

## TIME:Property Long Income & Growth

Data as at: **30 June 2022**

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TIME:Property Long Income & Growth is a hybrid property fund investing in a portfolio of primarily UK listed real estate securities and directly held long income properties.

### Key facts

Fund size	£23.2m
Launch date	1 September 2021
Sector	IA Property Other
Base currency	GBP
Dealing frequency	Daily, 10am



Signatory of:



### Fund particulars

**Fund name**  
ARC TIME Property Long Income & Growth PAIF

**Fund structure**  
Open-ended collective investment scheme (OEIC), non-UCITS retail scheme (NURS)

**Regulated status**  
FCA authorised

**Depository**  
NatWest Trustee and Depository Services Limited

**Authorised Corporate Director**  
Alpha Real Capital LLP

**Investment Manager**  
TIME Investments

**FATCA GIIN Registration**  
UA921E.99999.SL.826

### Fund managers



**Stephen Daniels** is one of the founding partners of TIME. Stephen is also Fund Manager for TIME:UK Infrastructure Income and TIME:Social Long Income managing

around £230 million of investments. Stephen is also responsible for our TIME:Advance, TIME:CTC, TIME:EIS and TIME:AIM solutions, looking after £1 billion of investment.



**Roger Skeldon** has over 15 years' experience in fund management, finance and commercial property, primarily focused on long income property and the

deployment of capital into sectors such as social infrastructure. He is also Fund Manager for both TIME:Commercial Long Income and TIME:Social Long Income.

### Fund aim

The aim of the Fund is to offer shareholders an income return with some capital growth prospects.

### Fund characteristics



#### Consistent and visible income streams

The Fund invests in long-term sustainable sectors and across a range of assets and securities that benefit from either long leases or predictable operational cashflows.



#### Higher levels of diversification across sustainable sectors

Real estate securities own portfolios that are highly diversified across a variety of buildings, tenants, locations, and subsectors which allows for a more efficient spread of exposures.



#### Lower volatility

Adding directly held property to a portfolio of real estate securities can reduce the volatility of the overall portfolio.



#### Inflation linkage

The majority of the Fund's direct property exposure have rent reviews that are either inflation-linked or have a fixed uplift, rather than being subject to open market negotiation.



#### Enhanced liquidity profile

The hybrid nature of the Fund provides better liquidity than a portfolio of direct property as real estate securities are listed and can be traded daily.



#### Exposure to specialist managers

The Fund provides exposure to a portfolio of experienced and specialist real estate investors that have built portfolios of high-quality assets that would be difficult to replicate if starting from scratch.

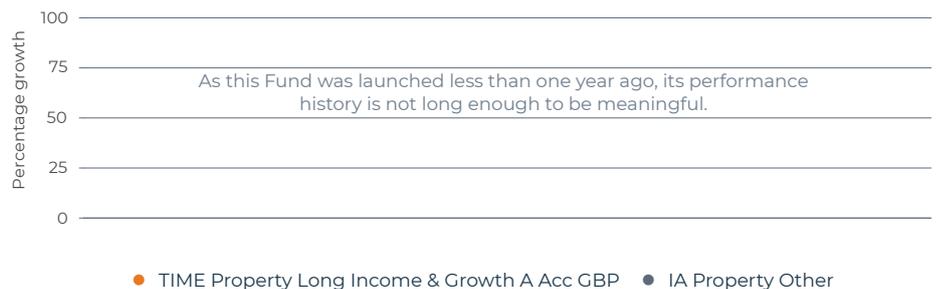


#### Positive social benefit

The Fund provides investors with exposure to a wide range of sectors that deliver a positive social impact to society including care homes, social housing, nurseries, GP surgeries, hospitals, and supermarkets.

### Fund performance

#### Performance since launch (%)



	1 month	6 months	1 year	3 years	Since launch
A Acc GBP	-2.97	-4.73	-	-	-3.39
IA Property Other	-6.30	-12.60	-	-	-10.23

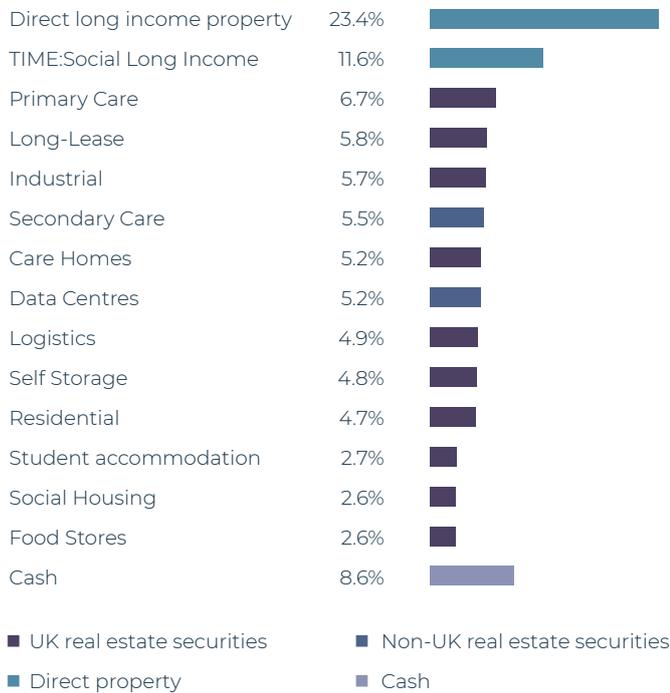
#### Discrete annual performance (%)

12 months to 30 June	2022	2021	2020	2019	2018
A Acc GBP	-	-	-	-	-
IA Property Other	-	-	-	-	-

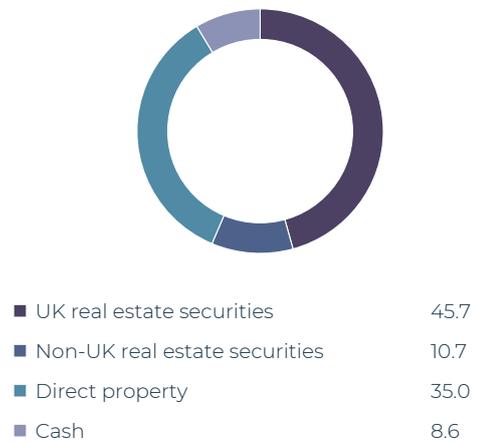
Source: Financial Express and TIME Investments. Performance data is based on total return (A Acc). The value of an investment, and any income from it, can fall or rise and investors may not get back the full amount they invest. The past performance of the fund is not a reliable guide to its future performance.

## Portfolio breakdown

### Sector breakdown (%)



### Asset allocation (%)



### Top 10 real estate securities holdings

Holding	Sector	Weight
LXI REIT	Long-Lease	4.6%
Primary Health Properties	Primary Care	3.5%
Target Healthcare REIT	Care Homes	3.4%
Assura	Primary Care	3.2%
Safestore Holdings	Self Storage	2.9%
UNITE Group	Student accommodation	2.7%
Equinix Inc	Data Centres	2.7%
Grainger	Residential	2.6%
Supermarket Income REIT	Food Stores	2.6%
Tritax Big Box REIT	Logistics	2.5%
<b>Top 10 total</b>		<b>30.7%</b>

### Featured asset - Primary Healthcare Properties

Primary Healthcare Properties Plc (PHP) is a UK REIT that invests in modern primary healthcare real estate let on long-term leases. The leases are backed by secure underlying covenants where a significant amount (90%) of the income is funded directly or indirectly by a Government body such as the NHS. The facilities invested in are primarily GP surgeries, pharmacies and dentist surgeries and are flexible, modern properties for local primary healthcare. The portfolio currently comprises of 523 properties valued at £2.8 billion with a 99.7% occupancy rate. The portfolio has a WAULT of 12 years and a rent roll of £140 million.



Source: phpgroup.co.uk

## Fund manager commentary

In June, the Federal Reserve announced the largest increase in interest rates in 30 years in an effort to control inflation. The Federal Reserve's increase of 0.75% was followed by a 0.25% rate increase by the Bank of England. Further interest rate rises are expected over the coming months, with the European Central Bank also set to raise rates for the first time in 11 years.

Despite the best efforts of the world's key central banks, inflation remains at historically high levels across the major world economies. The last published figures (for May 2022) show 8.6% p.a. inflation in the USA, 9.1% p.a. in the UK, and 8.1% p.a. in Europe.

Equity markets remained volatile during the month, with the key US and UK market indices all ending the month in negative territory. In bond markets the UK ten year gilt yield rose further to 2.19% at month end.

TIME:Property Long Income & Growth was down -2.97% over the month with the direct property holdings at c35% of the Fund's NAV, once again providing diversification and price stability relative to the volatility seen in listed financial markets. Valuation of the direct properties held by the Fund were marginally up over the month, which alongside the rental income received contributed positive performance.

Ahead of completing its proposed merger with the Secure Income REIT later in the month, LXI REIT released strong results in June. The NAV total return for the year to 31 March 2022 was 18.2%. The newly enlarged LXI REIT is expected to benefit from cost savings and has a well-diversified portfolio of long income properties throughout the UK and benefits from long-term, often inflation linked secure cashflows. Following the completion of the merger, LXI REIT will continue to be the Fund's largest equity holding.

The logistics sector was again under pressure this month, following the announcement in May by Amazon about potential overcapacity in its fulfilment centres. Prologis, the world's largest listed logistics real-estate owner announced in June its intention to acquire Duke Realty, a US industrial REIT, in an all-share transaction worth \$26 billion, with Duke Realty shareholders receiving 0.475 shares of Prologis for each share of Duke Realty. Duke Realty's portfolio primarily covers the eastern half of the USA and is felt to complement Prologis' existing real estate holdings. The transaction was not well received by the market, which pushed shares in Prologis lower on the day of the announcement.

The Federal Reserve's exceptional 0.75% increase in interest rates, combined with a general concern around falling economic growth rates sent shares in US listed REITS in the Data Centre and Secondary sectors lower in the month on limited news flow. Higher US interest rates are expected to result in higher borrowing costs for these companies in the future.

In the self storage sector, Safestore, the UK largest self storage operator reported strong interim results, with revenues increasing 14% and earnings per share increasing by 24%. Following the improved earnings the company announced an c25% increase in its interim dividend, which is fully covered.

### About TIME

TIME Investments is a specialist investment manager focused on delivering long-term investments that seek consistent and attractive risk-adjusted returns. We take a deliberately defensive approach investing in asset-backed and income generating assets, predominantly through infrastructure, real estate and lending. TIME Investments has a long track record in fund management with 30 investment specialists within the renewables, lending and property teams.

In the Care Home sector, Impact Healthcare announced its intention to issue new ordinary shares via a placing and offer for subscription at 117p. The issue price represented a 4.6% discount to the pre-announcement closing price. The company is in advanced talks over six potential acquisitions (27 care homes) for an aggregate £169 million. The Fund intends to participate in the share issuance, which provides a cost effective way for the Fund to increase its holding in Impact Healthcare.

Real estate has historically proven to perform comparably well in an inflationary environment and has a historically low correlation to interest rates. We expect volatility to continue in the short term, but the fundamentals of the underlying sectors to which the Fund has exposure remain strong, and rental growth is anticipated across most of them. The direct long income property exposure is expected to continue to reduce the volatility of the Fund and support the income return. As the Fund grows, the focus will remain on economically sustainable sectors with attractive long-term characteristics, and the direct property element will be further diversified with a continued focus on properties with long leases and inflation linked rent reviews.

## How to invest

### Codes and fees

Share/Unit class	Minimum investment	Minimum top up	OCF
A-D	£5,000	£1,000	1.03%
F-H	£5,000	£1,000	1.28%
M-P	£5,000,000	£100,000	0.93%
S-T	£5,000,000	£100,000	1.03%
W-Z	£1,000,000	£1,000	0.72%
I-J	£5,000	£1,000	1.03%
K-L	£5,000	£1,000	1.28%
Q-R	£5,000,000	£100,000	0.93%
U-V	£5,000,000	£100,000	1.03%
E-G	£1,000,000	£1,000	0.72%

### Platform availability



## Distributions

Distribution frequency      Quarterly

Ex-dividend date	Payment date	Distribution per share (£)	
		Class A	Class Z
1 July 2022	29 July 2022	0.0047	0.0060
1 April 2022	29 April 2022	0.0053	0.0066
4 January 2022	31 January 2022	0.0041	0.0059
1 October 2021	29 October 2021	0.0014	0.0019

### Important notice

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 Investment Advisers LLP, which is the Investment Manager of the Fund 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 your capital is at risk and 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 after reviewing the Key Investor Information Document ("KIID") and the Prospectus and investors should carefully read the risk warnings contained within. All documentation is available on request. Specific Fund Information: Achieving the Fund's investment objective will depend on a wide range of factors relating to the wider economy, regulations or specifically to infrastructure and renewable energy, property companies and bonds into which the Fund invests. There may be limited diversification across sectors and assets. In addition the value of any investment in equity markets is volatile and the Fund's share price may be volatile due to movements in the prices of the underlying equity and fixed interest security holdings. Fund Status: The Fund is a sub-fund of ARC TIME:Funds II and 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 FSMA. Issued: July 2022

**TIME**  
INVESTMENTS

TIME Investments  
338 Euston Road, London NW1 3BG  
T: 020 7391 4747 F: 020 7391 4770  
questions@time-investments.com  
time-investments.com

**Alpha**

Authorised Corporate Director:  
Alpha Real Capital LLP

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