

## TIME:Advance | Product impact review

Date: 01 April 2020

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### How has COVID-19 impacted the Service?

The Service has continued to operate as usual with weekly dealing taking place as normal.

Generally, we do not expect the value of the assets held within TIME:Advance to be materially affected by COVID-19.

The wind, solar and hydro trades which make up over 62% of the Service are not exposed to the same forces directly driving the volatility in the financial markets and the economy more generally. This is due to these trades being privately owned, long term, cash flow driven, asset-backed infrastructure-like investments. Energy prices have fallen recently but, with Elm Trading's renewable energy assets all being UK based and having substantial support from Government backed inflation linked subsidies, the portfolio is well protected. Also, Q1 2020 has been a particularly strong period for renewable energy, with some of our wind farms recording performance 150% or greater than budget during the period, the effect of falling energy prices has been more than outweighed by strong generation levels.

However, our property lending trade is likely to be impacted by building projects being delayed due to a lack of materials or labour. We are working cooperatively with our borrowers to ensure that projects are completed and sold as soon as practicable. So far, no project is in distress and no loan has been impaired. In the unlikely event of a default the lending business has a first legal charge over the property.

For our operational real estate backed lending activities we are receiving monthly management accounts from all borrowers to ensure that the interest cover ratio of each loan does not deteriorate below acceptable levels. We are also obtaining regular third-party valuations of the assets. This trade only has minimal exposure to sectors directly impacted by COVID-19. Within the portfolio, the business has £5.5m of debt finance (less than 1% of total value of Elm Trading) across four loan facilities to operational hotels in the UK. These loans have an average loan to value (LTV) of 57% and we have the benefit of having the first legal charge over the assets.

The biomass trade is likely to experience further delays due to labour now no longer being able to work at the Acharn site due to COVID-19. The length of delays will depend on the length of the current lockdown.

The self-storage facilities have not yet seen a deterioration in the level of trading income being generated. We are working closely with our operational self-storage managers to ensure that costs are managed closely and that service levels remain as high as practicable during this period of uncertainty.

Forestry is not expected to be impacted. The trade is partially underpinned by land values and benefits from steady organic growth from maturing timber.

### Are you making any changes to the way you manage the Service?

We do not plan on making any significant changes to the way the Service is managed. We continue to seek attractive opportunities for our portfolio on a highly selective basis and we are focused on assets which can be acquired efficiently despite the market disruption. In the short term we are likely to utilise new subscriptions into the service to pay down Elm Trading's £30 million revolving credit facility rather than incur cash-drag, thus improving performance.

## How has TIME Investments positioned itself to deliver uninterrupted continuity of service?

In light of the Government guidelines that employees should now work from home where possible, TIME has put measures in place to allow our entire business to do so, while not compromising any of our risk management, security measures and regulatory responsibilities. It is of paramount importance to us to support the Government's strategy of minimising social contact, helping maintain the health of our staff and assure the greatest possible continuity of service for our clients.

We have invested in further technology and infrastructure to ensure that the business is adaptable to cover all eventualities. We pride ourselves in offering exceptional levels of service and our Client Services and Business Development teams are well equipped to continue to support you with all your investment enquiries. In order to ensure uninterrupted continuity to our service, we have adapted some of our processes accordingly:

**Phone lines** – all phone lines have been appropriately redirected to ensure we minimise any disruption to the level of service we provide. Please refer to our [contact us](#) page for more information.

**Virtual meetings** – all of our Business Development team have been equipped and trained to allow us to continue our high levels of support and interaction with financial advisers via video and conference calling systems.

**Electronic Application Processing** – to offer you the maximum level of flexibility to cope with the current situation, we have changed our usual application process to allow electronic processing. More details about this can be found [here](#).

## We are here to support you

As ever, if there is anything we can help with or any questions you have, then please get in touch with one of the team via our [contact us](#) page.