

## TIME:Social Long Income | Investor Q&A

Date: 23 September 2022

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

### What has the performance of the Fund been?

Since the Fund was launched it has been managed with the focus on low capital volatility and income security through investing in the social infrastructure assets. This, along with the specific features of long income (including the high Weighted Average Lease Term, married with tenant quality and/or sector sustainability), is the main reason for this outperformance.

Throughout the period since the outbreak of COVID-19 in early 2020, the Fund has collected almost 100% of rental payments due and has continued to deliver a consistent income with some capital growth from its portfolio of social infrastructure assets, despite the unprecedented challenges faced throughout the UK. During the twelve months to 31 August 2022, the Fund's performance has increased by 5.11% (based on the Class A Gross Accumulation shares), comprising an income return of 3.89% and a capital gain of 1.22%. For the three years to 31 August 2022, the Fund delivered a total return of 15.12%, and 28.61% over a five year period.

### What is the outlook for the Fund?

We anticipate this positive performance will continue, despite the ongoing pressures within the wider UK economy. The Fund's investment objective has remained unchanged and the Fund will continue to pay its distributions in the normal manner every quarter.

### Does the Fund have any liquidity management tools within its Prospectus?

Yes. The fund primarily invests in inherently illiquid assets, being UK real estate. Given this primary asset class, there is a mismatch between the frequency of redemptions of the Fund, being on a daily basis, and the speed at which the underlying real estate assets can be sold. Accordingly, in recognition of this inherent liquidity mismatch, the ACD has implemented liquidity management systems and procedures and has identified when these tools and arrangements may be used in both normal and exceptional circumstances.

In the first instance, where a large investor is looking to redeem, we would look to work with them to seek an agreement of a redemption timetable over an agreed period of time. If we cannot agree on this, in order to protect the interests of our existing shareholders, the Fund has a number of tools it can apply to (typically large) redemptions.

These liquidity management tools and the consequences for Shareholders are set out in Clause 25 of the Prospectus and detailed below:

<b>Dilution Adjustment /Swing price</b>	When the fund is in net subscriptions and buying property, it is priced on <u>offer</u> i.e. NAV + costs of property acquisitions. Should the fund experience large redemptions requiring it to sell property, it will 'swing' to <u>bid</u> i.e. NAV less the cost of selling property. The total swing from offer to bid is typically 6%-7%.
<b>Large Deal Provision (LDP)</b>	Effect instructions (exceeding £50,000) for subscriptions or redemptions of shares on a different pricing basis to the published price. Can also, at the discretion of the ACD, have such large deals refused until such time as there is no prejudicial impact to the best interests of shareholders. The large deal provision looks to reflect the cost of selling a property, which will be typically 6%-7% reflecting the swing from offer to bid.
<b>Redemption charge</b>	Charge on the redemption of such shares of up to 5%.
<b>Market timing charge</b>	Where a particular shareholder has engaged in short-term trading, effect a charge of up to 3% if a redemption is made within 180 days of the original subscription.
<b>Deferral of redemptions</b>	Where requested redemptions received across all classes of a fund for a particular dealing day exceed 10% of the NAV, the ACD may defer redemptions to the next dealing day i.e., the next day.

<b>Refusal of redemptions</b>	The ACD may reject in its discretion any application for the purchase, redemption, transfer or conversion of Shares. This would be deployed for a whole range of reasons including to protect liquidity of the fund or other reasonable grounds.
<b>Suspension of Dealing</b>	Always available.

It is worth noting that if an investor seeks to redeem an investment that would not be deemed large (i.e. under £50,000) through a platform that is also redeeming other investors at the same time, but together they amount to more than £50,000, the Fund will only see one aggregated large redemption and all underlying investors redeeming through the platform that day will be impacted by the large deal provision.

Please refer to the Fund's Prospectus published on our [website](#) for the full detail (specifically Clause 25 covering dealing charges and suspension).

### **When can these liquidity tools be used?**

They may be used at any time where the ACD considers it is in the best interests of the shareholders to do so, in order to protect investors' interests (those coming in and out of the Fund as well as those who are remaining invested). In simple terms, on redemptions, these tools are used when it is believed that there may be a need to sell a property as a result of a single redemption or a number of redemptions on a given date or when it is believed there is a pattern of continuing redemptions over a period. The focus therefore will be on the effect on the liquidity in the Fund (current and future), so that large redeemers bear their proportion of the cost of selling a property. The liquidity tools are expected to be used reasonably and be able to be justified.

In applying these liquidity management tools the ACD will act in the best interests of shareholders.

### **Getting in touch**

Should you require any further assistance please do not hesitate to contact our Client Services Team on 0345 600 1213 or by emailing [enquiries@time-investments.com](mailto:enquiries@time-investments.com).

For all financial advisers, please speak to your Business Development team for further information. If you need to remind yourself of the contact details of your local BDM, please check on our website, [time-investments.com/BDM](https://time-investments.com/BDM).