

# TIME: Freehold

A long income fund investing in residential ground rents which aims to deliver a consistent income stream.



## Uses for TIME:Freehold

- A long-term holding as part of an alternative asset allocation
- To provide diversification within client portfolios
- For clients seeking a consistent income stream
- Can be held directly or within SIPP



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Fund Manager and  
Managing Director  
TIME Investments

Nigel Ashfield is the Managing Director at TIME and has over 20 years' experience in fund management and finance. Nigel is the fund manager of TIME:Freehold and co-fund manager of TIME:Commercial Long Income, our commercial long income property fund.

## Reasons to invest



### Income security

Our properties generate consistent, long-term cash flows. This is achieved through long tenancies with an over-collateralised ground-rent structure. The Fund is the first ranking title in the land registry and therefore ranks above any mortgage bank or lender.



### Lower volatility

The Weighted Average Lease Term (WALT) is much greater than many traditional UK commercial property funds. This combined with the over-collateralised ground-rent structure removes significant uncertainty in valuation.



### Consistent rental growth

The majority of rent reviews are linked to inflation or have a fixed uplift, delivering consistent and relatively predictable levels of rental growth.



### 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 the shortening lease transferring the full reversionary value of the underlying property to the landlord.



### Track record

The Fund has provided investors with a highly secure income stream over the Fund's 29 year history.



### TIME experience

The TIME group has a long track record in long income property and manages over £3 billion of UK long income property assets.

# Key Characteristics

**Consistent income streams with lower volatility to traditional commercial property and equities.**

## Fund aim

The investment objective of the Fund is to acquire freehold ground rents which offer a consistent income stream and capital growth prospects. The primary investment of the Fund will be residential freehold ground rents from properties in the UK.

## How TIME:Freehold works

- The Fund (as the Freeholder) owns around 50,000 UK ground rents and receives regular ground rent payments from the leaseholders, of on average £141p.a (an immaterial amount compared to the value of the lease). The leaseholder is responsible for paying repairs and maintenance costs, annual service charge and their share of the building insurance. It is unlikely the leaseholder will not pay their ground rent and risk losing their property. In most cases, the leaseholder is likely to have a mortgage bank who will likely step in and pay the ground rent to protect their security "the lease" should the leaseholder fail to pay.
- TIME:Freehold's ground rents are long-dated typically having more than 100 years left to run (currently around 85% of the Fund's portfolio). Accordingly, the performance of the Fund has less correlation with the underlying values and movements of the residential property market.
- TIME:Freehold has the potential to generate capital gains through sharing valuation uplifts with leaseholders arising from lease extensions and other similar transactions, colloquially referred to as 'marriage value'.

Important information: This is a financial promotion as set out in the Financial Services and Markets Act 2000 (FSMA). This document is issued in the UK by TIME Investments, a trading name of Alpha Real Property Investments Advisers LLP, which is the Investment Manager of ARC TIME Freehold Income Authorised Fund (TIME:Freehold) with delegated authority from Alpha Real Capital LLP, the authorised corporate director of The Fund. Both TIME Investments and Alpha Real Capital LLP are authorised and regulated by the Financial Conduct Authority. Please note there is no guarantee that the Fund's investment objective will be achieved. The value of investments and the income from them may fall as well as rise as a result of fluctuations in market, currency or other factors and investors may not get back the original amount invested. Any past performance data cited is not a reliable indicator of future results. TIME Investments may source data from third party data providers but accepts no responsibility or liability for the accuracy of third party data. This document does not constitute investment advice and potential investors are recommended to seek professional advice before investing. Applications for shares in the Fund can only be made via an Application Form and reviewing the Key Investor Information Document and the Prospectus and investors should carefully read the risk warnings contained within. All documentation is available on request. Specific Fund Information: The underlying investments in the Fund consist wholly or substantially of real property. The value of the real property concerned will generally be a matter of valuer's opinion rather than fact. The Fund invests in assets that may at times be hard to sell. This means that there may be occasions when you experience a delay or receive less than you might otherwise expect when selling your investment. For more information on risks, see the Fund's prospectus and KIID. Fund Status: The Fund is a Non-UCITS Retail Scheme within the meaning of the rules contained in the Collective Investment Schemes Sourcebook (the FCA Regulations) published by the FCA as part of their Handbook of rules made under the Financial Services and Markets Act 2000 (the Act). All information correct as at March 2023.



## Fund structure

- TIME:Freehold is an open-ended collective investment scheme (OEIC) constituted under a trust deed
- Income is paid to investors in May and November of each year - accumulation units are available
- Monthly dealt
- Independent depositary, Natwest Trustee and Depositary Services Limited
- Independent Property Valuer, BNP Paribas Real Estate UK

## Charges

- Initial charge: 1%
- Ongoing charge: 1.72%p.a\*
- For platform availability, please visit the factsheet
- TIME:Freehold is an open-ended investment company (OEIC), authorised by the FCA as a non-UCITS Retail Scheme (NURS) and has elected into HMRC's Property Authorised Investment Fund tax regime

\* Representative for a holder of share classes A-D and ISA share classes.

## Contact us

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