

Key facts

Fund size	£448.1m
Launch date*	9 June 2014
Sector	IA Direct Property
Base currency	GBP
Dealing frequency	Daily, 10am**



Fund particulars

Fund name

ARC TIME Commercial Long Income PAIF

Fund structure

ARC TIME Commercial Long Income PAIF: Sub-fund of ARC TIME:Funds II, a UK OEIC (NURS)
ARC TIME Commercial Long Income Feeder Trust: Sub-fund of ARC TIME:Trusts II, a UK Authorised Unit Trust Feeder (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

*Past performance includes that of Commercial Freehold Fund which merged by share exchange with Commercial Long Income PAIF on 1 April 2019.

**Currently suspended

Fund managers



Nigel Ashfield is the Managing Director at TIME and has over 20 years' experience in fund management and finance. Nigel has responsibility for over £600

million of tax efficient investments and is also fund manager of TIME:Freehold, a circa £300 million ground rent fund with a 27 year track record of inflation beating returns, and TIME:Commercial Long Income.



Roger Skeldon has over 15 years' experience in fund management, finance and commercial property. He has been at TIME Investments for over

10 years and has operated as Assistant Fund Manager and more recently Fund Manager for TIME:Commercial Long Income and TIME:Social Long Income since their inception.

TIME:Commercial Long Income

Long Income Funds

Data as at: **31 October 2020**

Published: **November 2020**

Continuation of suspension

The ACD and the Depositary have, in accordance with FCA rules, agreed to maintain the suspension of the Funds from 30 September 2020 on the new basis of liquidity risk and have notified the FCA of this decision. It is currently unclear how long the suspension will continue as it is linked to a number of factors including cash levels, future capital commitments, asset marketability, the FCA consultation and projected investor funds flows. However, our primary consideration is to act in the best interests of all shareholders. The decision whether to remain suspended is under continuous review and we shall continue to report this to the FCA at least every 28 days.

Fund aim

The aim of the Fund is to offer shareholders a consistent income stream with some capital growth prospects through acquiring property with long leases including commercial freehold ground rents and commercial freehold property which benefit from long leases.

Fund characteristics



Income consistency

Our properties aim to generate consistent income. This is achieved through long, high quality tenancies, the financial strength of the tenants, and/or an over-collateralised ground rent structure.



Inflation protection

Around 95% of rent reviews are linked to inflation or have a fixed uplift, rather than being subject to open-market negotiation. 100% of the rent reviews are upwards only.



Diversified portfolio

The portfolio is made up of properties around the UK, across many different sectors of the economy.



Lower volatility

The Weighted Average Lease Term (WALT) is more than five times greater than many traditional UK commercial property funds. This removes significant uncertainty in valuation around the potential loss of tenants.



Track record

The TIME group has a long track record in long income property and manages over £3 billion of UK long income property assets.

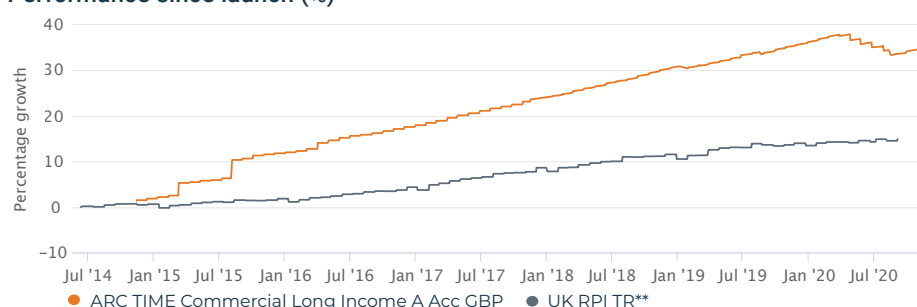


Capital growth

The fund may benefit from capital value increases in its property portfolio. This can happen in several ways, such as rental growth, lease extensions and yield shift.

Fund performance

Performance since launch (%)



	1 month	6 months	1 year	3 years	5 years
A Acc GBP	0.31	-1.02	-0.41	9.11	20.45
UK RPI TR**	0.34	0.58	1.13	6.98	13.37

Discrete annual performance (%)

	12 months to 31 October	2020	2019	2018	2017	2016
A Acc GBP	-0.41	4.44	4.90	5.12	5.02	
UK RPI TR**	1.13	2.43	3.27	3.85	2.04	

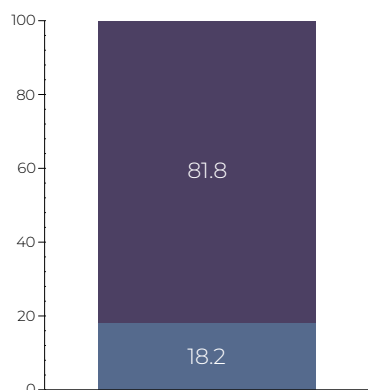
*Includes capital and income

**Data as at 30 Sept 2020.

Past performance is not a guide to future performance. Performance data is total return as published and sourced from Financial Express.

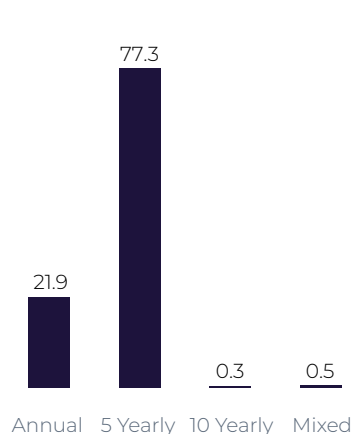
Portfolio breakdown

Long lease vs Ground rent (%)

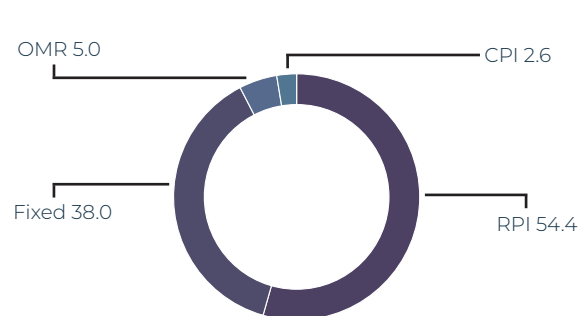


■ Long lease (WALT* 22 years)
 ■ Ground rent (WALT* 152 years)
 Overall WALT* (to break) 46 years
 *WALT = Weighted Average Lease Term

Rent review frequency (%)



Rent review type (%)



Sector weighting (%)

	Long Lease	Ground Rent	Total
Logistics	19.9	0.1	20.0
Office	17.8	0.0	17.8
Leisure	12.6	4.6	17.2
Hotel	12.4	3.5	15.9
Supermarket	14.6	0.0	14.6
Healthcare	0.0	6.8	6.8
Car Showroom	2.8	0.0	2.8
Nursery	0.5	1.3	1.8
Retail Warehouse	1.1	0.4	1.5
Mixed/Other	0.0	1.6	1.6

Region breakdown (%)

South West	33.3	
East Midlands	18.4	
South East	11.4	
North West	6.8	
North East	6.5	
Yorkshire and Humber	6.3	
Scotland	5.9	
East of England	3.8	
West Midlands	3.6	
London	2.5	
Isle of Wight	1.0	

Top 10 holdings (%)

Temple Quay House, Bristol	17.8
DHL, Manton Wood	16.3
PGL, Liddington	10.6
Morrisons, Birtley	4.3
DPD, Tipton	3.6
Holiday Inn, Southend	3.4
Care Concern	3.3
Retail Park (Aldi, B&M and McDonalds), Thorne	3.1
Asda, Gillingham	2.7
Travelodge, Kingston	2.5

Featured asset - DHL

In July 2019, TIME:Commercial Long Income acquired the site and committed to the purchase of a distribution facility let to DHL. The initial land value was £15.5 million and the second payment of £51.5 million was made in October 2020 upon completion of the construction of the property. The rent review structure is 5 yearly increase set at 2% per annum compounded, and the Net Initial Yield for the acquisition was 4.39%. The property is located in the East Midlands, south of Leeds and in close proximity to Worksop, Nottinghamshire. The property benefits from strong road links being close to the A57 and the A1 and M1.



Fund manager commentary

Fund commentary

The value of the Fund's shares increased by 0.31% for the month of October 2020. This is the third successive monthly increase in the valuation and reflects a stabilisation in the long income market.

With the ongoing COVID-19 pandemic and the country entering a second lockdown period there remains significant uncertainty which is affecting the economic recovery. The Fund is well positioned with its long income investments across highly attractive sectors such as logistics, ground rents and Government let buildings.

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

Rental collection rates throughout the COVID-19 period have been in excess of 80% of the rent due and this remains the case for the most recent quarter (Q4 2020). Some tenants have been allowed to defer their rent in the COVID-19 period with repayment expected during 2021, and we remain in ongoing discussions with those tenants. Operational pressure remains and some tenants may still require support, but by assisting tenants through this difficult period, the fund is focused on the value of its property portfolio in the long term.

Whilst uncertainty remains and there is always the possibility of further capital value decreases, we anticipate the positive performance to continue, with an annual income return of between 3% and 3.5% and the potential for modest capital growth.

Any concessions impact the income received by the Fund in the short to medium term, and consequently the income distributions, but by supporting tenants through this difficult period, the Fund is focused on the value of its property portfolio in the long term.

The Fund's income for the quarter to 30 September 2020 of 0.74% (based on the Class A Gross Accumulation shares) will be paid on 30 November 2020. The Fund's total return over the year to 31 October 2020 was -0.41%, comprising an income return of 3.25% and a capital loss of 3.66% (*based on the Class A Gross Accumulation Shares).

Outlook

We are pleased to report that the Fund has continued to outperform its traditional commercial property OEIC peers.

The main reasons for this outperformance are the specific features of long income (including the high Weighted Average Lease Term (WALT) married with tenant quality) and also the lack of exposure to high street retail and shopping centre retail. As noted in the fund commentary, a small proportion of the rental payments have been deferred during the COVID-19 period and will be recovered in the future with the rent waived or not due for payment as a result of a CVA (Travelodge). On current expectations it is reasonable to expect income distributions for 2020 to be around 15% to 20% lower than usual but following this we expect distributions to be back at normal (historical) levels in 2021.

Whilst uncertainty remains and there is always the possibility of further capital value decreases, we anticipate the positive performance to continue, with an annual income return of between 3% and 3.5% and the potential for modest capital growth.

FCA consultation on open-ended property fund structures

The Financial Conduct Authority (FCA) has proposed a consultation on open-ended property funds <https://www.fca.org.uk/news/press-releases/fca-consults-newrules-improve-open-ended-property-fund-structures>. The FCA has proposed that longer redemption periods would benefit investors.

We have submitted our response to the FCA as part of this consultation process, which was open until 3 November 2020. Following the consultation the FCA intends to publish its findings in 2021.

Fund suspension

The ACD and the Depositary have, in accordance with FCA rules, agreed to maintain the suspension of the Fund from 30 September 2020 on the new basis of liquidity risk and have notified the FCA of this decision. It is currently unclear how long the suspension will continue as it is linked to a number of factors including cash levels, future capital commitments, asset marketability, the FCA consultation and projected investor funds flows. However, our primary consideration is to act in the best interests of all shareholders. The decision whether to remain suspended is under

continuous review and we shall continue to report this to the FCA at least every 28 days.

The Fund has been suspended since 18 March 2020 as a result of material uncertainty in the Fund's independent valuers' opinion of property values, caused by the outbreak of COVID-19. On 30 September 2020 the independent valuer removed material uncertainty from its valuation of the Fund's property portfolio. However, the ACD and Depositary have agreed that it is in the best interests of shareholders to continue the suspension in dealing in the Fund's shares (and the units of its feeder trust, ARC TIME Commercial Long Income Feeder Trust) on the basis of liquidity risk.

From discussions with our existing investors and having reviewed recent activity in comparable funds, we believe the Fund may need to reach around 20% cash before it will be in a position to reopen. TIME:Commercial Long Income is currently holding cash of around 7% of NAV. Consequently, the Fund is looking to raise additional liquidity through appropriate asset sales and depending on how these progress we expect to be in a position to reopen the Fund in early 2021, once sufficient sales have been completed. As we go through this process, all decisions will continue to be taken in the best interests of shareholders.

During the period of suspension, the Fund has sought to improve its liquidity, having in October completed the sale of a Sainsbury's food store for £35.5 million and the sale in September of a distribution unit at Manchester Airport for £15.9 million. The Fund has also increased its exposure to the highly attractive logistics sector, having completed in October the acquisition of a half a million square foot, purpose-built logistics asset leased to DHL for a period of 20 years, for a final payment of £52 million having been legally committed since last year. In addition, the Fund has a £40 million undrawn loan facility.

The Fund will continue to be managed in accordance with its investment objective and will pay its quarterly distributions in the normal manner, with its next distribution to be paid on 30 November 2020. We will also continue to publish daily prices, which can be viewed at www.time-investments.com 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. For more information as it becomes available, including our Q&A, please visit our website www.time-investments.com.

We understand that the suspension of dealing may be causing concern for investors in the Fund. We can assure you that we are striving to do all we can to bring further clarity to the situation as soon as possible. All decisions will continue to be taken in the best interests of shareholders.

For individual shareholders, should you require any further assistance please do not hesitate to contact our Client Services Team on 0345 600 1213 or by e-mailing enquiries@time-investments.com.

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

How to invest

Fees

Share/Unit class	Minimum investment	Minimum top up	OCF
A-B	£5,000	£1,000	1.35%
C-D	£5,000	£1,000	1.35%
F-H	£5,000	£1,000	1.60%
M-N	£5,000,000	£100,000	1.10%
O-P	£5,000,000	£100,000	1.10%
S-T	£5,000,000	£100,000	1.35%
I-J	£5,000	£1,000	1.35%
K-L	£5,000	£1,000	1.60%
Q-R	£5,000,000	£100,000	1.10%
U-V	£5,000,000	£100,000	1.35%

Distributions

Income return (A Acc GBP)	3.25% per annum (based on last 12 months)
Distribution frequency	Quarterly

Ex-dividend date	Payment date	Distribution per share (£)
1 October 2020	30 November 2020	0.0101
1 July 2020	28 August 2020	0.0096
1 April 2020	29 May 2020	0.0123
1 January 2020	28 February 2020	0.0121

Ratings and awards



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: The underlying investments in the Fund consist wholly or substantially of real property. The value of the real property concerned will generally be a matter of valuer's opinion rather than fact. The Fund invests in assets that may at times be hard to sell. This means that there may be occasions when you experience a delay or receive less than you might otherwise expect when selling your investment. For more information on risks, see the Fund's prospectus and KIID. Fund Status: The Fund is a sub-fund of ARC TIME:Funds II and is a NonUCITS 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: November 2020.

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

Platform availability



WEALTHTIME®
Dynamic financial technology

The above availability is for PAIF only.

About TIME

At TIME Investments we have created a platform for predictability and consistency to help our clients rest easy. We provide carefully considered investments that seek to deliver predictable returns in an unpredictable world. The group manages over £3.5 billion of renewables, infrastructure, and property investments in both private and public vehicles. TIME Investments has a 20+ years track record in fund management with 42 investment specialists within the renewables, lending and property teams.

TIME Investments is the trading name of Alpha Real Property Investments Advisers LLP which is registered in England and Wales with company number OC355196. Both TIME Investments and Alpha Real Capital LLP are authorised and regulated by the Financial Conduct Authority. FCA registration number 534723 and 436048 respectively.