

TIME:UK Infrastructure Income

Infrastructure Funds

Data as at: **31 May 2022** Published: **June 2022**

8.96%	35.69%
1 year total return (C Acc GBP)	Total return since inception* (C Acc GBP)

Key facts

Fund size	£74.9m
Launch date*	3 April 2018
Sector	IA Infrastructure
Base currency	GBP
Dealing frequency	Daily, 10am
Income return to 31 May 2022	4.34% p.a. (C Acc GBP)

Fund particulars

Fund name

ARC TIME UK Infrastructure Income II

Fund structure

Sub-fund of ARC TIME:Funds III, a UK Undertakings for Collective Investment in Transferable Securities ("UK UCITS") scheme

Regulated status

FCA authorised UK UCITS

Depository

NatWest Trustee and Depository Services Limited

Authorised Corporate Director

Alpha Real Capital LLP

Investment Manager

TIME Investments

FATCA GIIN Registration

AWGFGS.99999.SL.826

*Past performance includes that of ARC TIME UK Infrastructure Income which merged by share exchange with ARC TIME UK Infrastructure Income II on 10 January 2022.

Fund managers



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

responsible for our TIME:Advance, TIME:CTC, TIME:EIS and TIME:AIM solutions. He has over 15 years' experience in finance, fund management and investing in UK Smaller Companies.

Fund aim

The Fund seeks to deliver a consistent income return with long-term capital growth potential from a portfolio of infrastructure exposed securities. The portfolio is made up of renewable energy, infrastructure, logistics, digital infrastructure, secured lending and social infrastructure companies.

Fund characteristics



Diversification

The infrastructure sector is highly diverse and has low correlation to traditional asset classes. Underlying exposure through 25 - 30 securities to over 5,000 individual assets in over 30 sub-sectors.



Attractive income levels

We target sustainable and regular dividends, distributed quarterly to shareholders. Consistent income is often supported by long term contracted revenues from high quality counterparties.



Lower volatility

Focus on securities with defensive characteristics, such as high quality counterparties and provision of essential services, to enhance risk-adjusted returns over the long term.



Inflation linkage

Infrastructure assets often have income streams directly linked to inflation, helping to protect income returns in real terms.



UK focus

Over 80% of the securities will be GBP denominated and domiciled in the UK. Any non-UK exposure is expected to increase diversification and exposure to attractive sectors.



Liquidity

Focus on larger and more liquid infrastructure securities. The average market capitalisation of the securities in the Fund is in excess of £10 billion.

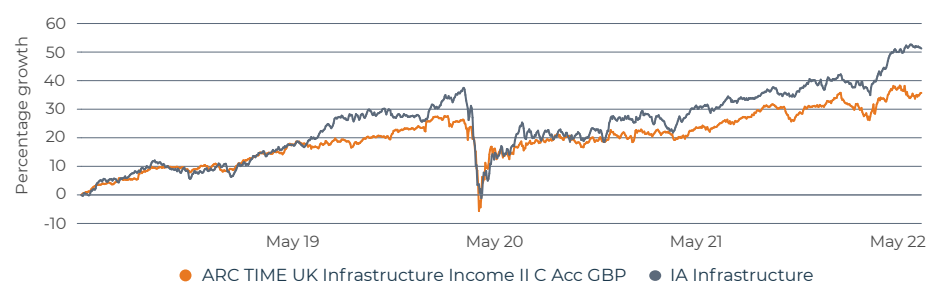


Capital growth prospects

Long-term capital growth prospects as many companies we invest in, not only pay dividends but also seek to reinvest capital in attractive opportunities.

Fund performance*

Performance since launch (%)



	1 month	3 months	6 months	1 year	3 years	Since launch
C Acc GBP	-1.79	5.43	3.46	8.96	15.99	35.69
IA Infrastructure	0.36	9.11	10.20	15.95	26.35	51.66

Discrete annual performance (%)

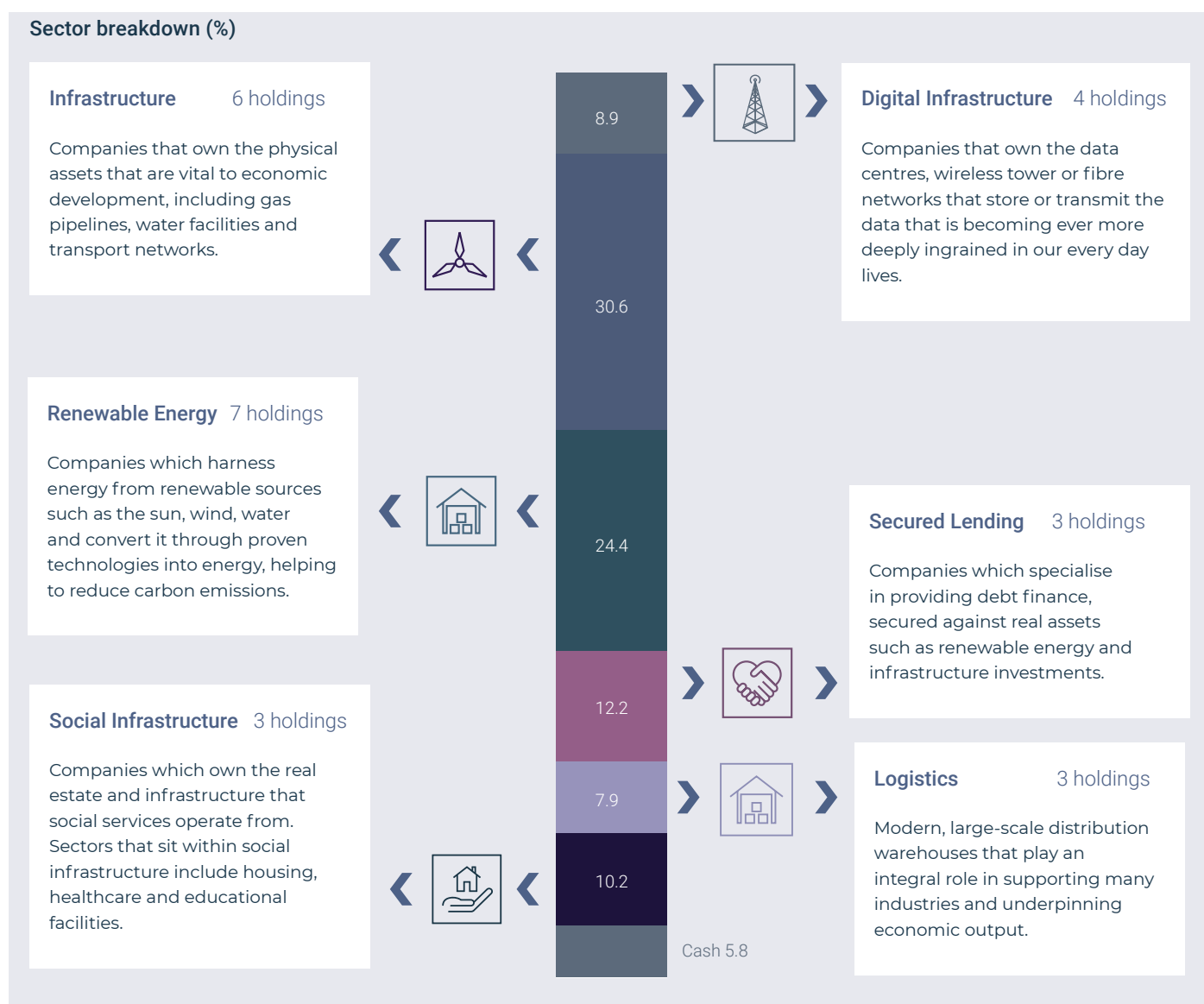
	31.05.2022	31.05.2021	31.05.2020	31.05.2019	31.05.2018
C Acc GBP	8.96	6.58	-0.12	12.78	-
IA Infrastructure	15.95	7.53	1.33	13.30	-2.78

Risk and return statistics - since launch

	Volatility	Sharpe ratio	Maximum drawdown
C Acc	10.59%	0.69	-26.10%

Source: Financial Express and TIME Investments. Performance data is based on total return (C 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 holdings (%)

International Public Partnership Limited	7.1
HICL Infrastructure	7.0
BBGi Global Infrastructure	6.8
Sequoia Economic Infrastructure Income	6.7
The Renewables Infrastructure Group Limited	4.6
Greencoat UK Wind	4.4
Assura Plc	4.3
Primary Health Properties Plc	4.0
3i Infrastructure Plc	4.0
Tritax Big Box REIT Plc	3.7

Featured holding - Brookfield Infrastructure

Brookfield Infrastructure (Brookfield) is one of the world's largest infrastructure investors, owning and operating assets across the utilities, transport, energy and data infrastructure sectors. The portfolio provides a diversified exposure to scarce, high-quality businesses with significant barriers to entry. They invest in infrastructure assets that deliver essential goods and services and takes a committed approach to Environmental, Social and Governance (ESG) considerations all whilst having £67 billion AUM and a utility portfolio spanning four continents. Brookfield is committed to practices that have a positive impact on the communities in which they operate including their support of net-zero greenhouse gas (GHG) emissions by 2050 or sooner.

Source: bip.brookfield.com

Fund manager 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:UK Infrastructure Income was down -1.79% in May with mixed performance across the sectors in which the Fund invests. The UK renewable energy sector was volatile this month following plans from The Chancellor to charge windfall taxes on profits from energy generators. It was a welcome relief to the renewable energy sector however that the 25% levy would not apply to those companies which generated electricity from renewable sources. The fundamentals of the sector remain strong with inflation and energy prices still high, which supports attractive and covered dividend yields of 5% to 6.6%. The Fund took part in the £150 million new equity issue of shares in Bluefield Solar Income Fund. The raise was pushed back slightly due to The Chancellor's untimely announcement but has provided the Fund with an attractive entry point compared to buying in the secondary market.

The logistics sector was under pressure this month and holdings such as Tritax Big Box and Tritax Eurobox saw steep share price falls following comments from the online retailer, Amazon, about potential overcapacity in its fulfilment centres. Commentary from Tritax however gives 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.

Within the general infrastructure sector, 3i Infrastructure reported a NAV total return of 17.2% in the fiscal year 2022, significantly ahead of the target return of 8-10% per year. All the underlying assets generated positive returns with the energy transition

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.

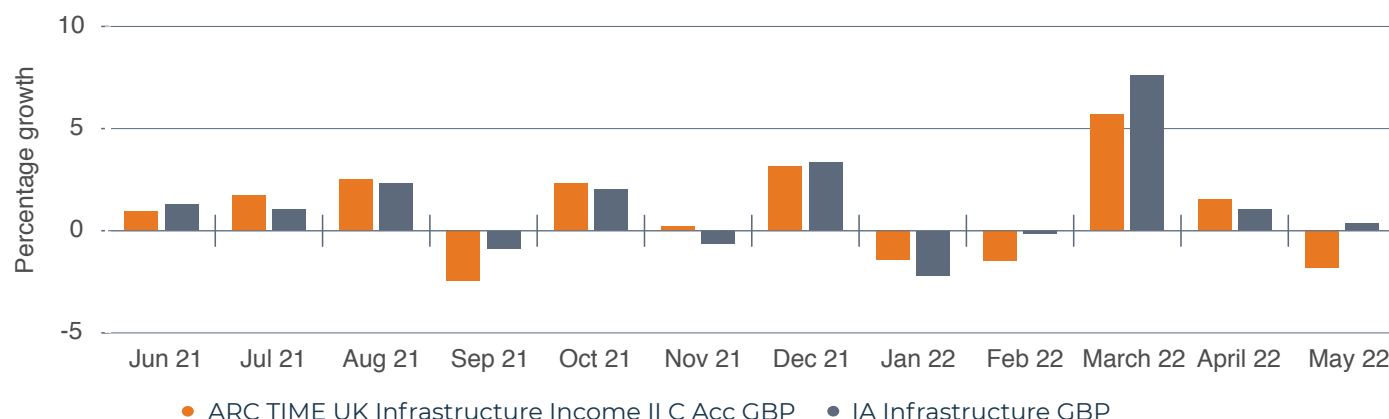


investments expected to continue benefiting from the elevated power price environment. HICL Infrastructure announced its first investment in fibre broadband by acquiring 55% of a company in France that provides broadband coverage to areas in Southern France through 18,300km of fibre-to-the-home infrastructure. The company generates long-term predictable cash flows with pricing regulated by the French telecom regulator.

The markets are awash with negative sentiment yet infrastructure assets in the year so far continue to deliver relatively consistent and attractive returns compared to global equity and fixed income markets. Whether the economy goes into another recession, or if the central banks can deliver a 'soft landing', the risks to financial markets over the months ahead remain high. In either instance, investing with caution amidst this volatility is likely the prudent approach.

Monthly performance against benchmark

Monthly performance - 12 months to date



Source: Financial Express and TIME Investments. Performance data is based on total return (C 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.

How to invest

Codes and fees

Share class	Minimum investment	Minimum top up	OCF	ISIN	SEDOL
A Acc GBP	£5,000,000	£100,000	0.53%	GB00BP5GQD25	BP5GQD2
A Inc GBP	£5,000,000	£100,000	0.53%	GB00BP5GQF49	BP5GQF4
C Acc GBP	£5,000	£1,000	0.63%	GB00BP5GQC18	BP5GQC1
C Inc GBP	£5,000	£1,000	0.63%	GB00BP50HT79	BP50HT7

Distributions

Income return (C Acc GBP) 4.34% per annum (based on the last 12 months)
 Distribution frequency Quarterly

Ex-dividend date	Payment date	Distribution per share (£)
1 April 2022	29 April 2022	0.0141
10 January 2022	31 January 2022	0.0120
1 October 2021	29 October 2021	0.0143
1 July 2021	30 July 2021	0.0138

Platform availability



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 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 III and is a UK Undertakings for Collective Investment in Transferable Securities ("UK UCITS") 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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