	(1,035)		
Add: year end dealing dilution adjustment	19		
	131,905		

Share Classes A - D were launched on 9 June 2014, Share Classes F, H and M - P were launched on 15 July 2015 and Share Classes S and T were launched on 14 September 2016.

As at 31 March 2019 there were no shares issued in the S class. Shares in Class N and O were first issued in the current year.

Net Asset Value per share, Performance Record, Ongoing Charge (continued)

Performance Record

Class A Gross Accumulation	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	1.1764	1.1183	1.0717
Return before operating charges*	0.0816	0.0727	0.0622
Operating charges	(0.0155)	(0.0146)	(0.0156)
Return after operating charges*	0.0661	0.0581	0.0466
Closing net asset value per share	1.2425	1.1764	1.1183
Retained distributions on accumulation shares	0.0618	0.0492	0.0429
*Return is stated after direct transaction costs of:	0.0441	0.0485	0.0536
PERFORMANCE			
Return after charges on NAV per share	5.62%	5.20%	4.35%
Return after charges on price per share	4.80%	4.85%	4.85%
OTHER INFORMATION			
Closing net asset value (£'000)	49,493	30,445	6,737
Closing number of shares	39,832,367.65	25,880,439.34	6,024,290.00
Operating charges	1.29%	1.26%	1.42%
Direct transaction cost	3.67%	4.19%	4.86%
PRICES			
Highest share price	1.3144	1.2542	1.1962
Lowest share price	1.2552	1.1962	1.1465

Class B Net Accumulation	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	1.1404	1.0934	1.0560
Return before operating charges*	0.0704	0.0612	0.0527
Operating charges	(0.0149)	(0.0142)	(0.0153)
Return after operating charges*	0.0555	0.0470	0.0374
Closing net asset value per share	1.1959	1.1404	1.0934
Retained distributions on accumulation shares	0.0485	0.0395	0.0339
*Return is stated after direct transaction costs of:	0.0424	0.0469	0.0524
PERFORMANCE			
Return after charges on NAV per share	4.87%	4.30%	3.54%
Return after charges on price per share	4.05%	3.95%	4.04%
OTHER INFORMATION			
Closing net asset value (£'000)	100,147	42,110	26,477
Closing number of shares	83,740,590.87	36,927,112.33	24,216,135.28
Operating charges	1.29%	1.26%	1.42%
Direct transaction cost	3.67%	4.19%	4.86%
PRICES			
Highest share price	1.2651	1.2158	1.1696
Lowest share price	1.2167	1.1696	1.1288

Share Classes A – D were launched on 9 June 2014, Share Classes F, H and M – P were launched on 15 July 2015 and Share Classes S and T were launched on 14 September 2016. Shares in Class N and O were first issued in the current year.

Amounts shown are in Sterling (£) unless otherwise stated. Please refer to note 13 for details of the types of transaction costs.

Net Asset Value per share, Performance Record, Ongoing Charge (continued)

Performance Record (continued)

Class C Gross Income	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	1.0240	1.0172	1.0144
Return before operating charges*	0.0686	0.0638	0.0573
Operating charges	(0.0130)	(0.0128)	(0.0143)
Return after operating charges*	0.0556	0.0510	0.0430
Distributions on income shares	(0.0529)	(0.0442)	(0.0402)
Closing net asset value per share	1.0267	1.0240	1.0172
*Return is stated after direct transaction costs of:	0.0371	0.0425	0.0492
PERFORMANCE			
Return after charges on NAV per share	5.43%	5.01%	4.24%
Return after charges on price per share	4.33%	4.39%	4.78%
OTHER INFORMATION			
Closing net asset value (£'000)	18,842	7,972	2,124
Closing number of shares	18,352,145.94	7,785,138.92	2,087,844.02
Operating charges	1.29%	1.26%	1.42%
Direct transaction cost	3.67%	4.19%	4.86%
PRICES			
Highest share price	1.0950	1.0917	1.0881
Lowest share price	1.0687	1.0695	1.0650

Class D Net Income	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	1.0195	1.0134	1.0106
Return before operating charges*	0.0612	0.0552	0.0493
Operating charges	(0.0130)	(0.0128)	(0.0143)
Return after operating charges*	0.0482	0.0424	0.0350
Distributions on income shares	(0.0427)	(0.0363)	(0.0322)
Closing net asset value per share	1.0250	1.0195	1.0134
*Return is stated after direct transaction costs of:	0.0370	0.0423	0.0490
PERFORMANCE			
Return after charges on NAV per share	4.73%	4.18%	3.46%
Return after charges on price per share	3.69%	3.62%	3.97%
OTHER INFORMATION			
Closing net asset value (£'000)	17,350	12,855	4,260
Closing number of shares	16,927,078.87	12,609,871.70	4,203,569.45
Operating charges	1.29%	1.26%	1.42%
Direct transaction cost	3.67%	4.19%	4.86%
PRICES			
Highest share price	1.0909	1.0869	1.0840
Lowest share price	1.0685	1.0686	1.0640

Share Classes A – D were launched on 9 June 2014, Share Classes F, H and M – P were launched on 15 July 2015 and Share Classes S and T were launched on 14 September 2016. Shares in Class N and O were first issued in the current year.

Amounts shown are in Sterling (£) unless otherwise stated. Please refer to note 13 for details of the types of transaction costs.

Net Asset Value per share, Performance Record, Ongoing Charge (continued)

Performance Record (continued)

Class F Net Accumulation	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	1.1328	1.0889	1.0542
Return before operating charges*	0.0700	0.0607	0.0496
Operating charges	(0.0177)	(0.0168)	(0.0149)
Return after operating charges*	0.0523	0.0439	0.0347
Closing net asset value per share	1.1851	1.1328	1.0889
Retained distributions on accumulation shares	0.0481	0.0394	0.0182
*Return is stated after direct transaction costs of:	0.0423	0.0467	0.0272
PERFORMANCE			
Return after charges on NAV per share	4.62%	4.03%	3.29%
Return after charges on price per share	3.80%	3.68%	4.04%
OTHER INFORMATION			
Closing net asset value (£'000)	2,715	1,108	567
Closing number of shares	2,290,667.99	978,122.18	520,962.32
Operating charges	1.54%	1.50%	1.67%
Direct transaction cost	3.67%	4.19%	4.86%
PRICES			
Highest share price	1.2536	1.2077	1.1648
Lowest share price	1.2086	1.1648	1.1267

Class H Net Income	Year ended 31 March 2019	Year ended 31 March 2018
CHANGE IN NET ASSETS PER SHARE		
Opening net asset value per share	1.0126	1.0093
Return before operating charges*	0.0607	0.0553
Operating charges	(0.0154)	(0.0151)
Return after operating charges*	0.0453	0.0402
Distributions on income shares	(0.0423)	(0.0369)
Closing net asset value per share	1.0156	1.0126
*Return is stated after direct transaction costs of:	0.0367	0.0422
PERFORMANCE		
Return after charges on NAV per share	4.47%	3.98%
Return after charges on price per share	3.43%	3.41%
OTHER INFORMATION		
Closing net asset value (£'000)	131	799
Closing number of shares	128,951.51	788,708.95
Operating charges	1.54%	1.50%
Direct transaction cost	3.67%	4.19%
PRICES		
Highest share price	1.0822	1.0799
Lowest share price	1.0614	1.0640

Share Classes A – D were launched on 9 June 2014, Share Classes F, H and M – P were launched on 15 July 2015 and Share Classes S and T were launched on 14 September 2016. Shares in Class N and O were first issued in the current year.

Amounts shown are in Sterling (£) unless otherwise stated. Please refer to note 13 for details of the types of transaction costs.

Net Asset Value per share, Performance Record, Ongoing Charge (continued)

Performance Record (continued)

Class M Gross Accumulation	Year ended 31 March 2019	Year ended 31 March 2018
CHANGE IN NET ASSETS PER SHARE		
Opening net asset value per share	1.1840	1.1227
Return before operating charges*	0.0823	0.0732
Operating charges	(0.0126)	(0.0119)
Return after operating charges*	0.0697	0.0613
Closing net asset value per share	1.2537	1.1840
Retained distributions on accumulation shares	0.0622	0.0493
*Return is stated after direct transaction costs of:	0.0446	0.0467
PERFORMANCE		
Return after charges on NAV per share	5.89%	5.46%
Return after charges on price per share	5.06%	5.10%
OTHER INFORMATION		
Closing net asset value (£'000)	27,084	2,355
Closing number of shares	21,603,055.74	1,988,781.87
Operating charges	1.04%	1.01%
Direct transaction cost	3.67%	4.19%
PRICES		
Highest share price	1.3262	1.2623
Lowest share price	1.2634	1.2010

Class N Net Accumulation	Year ended 31 March 2019
CHANGE IN NET ASSETS PER SHARE	
Opening net asset value per share	1.1476
Return before operating charges*	0.0716
Operating charges	(0.0122)
Return after operating charges*	0.0594
Closing net asset value per share	1.2070
Retained distributions on accumulation shares	0.0488
*Returns are stated after direct transaction costs of:	0.0432
PERFORMANCE	
Return after charges on NAV per share	5.18%
Return after charges on price per share	4.36%
OTHER INFORMATION	
Closing net asset value (£'000)	18,351
Closing number of shares	15,203,692.28
Operating charges	1.04%
Direct transaction cost	3.67%
PRICES	
Highest share price	1.2768
Lowest share price	1.2243

Share Classes A – D were launched on 9 June 2014, Share Classes F, H and M – P were launched on 15 July 2015 and Share Classes S and T were launched on 14 September 2016. Shares in Class N and O were first issued in the current year.

Amounts shown are in Sterling (£) unless otherwise stated. Please refer to note 13 for details of the types of transaction costs.

Net Asset Value per share, Performance Record, Ongoing Charge (continued)

Performance Record (continued)

Class O Gross Income		Year ended 31 March 2019
CHANGE IN NET ASSETS PER SHARE		
Opening net asset value per share		1.0307
Return before operating charges*		0.0692
Operating charges		(0.0104)
Return after operating charges*		0.0588
Distributions on income shares		(0.0532)
Closing net asset value per share		1.0363
*Return is stated after direct transaction costs of:		0.0367
PERFORMANCE		
Return after charges on NAV per share		5.70%
Return after charges on price per share		4.61%
OTHER INFORMATION		
Closing net asset value (£'000)		3,605
Closing number of shares		3,479,182.28
Operating charges		1.04%
Direct transaction cost		3.67%
PRICES		
Highest share price		1.1040
Lowest share price		1.0758

Class P Net Income		Year ended 31 March 2019	Year ended 31 March 2018
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share		1.0262	1.0175
Return before operating charges*		0.0615	0.0554
Operating charges		(0.0105)	(0.0104)
Return after operating charges*		0.0510	0.0450
Distributions on income shares		(0.0432)	(0.0363)
Closing net asset value per share		1.0340	1.0262
*Return is stated after direct transaction costs of:		0.0372	0.0429
PERFORMANCE			
Return after charges on NAV per share		4.97%	4.42%
Return after charges on price per share		3.93%	3.84%
OTHER INFORMATION			
Closing net asset value (£'000)		7,052	1,813
Closing number of shares		6,820,106.34	1,766,649.47
Operating charges		1.04%	1.01%
Direct transaction cost		3.67%	4.19%
PRICES			
Highest share price		1.0993	1.0940
Lowest share price		1.0756	1.0733

Share Classes A – D were launched on 9 June 2014, Share Classes F, H and M – P were launched on 15 July 2015 and Share Classes S and T were launched on 14 September 2016. Shares in Class N and O were first issued in the current year.

Amounts shown are in Sterling (£) unless otherwise stated. Please refer to note 13 for details of the types of transaction costs.

Net Asset Value per share, Performance Record, Ongoing Charge (continued)

Performance Record (continued)

Class T Net Income	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2017
CHANGE IN NET ASSETS PER SHARE			
Opening net asset value per share	1.0195	1.0134	1.0202
Return before operating charges*	0.0612	0.0552	0.0245
Operating charges	(0.0130)	(0.0128)	(0.0143)
Return after operating charges*	0.0482	0.0424	0.0102
Distributions on income shares	(0.0427)	(0.0363)	(0.0170)
Closing net asset value per share	1.0250	1.0195	1.0134
*Return is stated after direct transaction costs of:	0.0371	0.0423	0.0490
PERFORMANCE			
Return after charges on NAV per share	4.73%	4.18%	1.00%
Return after charges on price per share	3.69%	3.62%	2.11%
OTHER INFORMATION			
Closing net asset value (£'000)	14,606	33,464	21,269
Closing number of shares	14,249,485.01	32,824,761.23	20,986,267.30
Operating charges	1.29%	1.26%	1.42%
Direct transaction cost	3.67%	4.19%	4.86%
PRICES			
Highest share price	1.0909	1.0869	1.0840
Lowest share price	1.0685	1.0686	1.0648

Share Classes A - D were launched on 9 June 2014, Share Classes F, H and M - P were launched on 15 July 2015 and Share Classes S and T were launched on 14 September 2016. Shares in Class N and O were first issued in the current year.

Amounts shown are in Sterling (£) unless otherwise stated. Please refer to note 13 for details of the types of transaction costs.

Net Asset Value per share, Performance Record, Ongoing Charge (continued)

Ongoing Charge (OC)

	31 March 2019 %	31 March 2018 %
Class A - D & S - T	1.34	1.29
Class F & H shares	1.60	1.54
Class M - P shares	1.10	1.04

The Ongoing Charge (OC) represented the total annualised expenses of TIME:Commercial Freehold, excluding transaction costs, interest and other finance costs and property related expenses expressed as a percentage of the net assets at the end of the accounting period.

The OC stated for 31 March 2019 is based on the NAV as at 31 December 2018 in line with what is stated in the Key Investor Information Document.

Risk warning

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

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

Following the Referendum held on 23 June 2016 concerning the UK's membership of the EU, a decision was taken to exit. We are now in a period of uncertainty in relation to many factors that impact the property investment and letting markets. Since the Referendum date it has not been possible to gauge the effect of this decision by reference to transactions in the market place. The probability of the valuer's opinion of value exactly coinciding with the price achieved, were there to be a sale, has reduced.

TIME:Commercial Freehold has mitigated the cross-border risk of Brexit as all of TIME:Commercial Freehold's property is located within the UK. Additionally TIME:Commercial Freehold's cash reserves are only held in pounds sterling. While the cross-border risks of Brexit have been mitigated TIME:Commercial Freehold is still exposed to the effect of a downturn or a recession in the property market or the wider economy caused by the adverse effects of Brexit. This cannot be measured with any certainty. However, it is expected that the property portfolio of TIME:Commercial Freehold would, as long income property, provide greater defensive characteristics to mitigate the effect on TIME:Commercial Freehold of any Brexit related downturn in the property market or in the wider economy, when compared against conventional property funds with shorter lease lengths.

Shareholders should be aware that the price of shares and the income from them can fall as well as rise and shareholders may not receive back the full amount invested.

Past performance is not a guide to future performance.

These risks have been replicated in the Fund's successor, TIME:Commercial Long Income, which acquired the assets of the Fund on 1 April 2019.

For further risk information please see the Company's Prospectus and the Prospectus for TIME:Commercial Long Income.

Portfolio Statement

As at 31 March 2019

	Market valuation £'000	Total net assets %
Sainsbury's, 66 Cornard Road, Sudbury	34,600	13.36%
Morrisons Superstore, Birtley	16,055	6.19%
Holiday Inn, Southend	15,250	5.88%
Travelodge, Kingston	13,092	5.05%
Thorne Retail Park, Omega Boulevard, Thorne	12,900	4.98%
Premier Inn, North River Road, Great Yarmouth	9,330	3.60%
Travelodge, Sheffield Meadowhall Hotel, Barrow Road, Sheffield	8,765	3.38%
Travelodge, 1 Speke Hall Avenue, Speke, Liverpool	7,790	3.00%
The Dumbell Garage, The Old Station Inn and land and buildings on the South Side of Bath Road, Maidenhead	7,681	2.96%
David Lloyd, Thorpe Wood, Peterborough	6,595	2.54%
Granton Harbour, Edinburgh	6,005	2.31%
Aldi Store, Vulcan Park Way, Newton-le-Willows	5,685	2.19%
HR Owen Motor Show Room, St Mary's Way, Stockport, Greater Manchester	4,931	1.90%
The Travelodge Hotel, Brickhill Drive, Bedford	4,565	1.76%
Doubletree by Hilton Hotel, Chesterfield Road, Sheffield	4,335	1.67%
The Arboretum, Blagdon Road, Paignton, Devon	4,158	1.60%
M&S Simply Food, Terminus Road, Cowes, Isle of Wight	3,958	1.52%
Woodside Grange Care Home, Stockton-on-Tees	3,623	1.39%
Washington Manor Care Home, Washington	2,999	1.15%
Moffat Manor Country Park, Beattock, Moffat	2,449	0.94%
A1 & A2 The Chase, Foxholes Business Park, Hertford	2,250	0.86%
Park View Care Home, Newcastle upon Tyne	2,222	0.85%
The Dragon Hotel Complex, Swansea	2,211	0.85%
The Mercure Dolphin Hotel, 34-35 High Street, Southampton	2,209	0.85%
Samlesbury Hotel, Preston New Road, Samlesbury, Preston	1,911	0.73%
Etrop Grange Hotel, Thorley Lane, Manchester	1,890	0.72%
Oddfellows Hotel, Chester	1,692	0.65%
Riverview Country Park, Mundole, Forres, Morray	1,289	0.49%
The Stack, 33-35 Upper George Street, Luton	1,105	0.42%
Glendevon Country Park, Gleneagles, Perthshire	1,030	0.39%
Stadium Court, Barbot Hall Industrial Estate, Rotherham	1,030	0.39%
Ashwood Place, Sunnyside Road, Hitchin	885	0.34%
Grosvenor Court, 15 Julian Road, Folkestone	885	0.34%
Sherwood Court, The Common, Hatfield	740	0.28%
Units 1-11 Binder Industrial Park, Eland Road, Denaby Main	631	0.24%
Lower Ground Floor, 58 Westover Road, Bournemouth	623	0.24%
The Lavenders, 145a Friern Park, London	615	0.23%
Addington House, 62 Addington Road, Sandstead, London	585	0.22%
Oakland Care Home, 183 Faversham Road, Kennington, Ashford	550	0.21%
Leigham Lodge, 64 Leigham Court Road, Streatham, London	510	0.19%
1 & 3 Albion Way, East Kilbride	168	0.09%
9 Colvilles Place, East Kilbride	88	0.06%
41 Fairfield Place, East Kilbride	85	0.05%
89 Carron Place, East Kilbride	82	0.05%
8 Lithgow Place, East Kilbride	79	0.05%
33 Fairfield Place, East Kilbride	77	0.04%
20-22 Carron Place, East Kilbride	50	0.03%
26-28 Singer Road, East Kilbride	36	0.03%
83 Carron Place, East Kilbride	27	0.03%
61 Carron Place, East Kilbride	25	0.02%
8 Carron Place, East Kilbride	24	0.02%
38 Singer Road, East Kilbride	24	0.02%
51 Carron Place, East Kilbride	23	0.02%
16 Whin Place, East Kilbride	22	0.02%
14 Westgarth Place, East Kilbride	19	0.01%
44 Arrotshole Road, East Kilbride	19	0.01%
Total value of property	200,477	77.41%
Net other assets	58,502	22.59%
Total net assets as at 31 March 2019	258,979	100.00%

Portfolio Statement

As at 31 March 2018

	Market valuation	Total net assets
	£'000	%
Morrisons Superstore, Birtley.	15,700	11.90%
Thorne Retail Park, Omega Boulevard, Thorne.	12,750	9.66%
Premier Inn, North River Road, Great Yarmouth	9,080	6.88%
Granton Harbour, Edinburgh	7,870	5.96%
Travelodge, Sheffield Meadowhall Hotel, Barrow Road, Sheffield	7,685	5.82%
Travelodge, 1 Speke Hall Avenue, Speke, Liverpool	7,640	5.79%
David Lloyd, Thorpe Wood, Peterborough	6,545	4.96%
Aldi Store, Vulcan Park Way, Newton-le-Willows	5,625	4.26%
HR Owen Motor Show Room, St Mary's Way, Stockport, Greater Manchester	4,865	3.69%
Doubletree by Hilton Hotel, Chesterfield Road, Sheffield	4,215	3.20%
The Arboretum, Blagdon Road, Paignton, Devon	4,100	3.11%
Woodside Grange Care Home, Stockton-on-Tees	3,500	2.65%
Washington Manor Care Home, Washington	2,900	2.20%
The Mercure Dolphin Hotel, 34-35 High Street, Southampton	2,555	1.94%
Park View Care Home, Newcastle upon Tyne	2,150	1.63%
The Dragon Hotel Complex, Swansea	2,140	1.62%
Samlesbury Hotel, Preston New Road, Samlesbury, Preston	1,875	1.42%
Etrop Grange Hotel, Thorley Lane, Manchester	1,860	1.41%
Oddfellows Hotel, Chester	1,670	1.27%
65 West Harbour Road, Edinburgh	1,620	1.23%
The Stack, 33-35 Upper George Street, Luton	1,105	0.84%
Stadium Court, Barbot Hall Industrial Estate, Rotherham	1,030	0.78%
Ashwood Place, Sunnyside Road, Hitchin	885	0.67%
Grosvenor Court, 15 Julian Road, Folkestone	885	0.67%
Lower Ground Floor, 58 Westover Road, Bournemouth	750	0.57%
Sherwood Court, The Common, Hatfield	740	0.56%
The Lavenders, 145a Friern Park, London	615	0.47%
Units 1-11 Binder Industrial Park, Eland Road, Denaby Main	590	0.45%
Addington House, 62 Addington Road, Sandestead, London	585	0.44%
Oakland Care Home, 183 Faversham Road, Kennington, Ashford	550	0.42%
Leigham Lodge, 64 Leigham Court Road, Streatham, London	510	0.39%
1 & 3 Albion Way, East Kilbride	162	0.12%
9 Colvilles Place, East Kilbride	86	0.07%
41 Fairfield Place, East Kilbride	83	0.06%
89 Carron Place, East Kilbride	80	0.06%
8 Lithgow Place, East Kilbride	79	0.06%
33 Fairfield Place, East Kilbride	75	0.06%
20-22 Carron Place, East Kilbride	49	0.04%
26-28 Singer Road, East Kilbride	35	0.03%
83 Carron Place, East Kilbride	26	0.02%
61 Carron Place, East Kilbride	24	0.02%
8 Carron Place, East Kilbride	23	0.02%
38 Singer Road, East Kilbride	23	0.02%
51 Carron Place, East Kilbride	22	0.02%
16 Whin Place, East Kilbride	21	0.02%
14 Westgarth Place, East Kilbride	19	0.01%
44 Arrotshole Road, East Kilbride	19	0.01%
Total value of property	115,416	87.50%
Net other assets	16,489	12.50%
Total net assets as at 31 March 2018	131,905	100.00%

Statement of total return

For the year ended 31 March 2019

	Notes	Year ended 31 March 2019 £'000	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000	Year ended 31 March 2018 £'000
INCOME					
Net capital loss	6		(2,410)		(2,208)
Revenue	7	6,638		4,887	
Expenses	9	(2,363)		(1,660)	
Net revenue before taxation		4,275		3,227	
Taxation	10	-		-	
Net revenue after taxation			4,275		3,227
Total return before distributions			1,865		1,019
Distributions	11		(6,366)		(4,706)
Change in net assets attributable to shareholders from investment activities			(4,501)		(3,687)

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

Statement of change in net assets attributable to shareholders

For the year ended 31 March 2019

	Year ended 31 March 2019 £'000	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000	Year ended 31 March 2018 £'000
Opening net assets attributable to shareholders		131,905		65,454
Amounts receivable on creation of shares	181,864		89,055	
Amounts payable on cancellation of shares	(61,784)		(25,940)	
		120,080		63,115
Income accumulated into capital		4,229		2,546
Dilution adjustment		7,266		4,477
Change in net assets attributable to shareholders from investment activities		(4,501)		(3,687)
Closing net assets attributable to shareholders		258,979		131,905

Balance sheet

As at 31 March 2019

	Note	31 March 2019 £'000	31 March 2019 £'000	31 March 2018 £'000	31 March 2018 £'000
ASSETS					
Investment Properties	13		200,477		115,416
			200,477		115,416
Debtors	14	8,113		2,415	
Cash at bank		54,211		17,966	
Total other assets			62,324		20,381
Total assets			262,801		135,797
LIABILITIES					
Creditors	15	(3,356)		(2,857)	
Distribution payable to shareholders		(466)		(1,035)	
Total liabilities			(3,822)		(3,892)
Net assets attributable to shareholders			258,979		131,905

Authorised for issue and signed on behalf of the Authorised Corporate Director on 31 July 2019.

Alpha Real Capital LLP

Statement of cash flows

For the year ended 31 March 2019

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
CASH FLOW FROM OPERATING ACTIVITIES		
Total return	1,865	1,019
Adjustments for:		
Net capital loss	2,410	2,208
Decrease in debtors	241	1,245
Increase in creditors	703	1,162
Cash from operations	5,219	5,634
Tax paid	(758)	(460)
Net cash flow from operating activities	4,461	5,174
CASH FLOW FROM INVESTING ACTIVITIES		
Disposal proceeds of tangible investment properties	4,199	10,708
Purchase of tangible investment properties	(91,670)	(64,947)
Net cash flow from investing activities	(87,471)	(54,239)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of shares	175,926	87,946
Redemption of shares	(61,960)	(25,940)
Dilution adjustment	7,266	4,477
Distributions paid	(1,977)	(982)
Net cash flow from financing activities	119,255	65,501
Net increase in cash	36,245	16,436
Cash at the beginning of the year	17,966	1,530
Cash at the end of the year	54,211	17,966

Notes to the financial statements

For the year ended 31 March 2019

1. Accounting policies

The principal accounting policies are summarised below.

(a) General Information

The principal activity of TIME:Commercial Freehold was to acquire ground rents and long leases which offer a consistent income stream and capital growth prospects. TIME:Commercial Freehold was a sub-fund of an umbrella OEIC, ARC TIME:Funds, which was incorporated in the United Kingdom on 3 April 2013. The Company is authorised by the FCA as a NURS. The principal place of business is the office of the ACD.

On 22 March 2019 shareholder consent to exchange shares in TIME:Commercial Freehold for equivalent shares in a new FCA authorised fund Commercial Long Income PAIF ("CLIP"), was overwhelmingly given by over 97% of shareholders who returned a Form of Election. The date of the change was 1 April 2019.

Proposals were also unanimously approved by unitholders in TIME:Commercial Freehold's dedicated feeder trust, Commercial Freehold Feeder Trust ("CFFT") and therefore Units in CFFT were transferred to CLIP's new dedicated feeder trust, Commercial Long Income Feeder Trust ("CLIFT") on 1 April 2019.

This change was approved by the FCA and became effective on 1 April 2019. The new funds are materially similar to the old funds and all shares were transferred at the same value on a 1 for 1 basis.

(b) Functional and presentational currency

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

(c) 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, and the Financial Conduct Authority's Collective Investment Scheme Source Book (COLL). These financial statements have been prepared under the historical costs convention, as modified for the fair value of investment properties and 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 judgment in applying the accounting policies (see note 4).

The financial statements have been prepared on a going concern basis, however all activities and trade have been transferred to the new entity following the Exchange Offer and Merger with TIME:Commercial Long Income on 1 April 2019.

All assets and liabilities of the Fund were acquired by TIME:Commercial Long Income on 1 April 2019 at their value at 31 March 2019 as stated in these financial statements.

(d) Recognition of revenue

Operating leases as a lessor

Rental income from ground rent leases and long leases was credited to income on a straight-line basis over the terms of the leases.

(e) Interest receivable

Interest income was accounted for on a receivable basis.

(f) Investment properties

Investment properties comprised commercial freehold interests in properties providing ground rents and property which benefit from long leases. They are included in the financial statements each period on the basis of a "Market Value" provided by an independent valuer. Direct expenses incurred in the acquisition of a freehold interest in a property, or the acquisition of the structure which owns the freehold interest, are treated as part of the cost of the property. No depreciation is provided in respect of investment properties. Realised and unrealised gains and losses on investment properties are included in the Statement of Total Return.

(g) Financial instruments

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

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

(h) Taxation

Withholding tax has been provided at an appropriate rate to the relevant income stream of the distributions made to shareholders holding net shares. The calculation of the share prices for the net share classes is net of withholding tax.

(i) Incentive Fees

The Property Manager was entitled to an incentive fee of 10% of any increase in value over book cost achieved on an increase in value of an asset following the renegotiation of a lease or other arrangement affecting immovable property.

Notes to the financial statements (continued)

For the year ended 31 March 2019

1. Accounting policies (continued)

(j) Treatment of expenses

Expenses were recognised on an accruals basis.

2. Distribution policy

(a) Basis of distribution

Income was generated by TIME:Commercial Freehold's investments during each accounting period. Distributions of income were 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 it has become due will be forfeited and will revert to TIME:Commercial Long Income PAIF. Distributions were based on each sub-fund's individual net revenue after taxation.

(b) Apportionment to multiple share classes

The allocation of revenue and expenses to each share class was based on the proportion of TIME:Commercial Freehold's assets attributable to each share class on the day the revenue was earned or the expense was suffered.

(c) Expenses

In determining the amount available for distribution in any accounting period, the aggregate of the income received or receivable by TIME:Commercial Freehold for the accounting period is taken and any charges and expenses paid or payable out of income in respect of that accounting period are deducted.

The ACD then made such other adjustments as it considers appropriate in relation to taxation, income equalisation, and income unlikely to be received within twelve months following the relevant income allocation date, transfers between the income and capital account and any other adjustments which the ACD considers appropriate after consulting the auditors and the Depositary. This treatment will increase the amount of income (which may be taxable) available for distribution to shareholders in TIME:Commercial Freehold but may constrain capital growth.

3. Equalisation

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

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

4. Judgements in applying accounting policies and key estimation uncertainty

In applying TIME:Commercial Freehold's accounting policies, the ACD was required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The ACD's judgements, estimates and assumptions were based on the best and most reliable evidence available at the time when the decisions are made, and were 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 were 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 Fund's accounting policies

The critical judgements that the ACD had made in the process of applying TIME:Commercial Freehold's accounting policies that had 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 had been any indicators of impairment of assets, the ACD had considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There were no indicators of impairments identified during the current financial year.

Key sources of estimation uncertainty

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

(i) Determining fair values of investment properties

Investment properties were valued by professional external valuers based on the current active market of similar properties. These valuations are believed to be appropriate and carried out with a high level of proficiency but estimates and assumptions are made leading to a level of uncertainty regarding the valuations.

Notes to the financial statements (continued)

For the year ended 31 March 2019

4. Judgements in applying accounting policies and key estimation uncertainty (continued)

(ii) Recoverability of receivables

TIME:Commercial Freehold established a provision for receivables that were estimated not to be recoverable. When assessing recoverability the ACD considered factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of customers.

5. 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:Commercial Freehold.

The Fund's exposure to market price risk was comprised mainly of movements in the value of TIME:Commercial Freehold's investments in properties. The Fund invested in commercial ground rents and long income properties. This concentrated the risk to the Fund in one asset class. However the Fund was restricted to not acquiring any one single property representing more than 15% of the Scheme Property (or 25% once included within the Scheme Property).

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. Due to the nature of the asset class in the Fund, volatility in valuation movements is not considered to be material.

(b) Credit and liquidity risk

TIME:Commercial Freehold's liquidity was reviewed on a periodic basis, not less than weekly and more frequently in the event of major transactions or a trend of transactions e.g. in a period of high acquisitions. This review encompassed a detailed forecast of imminent liquidity requirements and a broad projection of cash requirements for the next twelve month period.

TIME:Commercial Freehold could have encountered 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. TIME:Commercial Freehold's liquidity could have been affected by unexpected or high levels of share redemptions. Cash was held to address liquidity risk but the spread of shareholders and the deferred redemption provision mitigated this risk. However, under certain market conditions where liquidity risk may have been deemed to be elevated, the level of cash held by TIME:Commercial Freehold may have been higher.

The ACD could have, acting in the best interests of all shareholders, effect instructions for subscriptions or redemptions of shares on a different pricing basis where a dealing request (or series of requests) for a particular dealing day exceeded £250,000 for TIME:Commercial Freehold. Shareholders affected by this provision may have at the discretion of the ACD had such large deals refused until such time as the ACD was satisfied there was no prejudicial impact to the best interests of shareholders as a whole.

(c) Currency risk

All financial assets and liabilities of the Fund were in Sterling, and the Fund had no exposure to currency risk at the balance sheet date.

(d) Interest rate risk

The Fund held £54.2 million of cash at the end of the year and this cash was exposed to interest rate risk. The ACD considered the impact of a change in rate as immaterial.

6. Net capital loss

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Proceeds from sale of investment properties	4,199	10,708
Transaction costs	-	-
Carrying value of investment properties sold	(3,485)	(10,240)
Realised gains on investment properties sold based on value during the year	714	468
Unrealised gains on investment properties	2,905	1,623
Unrealised loss on investment properties	(6,029)	(4,299)
Total unrealised loss in investment properties	(3,124)	(2,676)
Total net capital loss in investment properties	(2,410)	(2,208)

Notes to the financial statements (continued)

For the year ended 31 March 2019

7. Revenue

	Year ended 31 March 2019	Year ended 31 March 2018
	£'000	£'000
Rental income	6,620	4,885
Other income	18	2
	6,638	4,887

8. Operating lease commitments where the Fund is a lessor

TIME:Commercial Freehold held ground rent leases and long leases and received lease based payments on these. The future minimum lease payments receivable under these leases are as follows:

	31 March 2019	31 March 2018
	£'000	£'000
Not later than one year	9,866	5,696
Later than one year not later than five years	39,463	22,785
Later than five years	443,876	379,215
Total future minimum lease payments	493,205	407,697

9. Expenses

	Year ended 31 March 2019	Year ended 31 March 2018
	£'000	£'000
Authorised Corporate Director's fee	166	102
Depositary's fees	83	56
Investment Manager's fees	827	536
Transfer agency fees	124	77
Rent collection fees	127	87
Administrator fees	456	281
Property Manager's fees	272	191
Audit fee	37	35
Tax adviser's fee	8	8
Valuation fee	68	49
Other professional fees and sundry expenses	195	238
	2,363	1,660

10. Taxation

TIME:Commercial Freehold qualified as a PAIF for tax purposes. Accordingly, the income generated by its property investment business were exempt from tax. Any dividend income received from United Kingdom companies or, in general, from non-United Kingdom companies were also be exempt from tax. Under the PAIF regulations, TIME:Commercial Freehold made distributions to Net Share Class, non-exempt investors, net of the basic rate of income tax for the relevant income streams.

Notes to the financial statements (continued)

For the year ended 31 March 2019

11. Distributions

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Class A Gross Accumulation	1,609	728
Class B Net Accumulation	1,416	1,262
Class C Gross Income	487	210
Class D Net Income	467	313
Class F Net Accumulation	64	26
Class H Net Income	5	9
Class M Gross Accumulation	312	37
Class N Net Accumulation	206	-
Class O Gross Income	17	-
Class P Net Income	105	5
Class T Net Income	942	1,231
Class ISA Gross Accumulation	-	121
Class ISA Gross Income	-	65
	5,630	4,007
Add: Income tax withheld on distribution	736	699
Distributions for the year	6,366	4,706

The difference between the net revenue after taxation and the distribution for the period is as follows:

Net revenue after taxation	4,275	3,227
Expenses allocated to capital for the purpose of distribution calculation:		
Authorised Corporate Director's fee	166	102
Depositary's fees	83	56
Investment Manager's fees	827	536
Transfer agency fees	124	77
Administrator fees	456	281
Property Manager's fees	272	191
Valuation fees	68	49
Other professional fees	95	187
Net distributions for the year	6,366	4,706

Notes to the financial statements (continued)

For the year ended 31 March 2019

11. Distributions (continued)

Distribution Table (for the year ended 31 March 2019 (in pence per share))

Interim distribution for accounting date 30 September 2018 paid on 30 November 2018.

Interim distribution for accounting date 31 December 2018 paid on 28 February 2019.

Final distribution for accounting date 31 March 2019 paid on 31 May 2019.

	Gross Revenue	Income Tax	Net Revenue	Distribution Paid 31/05/2019	Distribution Paid 28/02/2019	Distribution Paid 30/11/2018
	p	p	p	p	p	p
Class A Gross Accumulation	4.67	-	4.67	1.07	1.23	2.37
Class B Net Accumulation	4.51	0.84	3.67	0.83	0.97	1.87
Class C Gross Income	3.93	-	3.93	0.88	1.03	2.02
Class D Net Income	3.93	0.73	3.20	0.72	0.84	1.64
Class F Net Accumulation	4.48	0.83	3.65	0.83	0.96	1.86
Class H Net Income	3.90	0.74	3.16	0.71	0.83	1.62
Class M Gross Accumulation	4.70	-	4.70	1.07	1.24	2.39
Class N Net Accumulation	4.56	0.85	3.71	0.85	0.97	1.89
Class O Gross Income	3.95	-	3.95	0.88	1.04	2.03
Class P Net Income	3.96	0.73	3.23	0.72	0.84	1.67
Class T Net Income	3.93	0.73	3.20	0.72	0.84	1.64

Distribution Table (for the year ended 31 March 2018 (in pence per share))

Interim distribution for accounting date 30 September 2017 paid on 30 November 2017.

Final distribution for accounting date 31 March 2018 paid on 31 May 2018.

	Gross Revenue	Income Tax	Net Revenue	Distribution Paid 31/05/2018	Distribution Paid 30/11/2017
	p	p	p	p	p
Class A Gross Accumulation	5.08	-	5.08	2.58	2.50
Class B Net Accumulation	4.95	0.97	3.98	2.01	1.97
Class C Gross Income	4.46	-	4.46	2.24	2.22
Class D Net Income	4.46	0.88	3.58	1.79	1.79
Class F Net Accumulation	4.92	0.97	3.95	1.99	1.96
Class H Net Income	4.48	0.90	3.58	1.78	1.80
Class M Gross Accumulation	5.10	-	5.10	2.59	2.51
Class P Net Income	4.51	0.90	3.61	1.81	1.80
Class T Net Income	4.46	0.88	3.58	1.79	1.79
Class ISA Gross Accumulation	2.50	-	2.50	-	2.50
Class ISA Gross Income	2.22	-	2.22	-	2.22

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.

Notes to the financial statements (continued)

For the year ended 31 March 2019

12. Administrative expenses

(a) Authorised Corporate Director fees

A fee at a rate 0.10% of NAV per annum, for all share classes, was payable to the ACD (calculated and paid monthly in arrears).

(b) Depositary fees

The Depositary received a fee at the rate of 0.05% of NAV per annum, subject to an agreed minimum fee of £50,000 per annum, calculated monthly and paid quarterly in arrears or such other rate or rates as may be agreed in writing between the parties to the Instrument of Incorporation.

(c) Investment Manager fees

A fee for A - D and S - T share classes of 0.525% of NAV per annum, a fee for F and H share classes of 0.775% of NAV per annum and for M - P share classes of 0.275% of NAV per annum (payable monthly in arrears) was payable to the Investment Manager.

A Performance Fee would have been accruable if TIME:Commercial Freehold's NAV increase exceeded the Performance Hurdle Rate of 8% per annum. The fee would have been 20% of the surplus above the hurdle rate which would have been payable to the Investment Manager. Of this amount up to 50% may have been payable to the Property Manager in accordance with their service agreements. No such Performance Fee was charged during the year.

(d) Administrator fees

A fee was payable at the rate of 0.275% of NAV per annum (payable monthly in arrears).

(e) Transfer Agent fees

A fee at the rate of 0.075% of NAV per annum was payable to the Transfer Agent for the provision of transfer agency services.

(f) Property Manager fees

The property management fee was payable to the Property Manager of 0.20% per annum of the gross value of the immovable scheme property, calculated and paid monthly in arrears, for its work in managing TIME:Commercial Freehold's property assets.

Additionally, the ACD had agreed with the Property Manager of TIME:Commercial Freehold to receive a fee of up to 2% of the gross purchase price of immovable property interests acquired, in consideration of its work in selecting and negotiating purchases (such fees may be waived). The Property Manager may, at its sole discretion, pay away all or some of these acquisition fees to associates or third parties. A further fee of up to 2% of the rental income was to be received by the Property Manager to defray the cost of rent collection for relevant scheme assets.

The Property Manager was also entitled to a fee of 10% of any increase in value over book cost achieved on an increase in value of an asset following any modification of any nature (including any renewal, revision, addition or extension) of any lease or other arrangement affecting any immovable property of TIME:Commercial Freehold. Such fee may have been paid on both any premium paid by a tenant following the modification of a lease or other similar arrangement affecting immovable property and any increase in value over book cost. Any variation of value resulting from the modification shall be determined by the Standing Independent Valuer.

Notes to the financial statements (continued)

For the year ended 31 March 2019

13. Investment properties

	Cost	Net unrealised gain/(loss)	Net book value	
	£'000	£'000	£'000	%*
As at 1 April 2018	120,140	(4,724)	115,416	
Cost of property additions	85,616	-	85,616	
Transaction costs:				
Stamp duty	4,186	-	4,186	4.89%
Land registry fees	8	-	8	0.01%
Valuation fees	46	-	46	0.05%
Legal fees	205	-	205	0.24%
Environmental fees	14	-	14	0.02%
Building survey Fees	30	-	30	0.04%
Acquisition fees	863	-	863	1.00%
Agents' fees	690	-	690	0.81%
Other	12	-	12	0.01%
Total transaction costs	6,054	-	6,054	7.07%
Total cost of property additions after transaction costs	91,670	-	91,670	
Disposals (note 6)	(3,485)	-	(3,485)	
Net unrealised loss	-	(3,124)	(3,124)	
As at 31 March 2019	208,325	(7,848)	200,477	

* This represents the direct transaction costs as a percentage of cost of property additions.

The investment properties comprise of commercial freehold ground rents and commercial freehold properties which benefit from long leases.

All properties were valued as at 31 March 2019, by qualified professional valuers working for the company of Cushman & Wakefield (C&W) acting in the capacity of External and independent Valuers. All such valuers are Chartered Surveyors, being members of the Royal Institution of Chartered Surveyors.

All properties were valued on the basis of Market Value. The valuer's opinion of the Market Value of each of the properties was primarily derived using comparable recent market transactions on arm's length terms.

All valuations were carried out in accordance with the appropriate sections of the current edition of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS) and the RICS UK Valuation Standards (the "RICS Red Book"). In this context "current edition" means the version in force at the Valuation Date. C&W's valuation report is dated 31 March 2019 (the "Valuation Report"). Jeremy Payne has been the signatory of valuation reports provided to the ACD for the same purpose as the Valuation Report for a continuous period since 2014. C&W has been carrying out valuations for the ACD for the same purpose as the Valuation Report for the same period.

C&W endorses the RICS view that it is good practice to rotate the valuer responsible for Regulated Purpose Valuations at intervals of not more than seven years, unless there are overriding circumstances to the contrary. C&W discusses the method of rotation of the signatory to Regulated Purpose Valuation reports with its clients.

C&W operates internal quality control procedures throughout its valuation practice including a system whereby the valuation of property meeting certain criteria requires the approval of an internal Value Committee.

C&W has had a long association with Alpha Real Capital LLP and has dealt with investment valuations and ad hoc strategic advice and other general property matters. The valuer can confirm that the Director responsible for the valuations has formed an independent view of the properties' valuation.

C&W's financial year end is 31 December. The valuer anticipates that the proportion of fees payable by the Company to the Cushman & Wakefield group in the financial year to 31 December 2019 will remain at less than 5%.

Notes to the financial statements (continued)

For the year ended 31 March 2019

14. Debtors: amounts falling due within one year

	31 March 2019	31 March 2018
	£'000	£'000
Rental income receivable	588	403
Other debtors	424	368
Accrued rental income	15	14
Insurance Receivables	3	-
Prepayments	8	8
VAT	-	513
Rent free debtor	27	-
Subscriptions receivable	7,048	1,109
	8,113	2,415

15. Creditors: amounts falling due within one year

	31 March 2019	31 March 2018
	£'000	£'000
Deferred income	1,878	1,398
Other taxation	377	403
Accrued expenses	213	165
Other creditors	23	132
VAT	157	-
Service charges payable	42	-
Rent deposits	334	338
Amounts owed to the Depositary	26	16
Amounts owed to the Property Manager	53	53
Amounts owed to the Investment Manager	165	96
Amounts owed to the ACD	20	11
Redemptions Payable	68	245
	3,356	2,857

16. Financial instruments

	31 March 2019	31 March 2018
	£'000	£'000
Financial assets measured at transaction price	1,027	762
Cash	54,211	17,966
Financial liabilities measured at transaction price	1,410	2,091

Notes to the financial statements (continued)

For the year ended 31 March 2019

17. Leverage

The leverage definition under AIFMD is wider than the traditional gearing definition applied. In accordance with the EU Commission Delegated Regulation (EU) No. 231/13 leverage is any method which increases the Fund's exposure, including borrowing of cash and the use of derivatives. It is expressed as a percentage of the Fund's exposure to its net asset value and is calculated on both a gross and commitment method.

Under the gross method, exposure represents the sum of the Fund's absolute positions after deduction of cash balances and cash equivalents, without taking into account any netting arrangements. Under the commitment method, the exposure is calculated in the same way but takes into account any netting arrangements.

Under AIFMD the gross and commitment ratios calculate zero leverage as being 100% of net assets. TIME:Commercial Freehold had no borrowing or any derivatives to hedge any risks as at 31 March 2019. Therefore the actual leverage recorded as at 31 March 2019 was 0.83 (or 83.2%) using both the gross and commitment methods reflecting that TIME:Commercial Freehold had no borrowings.

18. Movement in shares

Share Class	Opening number of shares as at 1 April 2018	Shares issued	Shares cancelled	Conversions in	Conversions out	Closing number of shares 31 March 2019
Class A Gross Accumulation	25,880,439.34	21,413,100.08	(3,132,036.09)	82,205.82	(4,411,341.50)	39,832,367.65
Class B Net Accumulation	36,927,112.33	67,657,484.86	(23,483,802.48)	2,819,956.94	(180,160.78)	83,740,590.87
Class C Gross Income	7,785,138.92	12,255,082.84	(1,288,790.96)	87,457.50	(486,742.36)	18,352,145.94
Class D Net Income	12,609,871.70	5,460,031.45	(902,668.29)	112,716.46	(352,872.45)	16,927,078.87
Class F Net Accumulation	978,122.18	1,312,545.81	-	-	-	2,290,667.99
Class H Net Income	788,708.95	36,792.71	(696,550.15)	-	-	128,951.51
Class M Gross Accumulation	1,988,781.87	17,984,952.11	(141,642.32)	1,814,265.20	(43,301.12)	21,603,055.74
Class N Net Accumulation	-	15,305,859.42	(178,645.27)	76,478.13	-	15,203,692.28
Class O Gross Income	-	3,209,327.10	(95,140.74)	364,995.92	-	3,479,182.28
Class P Net Income	1,766,649.47	6,887,546.16	(2,006,140.69)	172,051.40	-	6,820,106.34
Class T Net Income	32,824,761.23	-	(18,575,276.22)	-	-	14,249,485.01

As at 31 March 2019 there were no shares issued in the S share class. Following the change in dealing frequency for all classes to a daily basis, all the classes of TIME:Commercial Freehold and its dedicated feeder trust, Commercial Freehold Feeder Trust, became ISA eligible.

19. Commitments, contingent liabilities and contingent assets

TIME:Commercial Freehold had no commitments at the balance sheet date.

20. 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 Depository, ACD, Investment Manager and Property Manager have been identified as related parties as they had the ability to control other parties or exert significant influence over other parties in making financial or operational decisions.

Alpha Real Capital LLP was the ACD of TIME:Commercial Freehold and thus was considered a related party to TIME:Commercial Freehold. The ACD acted as principal on all the transactions of shares in the Fund. During the year, including equalisation and the dilution adjustment, £190.2 million had been received from issue of shares in the fund (year to 31 March 2018: £94.5 million) and £62.1 million paid on redemption of shares (year to 31 March 2018: £26.2 million). As at 31 March 2019, £7.1 million on the issue of shares was outstanding to the Fund (2018: £1.1 million) and £0.07 million payable from the Fund on redemption of shares (2018: £0.2 million).

The ACD charges fees to TIME:Commercial Freehold as detailed in note 12(a). ACD fees of £165,748 were charged during the year (year to 31 March 2018: £101,905). As at 31 March 2019, £20,062 was outstanding to the ACD (2018: £11,037).

NatWest Trustee and Depository Services Limited was the Depository of TIME:Commercial Freehold and was thus considered a related party of TIME:Commercial Freehold. Depository fees of £82,873 were charged during the year (year to 31 March 2018: £55,754). As at 31 March 2019, £25,931 was outstanding to the Depository (2018: £15,712).

TIME Investments was the Investment Manager, Administrator and Transfer Agent of TIME:Commercial Freehold and was thus considered a related party of TIME:Commercial Freehold. Total fees of £1,407,396 were charged during the year (year to 31 March 2018: £955,722). As at 31 March 2019, £164,528 was outstanding to the Investment Manager (2018: £96,296).

Landa Asset Management PLC was the Property Manager to TIME:Commercial Freehold and thus considered a related party of TIME:Commercial Freehold. Property Manager fees of £272,210 (year to 31 March 2018: £190,826), acquisition fees of £894,447 (year to 31 March 2018: £553,126) and rent collection fees of £127,004 (year to 31 March 2018: £87,208) were charged during the year as detailed in Note 12 (f). As at 31 March 2019, the total outstanding to the Property Manager was £52,893 (2018: £53,487).

Notes to the financial statements (continued)

For the year ended 31 March 2019

21. Post balance sheet events

On 22 March 2019 shareholder consent to exchange shares in TIME:Commercial Freehold for equivalent shares in a new FCA authorised fund Commercial Long Income PAIF ("CLIP"), was overwhelmingly given by over 97% of shareholders who returned a Form of Election. The date of the change was 1 April 2019.

Proposals were also unanimously approved by unitholders in TIME:Commercial Freehold's dedicated feeder trust, Commercial Freehold Feeder Trust ("CFFT") and therefore Units in CFFT were transferred to CLIP's new dedicated feeder trust, Commercial Long Income Feeder Trust ("CLIFT") on 1 April 2019.

This change was approved by the FCA and became effective on 1 April 2019. The new funds are materially similar to the old funds and all shares were transferred at the same value on a 1 for 1 basis.

All assets and liabilities at 31 March 2019 were transferred to Commercial Long Income PAIF. TIME:Commercial Freehold will remain dormant and any remaining liabilities at 31 March 2019 will be met by the new fund when they fall due.

On 31 May 2019, TIME:Commercial Freehold paid its final distribution for the year ended 31 March 2019.

Company information and key service providers

Company

ARC TIME:Funds (the "Company")

Registered in England with
Company Number IC000958

Sub-funds

Freehold Income Authorised Fund

Commercial Freehold Fund

Social Freehold Fund

Defensive Income Securities Fund

Registered Office

338 Euston Road, London, NW1 3BG

Authorised Corporate Director and Alternative Investment Fund Manager

Alpha Real Capital LLP
338 Euston Road
London NW1 3BG

Authorised and regulated by the
Financial Conduct Authority.

The register of TIME:Commercial
Freehold may be inspected at this
address above

Investment Manager, Administrator and Transfer Agent

TIME Investments
338 Euston Road
London NW1 3BG

Authorised and regulated by the
Financial Conduct Authority.

Depository

NatWest Trustee and
Depository Services Limited
Floor 2 South
Drummond House
1 Redheughs Avenue
Edinburgh EH12 9RH

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.

Property Manager

Landa Asset Management PLC
338 Euston Road
London NW1 3BG

Standing Independent Valuer

Cushman & Wakefield
125 Old Broad Street
London EC2N 2BQ

Independent Auditors

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

Taxation Advisers

KPMG LLP
15 Canada Square
London E14 5GL

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

Legal Advisers

Eversheds LLP
1 Wood Street
London EC2V 7WS

Bankers

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

Barclays Bank PLC
1 Churchill Place
London E14 5HP



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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 0C355196. It is a subsidiary of Alpha Real Capital LLP with company number 0C312705. 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 2019.

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