

# SOCIAL LONG INCOME FEEDER TRUST

Investments that give, as they give back.  
A social infrastructure fund targeting  
income and capital growth.



## HALF YEAR REPORT 2019

Half Year Report and  
Financial Statements  
for the six months to  
30 September 2019

## Contents

- 1** Report of the Authorised Fund Manager of the Trust\*
- 7** About Alpha and TIME Investments
- 8** Review of the investment activities during the period – TIME:Social Long Income\*
- 10** Net Asset Value per share, Performance Record, Ongoing Charge
- 14** Portfolio Statement\*
- 15** Statement of total return
- 15** Statement of change in net assets attributable to unitholders
- 16** Balance sheet
- 17** Statement of cash flows
- 18** Notes to the financial statements
- 21** Company information and key service providers

\* Collectively these comprise the Authorised Corporate Director's report

# Report of the Authorised Fund Manager of the Trust

We are pleased to present the half year report and financial statements for Social Long Income Feeder Trust ("SLIFT"), a sub-fund of an umbrella unit trust, ARC TIME:Trusts II (the "Trust"), for the six months to 30 September 2019. This report is available on the Investment Manager's website [www.time-investments.com/slip](http://www.time-investments.com/slip) or is available from the Investment Manager on request by emailing [enquiries@time-investments.com](mailto:enquiries@time-investments.com).

## Statement of authorised status of the scheme

SLIFT is an Authorised Unit Trust and was authorised by the Financial Conduct Authority ("FCA") with effect from 1 April 2019. SLIFT has been established as a feeder trust for investment in the Social Long Income PAIF ("TIME:Social Long Income" or the "Fund") for corporate investors or other investors who are not able to invest directly in the Fund for administrative reasons. SLIFT's sole purpose is to acquire and hold shares in the Fund.

## Exchange Offer and Merger with Social Long Income Feeder Trust

On 22 March 2019 Unitholder consent to exchange units in Social Freehold Feeder Trust for equivalent units in a new FCA authorized feeder trust, Social Long Income Feeder Trust ("SLIFT"), was unanimously given by unitholders who returned a Form of Proxy.

Proposals were also approved by shareholders to exchange shares in TIME:Social Freehold for equivalent shares in a new FCA authorised fund, Social Long Income PAIF.

The changes have had no material impact for unitholders 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 units were transferred at the same value on a 1 for 1 basis.

Any historical information, pre 1 April 2019, stated in these financial statements relate to Social Freehold Feeder Trust.

## Investment structure

SLIFT has elected to receive distributions from TIME:Social Long Income net of withholding tax. Therefore SLIFT is a feeder for the Fund's Net Share Classes. SLIFT is wholly invested in the Fund's Net Share Classes and so it is expected that the performance and pricing of SLIFT's Unit Classes will materially follow those of the B, D, F, H, N, P, S and T share classes of the Fund.

The income units pay a quarterly income distribution (in June, September, December and March). The accumulation units' income is automatically reinvested, thereby enhancing the value of those units. Each unit class has the same rights on wind-up.

Each unit class has the same voting rights. For more information about voting rights please refer to Section 34 of the Trust's Prospectus, which is available on the Investment Manager's website [www.time-investments.com/slip](http://www.time-investments.com/slip) or is available from the Investment Manager on request by emailing [enquiries@time-investments.com](mailto:enquiries@time-investments.com).

I and J Unit Classes	
These unit classes are open to all investors. These unit classes are Retail Distribution Review (RDR) compliant, with no commission payable to Financial Advisers.	
ACCUMULATION	INCOME
<b>Class I Net Accumulation Units</b>	<b>Class J Net Income Units</b>
Units in respect of which net income is automatically reinvested.	Units in respect of which net income is distributed.
Initial fee: Up to 3% of subscription amount Minimum subscription: £5,000	Initial fee: Up to 3% of subscription amount Minimum subscription: £5,000

LONG LEASE

**FIR TREE COURT**

CANNOCK, WEST MIDLANDS



Purpose built supported living development comprising 16 apartments and four bungalows.

**Sector**

Supported living

**Tenant**

Inclusion Housing

**Location**

Cannock, West Midlands

LONG LEASE

**IVF HAMMERSMITH LTD**

HARLEY STREET, LONDON



The property is let to IVF Hammersmith Ltd who are permitted to undertake diagnostic, screening and surgical procedures. The Grade II listed building is leased for 13 years with three yearly rent reviews.

**Sector**

Medical facility

**Tenant**

IVF Hammersmith

**Location**

Harley Street, Marylebone, London

## Report of the Authorised Fund Manager of the Trust (continued)

K and L Unit Classes	
These unit classes are only open to non-UK Financial Advisers with non-UK Investors. Financial Advisers may be eligible for Initial and Trail commission.	
ACCUMULATION	INCOME
<b>Class K Net Accumulation Units</b>	<b>Class L Net Income Units</b>
Units in respect of which net income is automatically reinvested.	Units in respect of which net income is distributed.
Initial fee: Up to 5% of subscription amount Minimum subscription: £5,000	Initial fee: Up to 5% of subscription amount Minimum subscription: £5,000

Q and R Unit Classes	
These unit classes are only open to institutional investors, with no adviser commission payable.	
ACCUMULATION	INCOME
<b>Class Q Net Accumulation Units</b>	<b>Class R Net Income Units</b>
Units in respect of which net income is automatically reinvested.	Units in respect of which net income is distributed.
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

U and V Unit Classes	
These unit classes are only open to offshore (non-UK) professional or institutional investors. Financial Advisers may be eligible for Initial and Trail commission.	
ACCUMULATION	INCOME
<b>Class U Net Accumulation Units</b>	<b>Class V Net Income Units</b>
Units in respect of which net income is automatically reinvested.	Units in respect of which net income is distributed.
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

SLIFT deals on any business day being a day other than a Saturday or a Sunday or a bank or public holiday in England.

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

Notices for the redemption of units are 10am on each dealing day. Classes U and V require six months' notice of redemption prior to the relevant dealing day. Once such notice is received by the Administrator, the redemption will be processed, to the extent possible, on the first dealing day after six months has expired.

Further details on the value of units in SLIFT can be found by calling the Administrator on 0345 600 1213 or by email at [enquiries@time-investments.com](mailto:enquiries@time-investments.com). A copy of the Application Form is available on the Investment Manager's website [www.time-investments.com/slip](http://www.time-investments.com/slip) or is available from the Investment Manager on request by emailing [enquiries@time-investments.com](mailto:enquiries@time-investments.com).

## LONG LEASE

### CREECH MEDICAL CENTRE

TAUNTON, SOMERSET



The recently constructed Creech Medical Centre, which is purpose built, offers GP and other primary care services for patients.

#### **Sector**

Medical centre

#### **Tenant**

Taunton & Somerset NHS Foundation Trust

#### **Location**

Taunton, Somerset

## LONG LEASE

### BRIGHT HORIZONS

FARNHAM, SURREY



Bright Horizons Family Solutions is the UK's leading childcare provider, with over 300 nurseries and a 30 year history.

#### **Sector**

Nursery

#### **Tenant**

Bright Horizons Day Nursery

#### **Location**

Farnham

# Report of the Authorised Fund Manager of the Trust (continued)

## Dilution adjustment

The Authorised Fund Manager has not applied a dilution adjustment to the price of units in SLIFT. However, unitholders should be aware that the ACD does make a dilution adjustment in TIME:Social Long Income and that this may have a direct impact on units issued for SLIFT. Please refer to Clause 16.2 of the Prospectus.

## TIME:Social Long Income

TIME:Social Long Income is a sub-fund of an umbrella Open-Ended Investment Company ("OEIC"), ARC TIME:Funds II and was launched on 1 April 2019. The Fund is authorised by the FCA as a Non-UCITS Retail Scheme ("NURS"). The Fund has also elected into the Property Authorised Investment Fund ("PAIF") tax regime.

Details of the Fund's key service providers are:

**Head Office:** 338 Euston Road, London, NW1 3BG

**Authorised Corporate Director ("ACD") and Alternative Investment Fund Manager ("AIFM"):** Alpha Real Capital LLP

**Investment Manager:** TIME Investments

**Depository:** NatWest Trustee and Depository Services Limited

**Custodian:** The Northern Trust Company

**Property Manager:** Landa Asset Management PLC

**Auditor:** Mazars LLP

**Standing Independent Valuer:** CBRE Limited

Full details of the Trust and its key service providers are provided on page 21.

## Statement concerning the debts of SLIFT

Unitholders are not liable for the debts of SLIFT.

## Investment Objective and Investment Policy

### Investment Objective

The aim of the Fund is to offer shareholders a consistent income stream with some capital growth prospects through acquiring social infrastructure assets.

It is intended that TIME:Social Long Income will be a PAIF at all times, and as such, its investment objective is 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:Social Long Income, capital will be invested through acquiring social infrastructure assets. Such assets will be held directly by the Fund, unless via interim holding vehicles for the sole purpose to permit completion of an acquisition of property. It is intended that no interim holding vehicles shall be retained by the Fund for a duration of more than 24 months but it may be longer.

In addition, principally to protect its liquidity, the Fund may also 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 the Fund. The ACD will not invest more than 10% of the Net Asset Value ("NAV") in collective investment schemes. The Fund may invest in other sub-funds of the Company. The Fund may also invest in equities (listed or unlisted), money market instruments and debt securities. The Fund may also utilise derivatives for investment purposes or for efficient portfolio management.

## Changes to the Trust Deed and Prospectus of ARC TIME:Trusts II

### Changes to the Trust Deed of ARC TIME:Trusts II

There were no changes to the Trust Deed in the period.

### Changes to the Prospectus of ARC TIME:Trusts II

#### Non-Resident Chargeable Gains on UK Property

From 5 April 2019, following new tax legislation, non-UK resident Unitholders may be subject to UK capital gains tax on disposals of Units in SLIFT where TIME:Social Long Income is deemed to be "property rich". Whether SLIFT is in scope of tax on chargeable gains for non-UK resident Unitholders will depend on whether at the date of any redemption of Units the Fund has at least 75% of its gross asset value invested in "UK land". "UK land" is defined broadly and includes any interest, right or power in UK land or the benefit of an obligation or condition affecting the value of UK land. There is no certainty whether the Fund on any given date may or may not be deemed to be "property rich" and therefore the disposal of Units may be in or out of scope of the tax on chargeable gains.

The Fund, as a PAIF intends ordinarily to have more than 75% of its assets invested in property, and is expected to be a "property rich" fund for the purposes of the new HMRC rules for Non-Resident Chargeable Gains on UK property. For more details on the charge please visit <https://www.gov.uk/guidance/capital-gains-tax-for-non-residents-uk-residential-property>.

## Report of the Authorised Fund Manager of the Trust (continued)

### Brexit risk assessment

SLIFT has mitigated the cross-border risk of Brexit as all of TIME:Social Long Income's property is located within the UK. Additionally the Fund's cash reserves are only held in pounds sterling. While the cross-border risks of Brexit have been mitigated the Fund is still exposed to the effect of a downturn or a recession in the property market or the wider economy caused by any adverse effects of Brexit. This cannot be measured with any certainty. However, it is expected that the property portfolio of the Fund would, as long income property, provide greater defensive characteristics to mitigate the effect on the Fund 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 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 the AIFM to dis-apply many of the technical requirements of the Code and proportionately apply the Code's rules and principles in establishing the AIFM's policy.

Alpha Real Capital LLP

29 November 2019



## About Alpha and TIME Investments



The TIME 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:Social Long Income and provides administrative and transfer agency services and is also regulated by the FCA.

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:Social Long Income, it is also the Investment Manager of Freehold Income Authorised Fund (“TIME:Freehold”), Commercial Long Income PAIF (“TIME:Commercial 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 24 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.

TIME Investments was awarded the winner of ‘Best Business Relief Manager’ at the Growth Investor Awards in both 2019 and 2018. 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 Long Income was named the winner in the Property & Real Estate category at the Investment Week’s Specialist Investment Awards in both 2019 and 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.

# Review of the investment activities during the period – TIME:Social Long Income

## Performance review

TIME:Social Long Income has generated a total return for the half year to 30 September 2019 of 1.42% (based on the Class A Gross Accumulation Shares), which includes an income return of 1.64% and a capital loss of 0.22%. The performance over the last 12 months is a total return of 4.42%\* made up of an income return of 4.11%\* and a capital return of 0.31%\*.

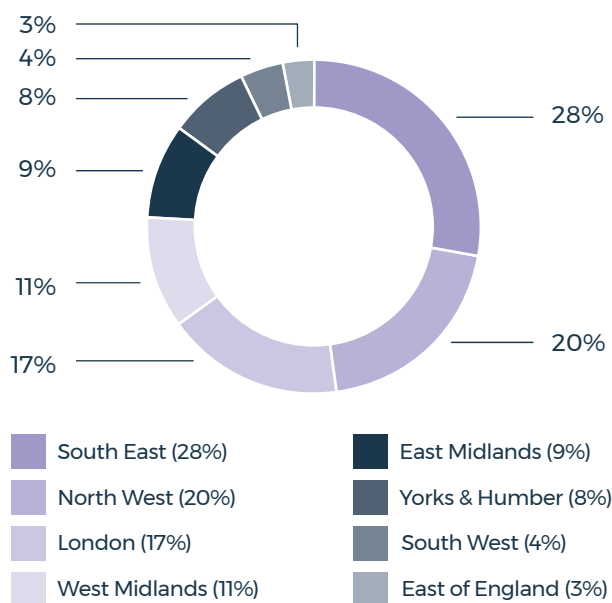
\* Any historical information before 1 April 2019 stated in these financial statements relates to TIME:Social Long Income's predecessor fund, TIME:Social Freehold which merged with TIME:Social Long Income on 1 April 2019 (see page 1 for further details of the Exchange Offer and Merger).

## Property investment review

TIME:Social Long Income invests in a portfolio of UK based social infrastructure assets. These assets are let on long-term leases (with initial leasehold terms typically in excess of 15 years), to tenants within the social infrastructure sector (such as those providing supported or assisted living, social housing, homes for the homeless, primary care, secondary care, high complex care or education) whether that be in the public or private sector. The assets are expected to provide investors with a consistent income stream with a level of inflation protection and some capital growth, whilst generating a positive social impact.

During the period the Fund has made its first acquisitions in the elderly care sector by investing in two brand new purpose built care homes. In addition the Fund has increased its primary care exposure acquiring a portfolio of medical centres.

## Portfolio geographical breakdown



Source: TIME Investments, as at 30 September 2019

## Current sector weighting by value

Medical Centre	25%
Supported Living	19%
Secondary Care	17%
Nursery	17%
High Complex Care ("HCC")	10%
Care Home	6%
Assisted Living/HCC	6%

## Liquidity management

TIME:Social Long Income invests in long income property, which is an illiquid asset class. In the event that the Fund was required to improve its liquidity, it may take a number of months to realise proceeds from any sales of property. Therefore the Fund expects to hold a level of cash reserves to meet its normal daily dealing obligations and as working capital for the Fund. The acquisition of further long income property is expected to be funded from the net subscriptions raised from shareholders, who may subscribe (or redeem) from the Fund on any dealing day. The liquidity of the Fund is monitored on each dealing day with liquidity assessed on that dealing day and looking forwards for at least the next twelve months.

# Review of the investment activities during the period – TIME:Social Long Income (continued)

## Social real estate rationale

- Significant reductions in the availability of Government grants for social real estate has created a need for long-term capital from the private sector.
- Demographics – including an ageing population and changing personal finances in the UK is increasing end user demand across different sectors.
- Financial benefits – sectors such as assisted and supported living are more affordable for local authorities than full residential care.

In addition to the long income properties acquired as a result of the Exchange Offer and Merger, during the period the Fund has acquired thirteen long income properties valued at over £29 million at 30 September 2019.

Assets of the type held by the Fund are longer dated than those typically held in traditional commercial property funds, with a weighted average lease length of around 21 years.

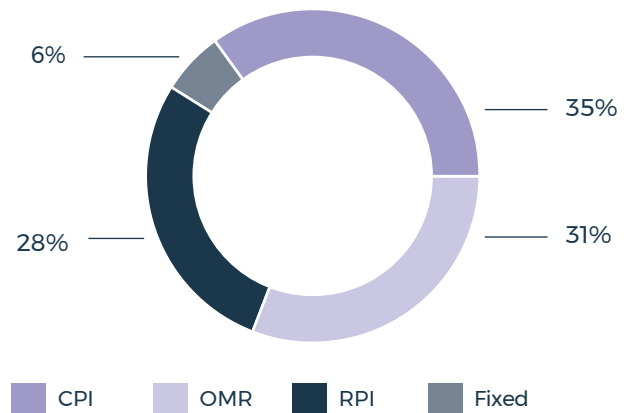
The longer term contracted rental income forms the majority of the return of the Fund's investments, therefore, provided the lease remains in place, the return is less reliant on capital value movements when compared to traditional property funds.

Due to the longevity and the demand for social infrastructure assets, the Investment Manager expects the property portfolio to continue to generate a consistent, inflation linked rental income with the potential for capital growth for its shareholders.

The majority of the Fund's assets have periodic uplifts in rental income linked to Retail Price Index ("RPI") or Consumer Price Index ("CPI"). The majority of the properties have rental reviews that are upwards only and the fund would benefit from any increase in the value of its rent over time, which in turn, offers its shareholders the potential for capital growth.

The Fund's portfolio has a weighted average lease length (including lease renewal options) of around 21 years versus an average new commercial lease term of 7 years. The majority of properties (63%) within the portfolio have a form of inflation protection through periodic rental uplifts linked to the RPI or CPI which typically occur annually or every 3 or 5 years. The remainder of the portfolio (37%) has rental uplifts which are based on either fixed uplifts or on Open Market Reviews (OMR).

TIME:Social Freehold – rent review type by rent



Source: TIME Investments, as at 30 September 2019

## Outlook

Over the short to medium term the Investment Manager expects the Fund's forecast income return over the period to be between 4% and 4.5% per annum with capital growth prospects.

Roger Skeldon for TIME Investments  
Investment Manager

29 November 2019

# Net Asset Value per share, Performance Record, Ongoing Charge

## Net Asset Value

30 September 2019	Net Asset Value £'000	Net Asset Value per unit £	Number of units in issue
Class I Net Accumulation	11,065	1.1158	9,916,367.67
Class J Net Income	6,930	1.0309	6,722,064.86
Class Q Net Accumulation	15,362	1.1221	13,690,372.23
Class V Net Income	27,037	1.0309	26,226,456.02
	<b>60,394</b>		
Less: Distribution reinvested into TIME:Social Long Income for accumulation unitholders	(201)		
Less: Distribution payable to unitholders	(263)		
	<b>59,930</b>		

SLIFT was launched on 1 April 2019. The table shows the net asset value per unit at the end of the accounting period.

All Unit Classes were launched on 1 April 2019.

There are currently no units issued in the K, L, R, and U unit classes.

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

### Performance Record

<b>Class I Net Accumulation</b>	Period ended 30 September 2019	Year ended 31 March 2019	Period ended 31 March 2018
<b>CHANGE IN NET ASSETS PER UNIT</b>			
Opening net asset value per unit	1.1040	1.0551	1.0000
Return before operating charges*	0.0193	0.0647	0.0726
Operating charges	(0.0075)	(0.0158)	(0.0175)
Return after operating charges*	0.0118	0.0489	0.0551
<b>Closing net asset value per unit</b>	<b>1.1158</b>	<b>1.1040</b>	<b>1.0551</b>
Retained distributions on accumulation units	0.0173	0.0496	0.0129
*Return is stated after direct transaction costs of:	0.0301	0.0506	0.0258
<b>PERFORMANCE</b>			
Return after charges	1.07%	4.63%	5.51%
<b>OTHER INFORMATION</b>			
Closing net asset value (£'000)	11,065	12,375	2,840
Closing number of units	9,916,367.67	11,211,495.48	2,691,304.80
Operating charges	0.68%	1.46%	1.70%
Direct transaction costs	2.71%	4.68%	2.50%
<b>PRICES</b>			
Highest unit price	1.1158	1.1040	1.0551
Lowest unit price	1.1043	1.0561	1.0000

<b>Class J Net Income</b>	Period ended 30 September 2019	Year ended 31 March 2019
<b>CHANGE IN NET ASSETS PER UNIT</b>		
Opening net asset value per unit	1.0366	1.0407
Return before operating charges*	0.0175	0.0590
Operating charges	(0.0070)	(0.0151)
Return after operating charges*	0.0105	0.0439
Distributions on income unit	(0.0162)	(0.0480)
<b>Closing net asset value per share</b>	<b>1.0309</b>	<b>1.0366</b>
*Return is stated after direct transaction costs of:	0.0279	0.0484
<b>PERFORMANCE</b>		
Return after charges	1.01%	4.22%
<b>OTHER INFORMATION</b>		
Closing net asset value (£'000)	6,930	0
Closing number of units	6,722,064.86	95.29
Operating charges	0.68%	1.46%
Direct transaction costs	2.71%	4.68%
<b>PRICES</b>		
Highest unit price	1.0315	1.0417
Lowest unit price	1.0258	1.0224

All Unit Classes were launched on 1 April 2019. There are currently no units issued in the K, L, R, and U unit classes.

Direct transactions costs relate to the costs incurred by TIME:Social Long Income for each of its asset classes.

SLIFT has been operating since 1 April 2019 following the Exchange Offer and Merger with Social Freehold Feeder Trust. Performance information prior to 1 April 2019, included in this report, is in relation to Social Freehold Feeder Trust.

Amounts shown are in Sterling (£) unless otherwise stated.

There were no units issued in Class J during the year ended 31 March 2018 for Social Freehold Feeder Trust and as a result there is no comparative data.

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

## Performance Record (continued)

Class Q Net Accumulation	Period ended 30 September 2019
<b>CHANGE IN NET ASSETS PER UNIT</b>	
Opening net asset value per unit	1.1093
Return before operating charges*	0.0188
Operating charges	(0.0060)
Return after operating charges*	0.0128
<b>Closing net asset value per unit</b>	<b>1.1221</b>
Retained distributions on accumulated units	0.0172
*Return is stated after direct transaction costs of:	0.0303
<b>PERFORMANCE</b>	
Return after charges	1.15%
<b>OTHER INFORMATION</b>	
Closing net asset value (£'000)	15,362
Closing number of units	13,690,372.23
Operating charges	0.53%
Direct transaction costs	2.71%
<b>PRICES</b>	
Highest unit price	1.1221
Lowest unit price	1.1093

Class V Net Income	Period ended 30 September 2019	Year ended 31 March 2019	Period ended 31 March 2018
<b>CHANGE IN NET ASSETS PER UNIT</b>			
Opening net asset value per unit	1.0366	1.0407	1.0000
Return before operating charges*	0.0175	0.0588	0.0709
Operating charges	(0.0070)	(0.0150)	(0.0174)
Return after operating charges*	0.0105	0.0438	0.0535
Distributions on income unit	(0.0162)	(0.0479)	(0.0128)
<b>Closing net asset value per share</b>	<b>1.0309</b>	<b>1.0366</b>	<b>1.0407</b>
*Return is stated after direct transaction costs of:	0.0279	0.0481	0.0257
<b>PERFORMANCE</b>			
Return after charges	1.01%	4.21%	5.35%
<b>OTHER INFORMATION</b>			
Closing net asset value (£'000)	27,037	27,186	21,709
Closing number of units	26,226,456.02	26,226,456.02	20,860,116.59
Operating charges	0.68%	1.46%	1.70%
Direct transaction costs	2.71%	4.68%	2.50%
<b>PRICES</b>			
Highest unit price	1.0315	1.0417	1.0407
Lowest unit price	1.0258	1.0224	1.0000

All Unit Classes were launched on 1 April 2019. There are currently no units issued in the K, L, R, and U unit classes.

Direct transactions costs relate to the costs incurred by TIME:Social Long Income for each of its asset classes.

SLIFT has been operating since 1 April 2019 following the Exchange Offer and Merger with Social Freehold Feeder Trust. Performance information prior to 1 April 2019, included in this report, is in relation to Social Freehold Feeder Trust.

Amounts shown are in Sterling (£) unless otherwise stated.

Units in class Q were first issued in the period and therefore there is no comparative data.

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

### Ongoing Charge (OC)

	30 September 2019 %	31 March 2018 %
Class I, J, U & V	1.45	1.45
Class K & L	1.70	1.70
Class Q & R	1.20	1.20

The Ongoing Charge (OC) represents the total annualised expenses of TIME:Social Long Income on a look through basis, excluding transaction costs, interest and other finance costs and property related expenses expressed as a percentage of the net assets of the Fund at the end of the accounting period.

The OC stated for 30 September and 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.

All expenses of SLIFT are borne by the Authorised Fund Manager, Alpha Real Capital LLP.

### Risk warning

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

An investment in a unit trust should be regarded as a medium to long term investment.

By the nature of real property and the time and other factors involved in arranging sales and realising the proceeds there from, it should be appreciated that the underlying assets are primarily relatively illiquid assets when compared with other asset classes such as listed equities or bonds. Whilst the ACD will pursue a cautious liquidity policy, the Fund is intended for investors who can accept the risks associated with making potentially illiquid investments in real property.

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.

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

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

Past performance is not a guide to future performance.

For further risk information please see the Prospectus.

## Portfolio Statement

As at 30 September 2019	%	Net Asset Value £'000
TIME:Social Long Income Class B Net Accumulation	18.32	10,980
TIME:Social Long Income Class D Net Income	11.47	6,877
TIME:Social Long Income Class N Net Accumulation	25.44	15,244
TIME:Social Long Income Class T Net Income	44.77	26,830
<b>Total investment value</b>	<b>100.00</b>	<b>59,931</b>
Net other liabilities	0.00	(1)
<b>Total net assets as at 30 September 2019</b>	<b>100.00</b>	<b>59,930</b>



## Statement of total return

For the period ended 30 September 2019

	Period ended 30 September 2019 £'000	Period ended 30 September 2019 £'000
<b>INCOME</b>		
Net capital loss		(328)
Distributions received from TIME:Social Long Income	771	
<b>Net revenue before taxation</b>	<b>771</b>	
Taxation	-	
<b>Net revenue after taxation</b>		<b>771</b>
<b>Total return before distributions</b>		<b>443</b>
Distributions		(772)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(329)</b>

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 unitholders

For the period ended 30 September 2019

	Period ended 30 September 2019 £'000	Period ended 30 September 2019 £'000
Opening net assets attributable to unitholders		-
Amounts receivable on creation of units	73,136	
Amounts payable on cancellation of units	(13,205)	
		<b>59,931</b>
Income accumulated into capital		328
Change in net assets attributable to unitholders from investment activities		(329)
<b>Closing net assets attributable to unitholders</b>		<b>59,930</b>

## Balance sheet

As at 30 September 2019

	As at 30 September 2019 £'000
<b>ASSETS</b>	
Investment in TIME:Social Long Income	59,931
Debtors	262
Cash at Bank	2
<b>Total assets</b>	<b>60,195</b>
<b>LIABILITIES</b>	
Creditors	(265)
<b>Total liabilities</b>	<b>(265)</b>
<b>Net assets attributable to unitholders</b>	<b>59,930</b>

Authorised for issue and signed on behalf of the Authorised Fund Manager of the Trust on 29 November 2019.

Alpha Real Capital LLP

# Statement of cash flows

For the period ended 30 September 2019

	Period ended 30 September 2019 £'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Total return	(329)
Adjustments for:	
Net capital loss	328
Increase in debtors	(262)
Increase in creditors	265
<b>Cash from operations</b>	<b>2</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Net cash transferred from merger with TIME:Social Freehold Feeder Trust	1
Disposal of shares in TIME:Social Long Income	13,205
Purchase of shares in TIME:Social Long Income	(33,969)
Distributions received from TIME:Social Long Income	454
<b>Net cash flow from investing activities</b>	<b>(20,309)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Creation of units	33,969
Cancellation of units	(13,205)
Distributions paid	(455)
<b>Net cash flow from financing activities</b>	<b>20,309</b>
<b>Net increase in cash</b>	<b>2</b>
<b>Cash at the beginning of the period</b>	<b>-</b>
<b>Cash at the end of the period</b>	<b>2</b>

Following the Exchange Offer and Merger with Social Freehold Feeder Trust on 1 April 2019, creation of units of £39,166,730 were transferred over to SLIFT. This is represented under 'Net cash transferred from merger with TIME:Social Freehold Feeder Trust', and as a result this is excluded from purchase of shares in TIME:Social Long Income and Creation of units.

# Notes to the financial statements

For the period ended 30 September 2019

## 1. Accounting policies

The principal accounting policies are summarised below.

### (a) General Information

SLIFT is an Authorised Unit Trust and is authorised by the Financial Conduct Authority ("FCA") with effect from 1 April 2019. SLIFT has been established as a feeder trust for investment in Social Long Income PAIF ("TIME:Social Long Income" or the "Fund") for corporate investors or other investors who are not able to invest directly in the Fund for administrative reasons. SLIFT's sole purpose is to acquire and hold shares in the Fund.

SLIFT was incorporated in the United Kingdom and its principal place of business is the office of the Authorised Fund Manager ("AFM").

On 22 March 2019 Unitholder consent to exchange units in Social Freehold Feeder Trust ("SFFT") for equivalent units in a new FCA authorised feeder trust, Social Long Income Feeder Trust ("SLIFT"), was unanimously given by unitholders who returned a Form of Proxy.

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

### (b) Functional and presentation currency

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

### (c) Basis of preparation

The financial statements are the first compliant accounts since incorporation and 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 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 Trust Manager to exercise judgment in applying the accounting policies (see note 3).

The financial statements have been prepared on a going concern basis and all activities and trade have been transferred from SFFT following the Exchange Offer and Merger with SLIFT on 1 April 2019.

All assets and liabilities of SFFT were acquired by SLIFT on 1 April 2019 at their value as at 31 March 2019.

### (d) Basis of accounting

These financial statements present the income, expenditure, assets and liabilities of SLIFT.

### (e) Recognition of revenue

Distributions from TIME:Social Long Income are recognised to the extent they relate to the reporting period and have been declared by the Fund.

### (f) Interest receivable

Interest income is accounted for on a receivable basis.

### (g) Financial instruments

Investments in TIME:Social Long Income are initially measured at cost (which is equal to fair value at inception). Investments are subsequently measured at fair value derived from the quoted prices of the Fund or a fair value price as permitted by the Prospectus under Fair Value Pricing. Fair value gains and losses from revaluation and/or sale are recorded in the Statement of Total Return as capital income.

Any dividend or distribution income received during the investment holding period is recognised as investment income in the income account.

All investments are valued at their fair value as at 30 September 2019.

Financial assets, being cash and amounts due from the Fund, 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 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

SLIFT is subject to corporation tax which is provided at the rate of 20% on taxable revenue, after the deduction of allowable expenses. In order to mitigate the requirement to pay tax directly SLIFT has elected to hold shares in TIME:Social Long Income's net share classes.

### (i) Treatment of expenses

Expenses are recognised on an accrual basis.

# Notes to the financial statements (continued)

For the period ended 30 September 2019

## 2. Distribution and equalisation policy

### (a) Basis of distribution

Income is generated by SLIFT's investments during each accounting period. Distributions of income are 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 SLIFT.

### (b) Apportionment to multiple unit classes

The allocation of revenue and expenses to each unit class is based on the proportion of SLIFT's assets attributable to each unit class on the day the revenue is earned or the expense is suffered.

### (c) Equalisation

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

Equalisation may be refunded on distribution or accumulated at the time of distribution. Unitholders 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 units for capital gains tax purposes.

## 3. Judgements in applying accounting policies and key estimation uncertainty

In applying SLIFT's accounting policies, the Authorised Fund Manager of the Trust is required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Authorised Fund Manager of the Trust's judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are 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 are 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 Authorised Fund Manager of the Trust has made in the process of applying SLIFT's accounting policies that have 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 have been any indicators of impairment of investment holding in TIME:Social Long Income, The Authorised Fund Manager of the Trust has considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial period.

### Key sources of estimation uncertainty

The key sources of estimation uncertainty, that have a risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### (i) Valuation of investment holdings

SLIFT's investment holding in TIME:Social Long Income is held at fair value derived from the quoted prices of the Fund or a fair value price as permitted by the Prospectus under Fair Value Pricing. The fair value of these investments may fluctuate depending on market conditions which affect the Fund. The fair value of the holdings could vary, making this an area of estimation uncertainty.

## Notes to the financial statements (continued)

For the period ended 30 September 2019

### 4. Risk management policies

SLIFT has wholly invested into TIME:Social Long Income and is therefore exposed to the same risks as the Fund. The risk management policies of the Fund are:

#### (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:Social Long Income and in turn, SLIFT.

SLIFT's exposure to market price risk is comprised mainly of movements in the value of the Fund's investments in properties. The Fund invests in social infrastructure. This concentrates the risk to the Fund in one asset class.

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.

#### (b) Credit and liquidity risk

TIME:Social Long Income's liquidity is reviewed on a periodic basis, not less than each week and more frequently in the event of major transactions or a trend of transactions e.g. in a period of high acquisitions. This review will encompass a detailed forecast of imminent liquidity requirements and a broad projection of cash requirements for the next twelve month period.

The Fund invests in illiquid assets and will encounter 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. SLIFT's liquidity can be affected by unexpected or high levels of redemptions in the Fund. Cash is held to address liquidity risk but the spread of investors and the deferred redemption provision mitigate this risk. However, under certain market conditions where liquidity risk may be deemed to be elevated, the level of cash held by the Fund may be higher.

The AIFM may, acting in the best interests of all unitholders, affect instructions for subscriptions or redemptions of units on a different pricing basis where a dealing request (or series of requests) for a particular dealing day exceeds £50,000 (a "Large Deal") for SLIFT. Unitholders affected by this provision may at the discretion of the Investment Manager have such large deals refused until such time as the Investment Manager is satisfied there is no prejudicial impact to the best interests of unitholders as a whole.

The AIFM may make a charge on the redemption of units where a redemption application is in excess of £250,000 on any Dealing day. The AIFM may make a charge on the redemption of such units of up to 5% of the total amount redeemed.

The AIFM may make a charge on the redemption of units where a Unitholder is deemed to have conducted short term trading based on a market timing strategy. Specifically, at the AIFM's discretion, a charge of up to 3% may be levied if redemption of units is notified within 180 days of settlement of the original subscription for units. The proceeds of this charge shall be paid into the Scheme Property of the Fund.

#### (c) Currency risk

All financial assets and liabilities of SLIFT and TIME:Social Long Income are in Sterling, thus there is no exposure to currency risk at the balance sheet date.

#### (d) Interest rate risk

SLIFT held cash of circa £2,000 as at the balance sheet date, the risk on this is minimal.

## Company information and key service providers

### Company

ARC TIME:Trusts II (the "Trust")

### Sub-funds

Social Long Income Feeder Trust

Commercial Long Income Feeder Trust

### 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

### Investment Manager, Administrator and Transfer Agent

TIME Investments  
338 Euston Road  
London NW1 3BG

Authorised and regulated by the  
Financial Conduct Authority

### Trustee

NatWest Trustee and Depositary 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

### 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

Royal Bank of Scotland PLC  
NatWest Trustee and Depositary Services Limited  
Floor 2 South  
Drummond House  
1 Redheughs Avenue  
Edinburgh EH12 9RH

This page left intentionally blank



This page left intentionally blank

This page left intentionally blank





TIME Investments  
338 Euston Road, London NW1 3BG  
T: 0345 600 1213  
enquiries@time-investments.com  
time-investments.com



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. November 2019.

07 00690 SL 1119