TIME: Social Long Income | Product impact review

Date: 01 April 2020

How has COVID-19 impacted the fund?

The most significant impact so far has been the Fund's decision to suspend on 18 March 2020.

As a result of material uncertainty in the Fund valuer's, CBRE, opinion of property values, caused by the outbreak of the Novel Coronavirus (COVID-19), dealing in the shares of the Fund and units in its feeder trust has, in accordance with FCA rules, suspended on 18 March 2020. This suspension is in common with other authorised open-ended property funds, which also suspended in that same week on the same material uncertainty basis. The Fund has not suspended for liquidity or performance purposes and without the material uncertainty opinion from the valuer the Fund would have continued to accept dealing instructions and operate as normal.

Whilst less affected than equity markets, the UK property sector is not immune to the unprecedented set of circumstances that the financial markets now face but it is still too early to tell exactly how the different sub-sectors will be affected as there are many variables to consider in this changing environment.

COVID-19 is impacting the sectors the Fund is exposed to in different ways. Medical centres and care facilities remain relatively resilient but face operational pressures as they adapt to the current crisis. Childcare nurseries remain open for children of key workers but have closed for others resulting in a significant fall in revenue.

The measures announced by the UK Government to support various businesses in the form of business rate holidays, grants, business interruption loans and the job retention scheme will help. However, much will depend on the financial strength of the tenants and their ability to manage their cash flow during this period. Many tenants are looking for landlords and lenders to assist during this period by using tools such as making changes to rental collection periods, reduced rents or a rent holiday for example and many are being supportive.

The Fund's property portfolio was valued by the independent valuer on 31 March 2020. Taking the current circumstances into account, the valuer has maintained the value of the portfolio. As a result, the value of the Fund's shares increased by 0.24% for the month of March 2020. The Fund's performance over the year to 31 March 2020 has been 3.71%.

The property portfolio of the Fund will next be valued by the independent valuer at 30 April 2020.

Are you making any changes to the way you manage the Fund?

Since the Fund was launched it has been managed with downside risk at the forefront of our minds. Thorough due diligence and stress testing has taken place on every property and tenant in the portfolio. Liquidity management has remained robust and the Fund has broadly remained in net subscription territory since inception. The Fund has no debt.

We feel that the Fund is well positioned, despite the current headwinds and we are therefore not making any significant changes to the way it is managed. However, during the period of suspension the Fund will not make acquisitions except where contractually committed to do so.

Looking ahead

At this stage it is too early to say what the impact of COVID-19 will have on the performance of the Fund. The Fund will continue to be managed in accordance with its investment objective and will pay its distributions in the normal manner. We will also continue to publish daily prices, which can be viewed here, so you can value your investment. However, any dealing instructions we receive during this period of suspension will be rejected until such time as the suspension on dealing in the Fund is lifted.

If you would like further information on the reasons for suspension or to view a copy of the suspension Q&A, please refer to the Fund updates section on the Document Library.

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.

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.