

TIME:Property Long Income & Growth

Data as at: **31 May 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	£22.2m
Launch date	1 September 2021
Sector	IA Property Other
Base currency	GBP
Dealing frequency	Daily, 10am



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

UA92IE.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.

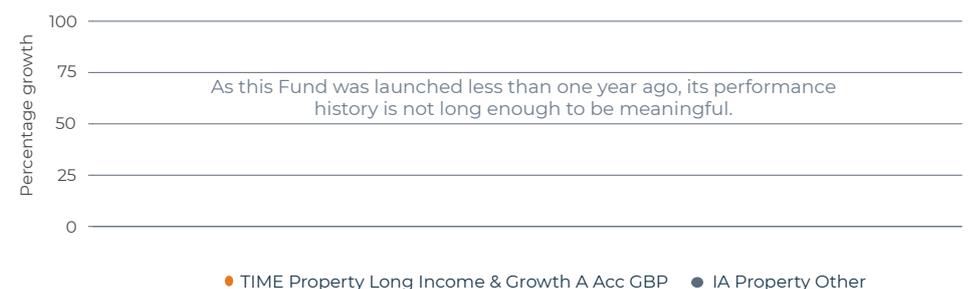


Positive social benefit

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 (%)



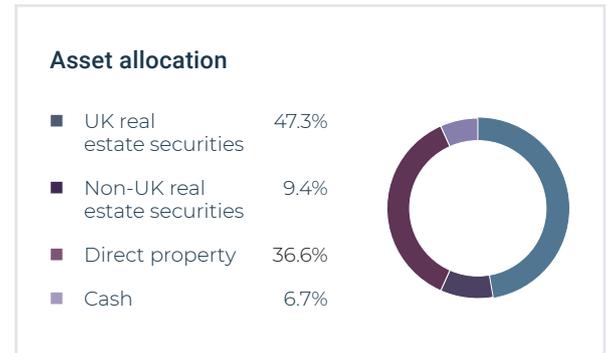
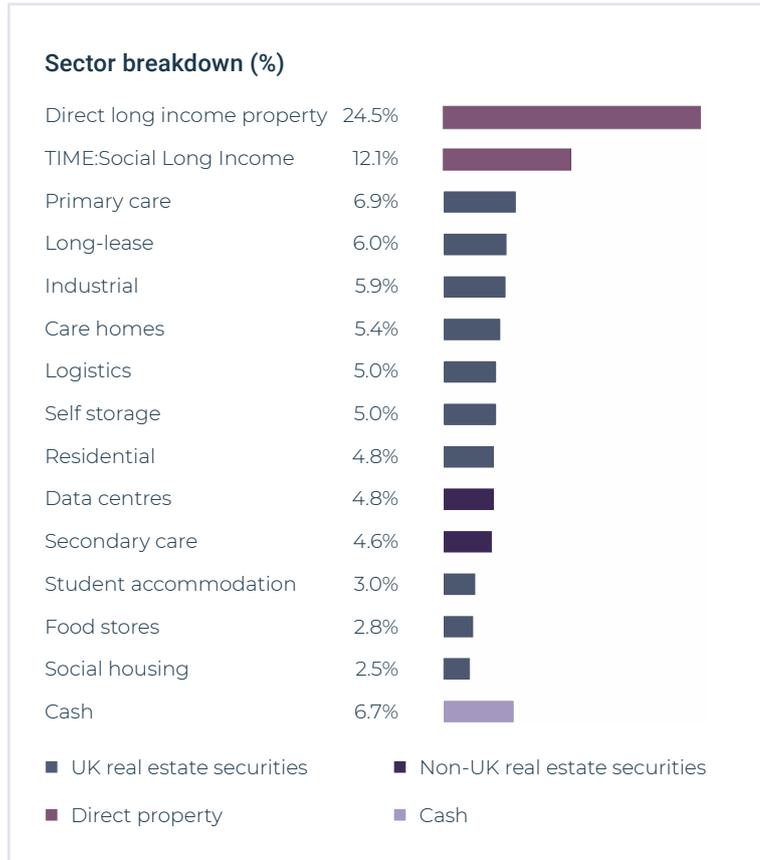
	1 month	6 months	1 year	3 years	Since launch
A Acc GBP	-1.39	0.22	-	-	-0.43
IA Property Other	-4.95	-3.79	-	-	-4.20

Discrete annual performance (%)

12 months to 31 March	2021	2020	2019	2018	2017
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



Top 10 real estate securities holdings

Holding	Sector	Weight
LXI REIT	Long-lease	4.8%
Primary Health Properties Plc	Primary care	3.6%
Target Healthcare	Care homes	3.5%
Assura	Primary care	3.4%
Safestore Holdings	Self storage	3.1%
UNITE Group Plc	Student accommodation	3.0%
Supermarket Income REIT	Food stores	2.8%
Grainger Plc	Residential	2.7%
Tritax Big Box REIT	Logistics	2.6%
Segro Plc	Industrial	2.4%
Top 10 total		31.9%

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

Fund commentary

In May, both the Bank of England and the Federal Reserve increased interest rates in a bid to control inflation. The Fed's increase of 0.50% was the biggest in 20 years with further similar rises expected by many over the course of the next few meetings. The cost of living crisis caused by the high levels of inflation seen in the energy, food, and the housing market is starting to impact business and consumer confidence, raising the risk of a recession later this year or in early 2023. Employment data however is strong, with unemployment at 3.7% in the UK, a 50-year low. Equity markets remained volatile and managed to recover from year-to-date lows set at the beginning of the month. In bond markets, the UK 10-year gilt yield rose further to 2.1% at month-end having started the month with a yield of just 1.9%.

TIME:Property Long Income & Growth was down -1.39% over the month with the direct property holdings, which now account for 36.6% of total assets providing diversification and price stability, relative to the volatility seen in listed financial markets. The Fund completed the acquisition of its second directly held property, a 175-year ground rent lease, with inflation linkage on a hotel located in Southampton yielding 3.4% for c£3 million. We believe this asset, along with the nursery asset and units in TIME:Social Long Income are particularly defensive and capable of delivering consistent positive returns throughout a range of market conditions. The properties owned are all within sectors that have drivers that demonstrate long-term economic sustainability and therefore support the long-term nature of the leases and have rent reviews linked to inflation.

The logistics and industrial sectors were under pressure this month and holdings such as Tritax Big Box and Segro saw steep share price falls following comments from the online retailer, Amazon, about potential overcapacity in its fulfilment centres. Commentary and reporting from Tritax Big Box and its sister company Tritax Eurobox however give us confidence that the underlying market remains strong and that industry data indicates that structural demand and tight supply remain. Following the share price movement, they are now trading at attractive discounts to their net asset value.

The primary care sector posted strong returns this month, with Assura, up 9%, reporting another solid set of results with total accounting returns up 11% for the year. Management also expects the development pipeline to drive further earnings and dividend growth in the future. We added to our position in both Assura and Primary Health Properties during the month and feel the c4.3% dividend yields remain attractive in this market.

LXI REIT, the largest REIT holding in the portfolio with a weight of 4.8% at month-end reported that they have reached an agreement to acquire the entire issued share capital of Secure Income REIT, the other diversified long lease security also held in the Fund. This led to the shares of Secure Income REIT going up 9%. The merger is expected to be immediately accretive to earnings per share with a cost saving of £8.6 million also expected from the enlarged entity.

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.

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 (£)
1 April 2022	29 April 2022	Class A - 0.0053
1 April 2022	29 April 2022	Class Z - 0.0066
4 January 2022	31 January 2022	Class A - 0.0041
4 January 2022	31 January 2022	Class Z - 0.0059
1 October 2021	29 October 2021	Class A - 0.0014
1 October 2021	29 October 2021	Class Z - 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 Investments 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 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: June 2022

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