

# FREEHOLD INCOME AUTHORISED FUND

A long income fund  
investing in ground rents

## **ANNUAL REPORT 2019**

Annual Report and  
Financial Statements  
for the year to  
31 March 2019

**TIME**  
INVESTMENTS

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\* Collectively these comprise the Authorised Corporate Director's report

## Freehold Income Authorised Fund

("TIME:Freehold", or the "Fund")

The aim of TIME:Freehold is to acquire freehold ground rents which offer a consistent income stream and capital growth prospects.

### Key achievements

- Total return for the year to 31 March 2019 of £23.1 million or 8.53%\* of net assets. This includes an income distribution for the year of 4.65% of which 2.18% was distributed as income in November 2018 and 2.47% distributed as income in May 2019.
- TIME:Freehold's very long income streams have continued to deliver low volatility performance.
- Continuation of its 26 year track record of positive, inflation beating returns and continuous liquidity.\*\*\*\*

\* Representative for a Class A Gross Accumulation shareholder or a Class C Gross Income shareholder with distributions reinvested.

\*\* Income return is calculated from the net asset value of Class A Gross Accumulation shares at the start of the year.

\*\*\* Capital return is calculated as the total return less the income return.

\*\*\*\* TIME:Freehold has been operating since 3 April 2013 following its conversion from The Freehold Income Trust. Performance information prior to 3 April 2013, included in this report, is in relation to The Freehold Income Trust.

# 8.53%

Total return  
for the year\*

# 4.65%

Income return  
for the year\*\*

# 3.88%

Capital return for  
the year\*\*\*

## About Alpha and TIME Investments



The Alpha group has over £3 billion in assets under management, has a strong balance sheet and has no borrowings.



The Authorised Corporate Director (the “ACD”) and Alternative Investment Fund Manager (“AIFM”) is Alpha Real Capital LLP (“Alpha”), a Financial Conduct Authority (“FCA”) regulated co-investing institutional investment manager, with over £3 billion in assets under management. Established in 2005, Alpha is owned by its partners and has offices in London and in Europe. Alpha Real Property Investment Advisers LLP, trading as TIME Investments, a subsidiary of Alpha, is the Investment Manager of TIME:Freehold and provides administrative and transfer agency services and is also regulated by the FCA.

TIME Investments has over 70 staff and forms the financial adviser facing division of Alpha. In addition to its role as Investment Manager of TIME:Freehold, it is also the Investment Manager of the Commercial Long Income PAIF (“TIME:Commercial Long Income”), Social Long Income PAIF (“TIME:Social Long Income”) and Defensive Income Securities Fund (“TIME:Defensive Income Securities”). The team also runs two capital preservation focused Inheritance Tax (IHT) mitigation services, TIME:Advance and TIME:CTC (Corporate Trading Companies); the latter having a 23 year track record of successfully achieving 100% relief from IHT for qualifying investors. TIME Investments also runs a unique growth focused IHT mitigation service, TIME:AIM, which invests in a portfolio of Alternative Investment Market (“AIM”) shares.

In November 2018 TIME Investments was awarded the winner of ‘Best Business Relief Manager’ at the Growth Investor Awards. TIME Investments was also awarded the winner of the prestigious “Best IHT Portfolio Services” category at the Investment Week’s Tax Efficiency Awards 2017/18. TIME Investments also won ‘Service Beyond The Call of Duty’ at the Moneyfacts Life & Pension awards 2018/19 and TIME:Commercial Freehold was named the winner in the Property & Real Estate category at the Investment Week’s Specialist Investment Awards 2018.

Against the backdrop of a challenging economic and political climate, many investors and advisers are understandably interested in the financial strength of the businesses they choose to entrust with their investments. With this in mind, it should be reassuring to note that the Alpha group has a strong balance sheet, has no borrowings and has been a profitable business every year since inception in 2005.

# Authorised Corporate Director's report

We are pleased to present the audited annual report and financial statements of Freehold Income Authorised Fund ("TIME:Freehold") a sub-fund of ARC TIME:Funds (the "Company") for the year to 31 March 2019. This report is available on the Investment Manager's website [www.time-investments.com/freehold](http://www.time-investments.com/freehold) or is available from the Investment Manager on request by emailing: [enquiries@time-investments.com](mailto:enquiries@time-investments.com).

## Statement of authorised status of the scheme

TIME:Freehold is a sub-fund of an umbrella Open Ended Investment Company ("OEIC"), ARC TIME:Funds. The Company was incorporated on 3 April 2013. The Company is authorised by the FCA as a Non-UCITS Retail Scheme ("NURS"). TIME:Freehold has elected into the Property Authorised Investment Fund ("PAIF") tax regime.

Full Company details and its key service providers are provided on page 48.

## Statement concerning the debts of TIME:Freehold

Investors are not liable for the debts of TIME:Freehold.

## Investment Objective and Investment Policy

### Investment Objective

The aim of TIME:Freehold is to acquire freehold ground rents which offer a consistent income stream and capital growth prospects. The ACD's current aim is to achieve a total return for TIME:Freehold in excess of 5% per annum for shareholders. This total return has been set after allowing for deduction of the costs, charges and expenses to operate TIME:Freehold and may be varied at any time by the ACD subject to following the procedure in the Collective Investment Scheme Sourcebook ("COLL").

Your capital is at risk and there is no guarantee that the 5% annual return will be achieved on an annual basis or over any other period of time.

It is intended that TIME:Freehold will be a PAIF at all times, and as such, its investment objective is to carry on the Property Investment Business and to manage cash raised for investment in the Property Investment Business.

### Investment Policy

In accordance with the investment objective of TIME:Freehold, capital will be invested through acquiring freehold ground rents. Such property will only be held directly by TIME:Freehold, unless via interim holding vehicles for the sole purpose of satisfying the Landlord and Tenant Act 1987 or to permit completion of an acquisition of property. It is intended that no interim holding vehicles shall be retained by TIME:Freehold for a duration of more than 24 months.

In addition, principally to protect the liquidity of TIME:Freehold, TIME:Freehold shall also invest and maintain an ongoing portfolio of cash and near cash instruments, together with holdings in other collective investment schemes (regulated and unregulated), which have substantially similar investment objectives to those of TIME:Freehold. TIME:Freehold may invest in the other sub-funds of the Company. TIME:Freehold may also invest in equities (listed or unlisted), property investment, companies and money market instruments and related debt securities. TIME:Freehold may also utilise derivatives for investment purposes or for efficient portfolio management.

## Management of TIME:Freehold

NatWest Trustee and Depositary Services Limited acts as the Depositary of TIME:Freehold, with the role of Custodian delegated to The Northern Trust Company. Alpha is the ACD and AIFM of TIME:Freehold and TIME Investments acts as Investment Manager and Transfer Agent of TIME:Freehold with Property Manager responsibilities delegated to Freehold Managers PLC.

## Notice of change in Depositary

In order to comply with EU ring-fencing regulations within the banking sector, on 1 November 2018 the Depositary of the Company changed from National Westminster Bank Plc to NatWest Trustee and Depositary Services Limited (an associated company within the RBS/ NatWest banking group). The new Depositary has been authorised by the FCA and will act on the same basis as the outgoing Depositary.

## GROUND RENT

### WESTFIELD CAMDEN



Westfield is built to the highest of standards. The block has a private gym and indoor swimming pool complex which is only for the use of residents, with apartments frequently sold for prices in excess of £1 million.

#### **Description**

154 residential and 1 commercial unit.

#### **Location**

Well located in the cosmopolitan borough of Camden, within close proximity to Primrose Hill and Hampstead.

## GROUND RENT

### CENTENARY PLAZA BIRMINGHAM



This is one of Birmingham's most prestigious developments boasting a 24 hour concierge service, a gymnasium and conference facilities.

#### **Description**

387 residential units and 1 commercial unit.

#### **Location**

Centenary Plaza is located in the heart of Birmingham's city centre within walking distance of New Street train station.



## Authorised Corporate Director's report (continued)

### Changes to the Instrument and Prospectus of ARC TIME:Funds

In the period since publication of the half year report to 30 September 2018 on 30 November 2018 the following are the significant or notifiable changes for Shareholders.

#### Changes to the Instrument of ARC TIME:Funds

- Freehold Income Authorised Fund had a restriction to its investment policy that it may only invest up to 15% of Net Asset Value in non-associated collective investment schemes. This has been removed for simplification purposes as part of the review by the ACD of Investment Objectives and Policies. This change is significant and effective after 60 days after the date of these financial statements.

#### Changes to the Prospectus of ARC TIME:Funds

Significant changes – effective 60 days after the date of these financial statements:

- As noted above for the changes to the Instrument, the restriction to the investment policy of Freehold Income Authorised Fund whereby the fund may only invest up to 15% in non-associated collective investment schemes has been deleted.

Notifiable changes – effective immediately:

- The ACD has appointed Hugo James, a partner of Alpha Real Capital LLP, to be an additional member of the executive committee of the ACD. His appointment was effective from 1 April 2019.

### Brexit risk assessment

TIME:Freehold has mitigated the cross-border risk of Brexit as all of TIME:Freehold's property is located within the UK. Additionally TIME:Freehold's cash reserves are only held in pounds sterling. While the cross-border risks of Brexit have been mitigated TIME:Freehold is still exposed to the effect of a downturn or a recession in the property market or the wider economy caused by the adverse effects of Brexit. This cannot be measured with any certainty. However, it is expected that the property portfolio of TIME:Freehold would, as long income property, provide greater defensive characteristics to mitigate the effect on TIME:Freehold of any Brexit related downturn in the property market or in the wider economy, when compared against conventional property funds with shorter lease lengths.

### Remuneration of AIFM

The provisions of the Alternative Investment Fund Managers Directive ("AIFMD") took effect in full on 22 July 2014. That legislation requires the ACD (the "AIFM"), and its regulated delegates, to establish and maintain remuneration policies for its staff which are consistent with and promote sound and effective risk management. Alpha, as AIFM, has delegated investment management to a subsidiary company, TIME Investments. The Alpha group approach to measuring performance is based on both financial and non-financial performance. Financial performance is viewed by the Executive Committee (who are involved in the day to day operation of the business) in its widest sense and takes in to account the specific features of the types of activities carried out and so reflect volatility and cycles and avoids rewarding artificial or exaggerated short term performance. Under the Remuneration Code, the AIFM is classified as a Level Three firm, which allows the Alpha to dis-apply many of the technical requirements of the Code and proportionately apply the Code's rules and principles in establishing Alpha's policy.

Alpha Real Capital LLP

31 July 2019

## GROUND RENT

### WILLOW GRANGE HERTFORDSHIRE



Willow Grange is an exclusive gated, converted property development.

#### **Description**

139 residential flats and houses

#### **Location**

Situated in the heart of the highly sought after Nascot Wood area and a short walk from Watford Town Centre with its many restaurants, bars and shops.

## GROUND RENT

### OCEANIQUE RUSTINGTON



The Oceanique property consists of four newly built attractive buildings surrounded by landscaped gardens.

#### **Description**

46 residential units

#### **Location**

Situated in the thriving town of Rustington situated on the south coast, the property is well located just off the picturesque seafront within walking distance of two train stations.



## Background to ground rents and TIME:Freehold

A 'ground rent' is created when a freeholder sells a long leasehold interest (typically for 125 or 999 years) over land and buildings. The freeholder charges an annual ground rent to the leaseholder. TIME:Freehold owns a portfolio of approximately 65,300 ground rents each paying an average annual rent of £138. The property portfolio was independently valued by BNP Paribas Real Estate UK as at 31 March 2019 at £231.4 million.

Ground rent payments have proven to be reliable across all market conditions during the last 26 years. This is because non-payment carries the potential penalty of the leaseholder forfeiting its interest in the property.

As illustrated below, the vast majority of TIME:Freehold's assets have more than a hundred years left on the lease. The long lease lengths ensure that TIME:Freehold carries much lower risk of incurring letting costs or refurbishment costs in contrast to funds with properties let on short leases. Whereas the erosion of lease lengths over time in commercial property funds can reduce the value of their properties, in the case of TIME:Freehold, shortening leases may increase the reversionary value of the portfolio and may increase the likelihood that the lessee will pay a premium to extend the lease.

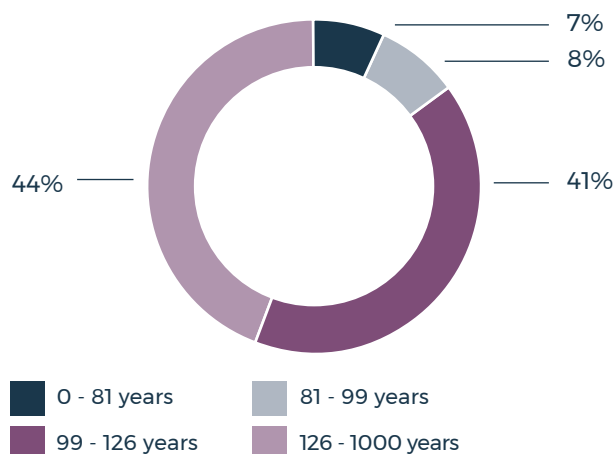
Ground rent income makes up the majority of TIME:Freehold's revenue. In addition, TIME:Freehold receives premiums from granting the extension of leases. Leaseholders may also have to pay a premium to TIME:Freehold to make alterations to their property.

Of TIME:Freehold's leases, 86% by rental value allow for periodic rent reviews linked to RPI, property values or fixed uplifts.

The value of ground rents is influenced by the outstanding term of the lease with both current rental income and future rental growth prospects. Capital appreciation can be achieved from both rental growth and from shortening lease terms which in turn increase the prospect of TIME:Freehold receiving extension payments.

TIME:Freehold can also benefit from capital payments when tenants exercise rights (provided by the Leasehold Reform, Housing and Urban Development Act 1993) to acquire the underlying freehold interest from TIME:Freehold.

**TIME:Freehold – lease term profile as at 31 March 2019  
by ground rent income split by lease years remaining**



Source: TIME Investments, as at 31 March 2019

## GROUND RENT

### WARREN HOUSE

WEST KENSINGTON, LONDON



This exciting development has high-speed lifts, 24 hour concierge and security, underground parking set behind electronic gates and a residents only gym.

#### Description

234 residential leasehold units

59 Social Housing units leased to Notting Hill Ownership Limited

#### Location

This exclusive and prestigious address is situated moments from a 24-hour Tesco Superstore and close to the amenities in West Kensington and Kensington High Street.

Superb transport links are provided into central London via the A4/M4 and Kensington Olympia Station (National Rail and District Line) and Earls Court Underground Station (Piccadilly, Circle and District lines) are also nearby.

## GROUND RENT

### LOCKES WHARF

DOCKLANDS, LONDON



The development boasts very good leisure facilities, including a heated swimming pool, spa, gym and pool tables.

#### Description

321 residential units

#### Location

With spectacular views over the Thames to Greenwich Palace and the Royal Naval College, this modern property is very convenient for Canary Wharf and all its amenities and transport links.

## Investment Manager's report

### TIME:Freehold summary

TIME:Freehold offers investors a choice of income shares, which pay a six monthly income distribution (in November and May) and accumulation shares, where the income is automatically reinvested, thereby enhancing the value of those shares. Shares may be either in a net share class (subject to withholding tax on income distributions where applicable) or a gross share class (for exempt or ISA eligible investors who are not subject to withholding tax on income distributions).

Shares in TIME:Freehold are, and are expected to continue to be, widely available. The intended categories of investors are retail investors (typically where such retail investor has sought financial advice before investing in TIME:Freehold), offshore investors, ISA eligible investors and institutional investors. Each share class has the same rights on wind-up.

Each share class has the same voting rights. For more information about voting rights please refer to Section 39 of the Company's Prospectus, which is available on the Investment Manager's website [www.time-investments.com/freehold](http://www.time-investments.com/freehold) or is available from the Investment Manager on request by emailing [enquiries@time-investments.com](mailto:enquiries@time-investments.com).

The dilution levy, which is permitted within the terms of the Prospectus, is an additional charge made by TIME:Freehold on new subscriptions to protect existing shareholders from potential dilution of returns. TIME:Freehold currently imposes, since 12 June 2019, a dilution levy of 5% on new subscriptions into TIME:Freehold. It also applies to top-ups made to existing holdings. The dilution levy is retained by TIME:Freehold for the benefit of existing shareholders and helps to offset the acquisition costs associated with TIME:Freehold making new acquisitions.

Existing investments are not affected by the dilution levy. Accumulated distributions within the accumulation share classes are not affected by the dilution levy because no new shares are issued upon the distribution of income.

It is important to emphasise that this does not affect redemptions, which continue to be available on normal terms at every dealing day.

The Investment Manager shall continue to monitor the ongoing requirement for the dilution levy at each dealing day, and the rate of dilution levy may therefore be subject to change.

Investors can participate in TIME:Freehold through its twelve share classes. Their characteristics are set out below.

A - D Share Classes			
UK Investors can subscribe for the following four share classes A, B, C and D. These four share classes are Retail Distribution Review (RDR) compliant, with no commission payable to Financial Advisers.			
ACCUMULATION		INCOME	
Class A Gross Accumulation Shares	Class B Net Accumulation Shares	Class C Gross Income Shares	Class D Net Income Shares
This share class is for Exempt Investors only. Income distributions will automatically be reinvested without deducting withholding tax.	Shares in respect of which net income is automatically reinvested net of withholding tax where applicable.	This share class is for Exempt Investors only. Income distributions will be paid without deducting withholding tax.	Shares in respect of which net income is distributed net of withholding tax where applicable.
Initial fee: Up to 1% of subscription amount  Minimum subscription: £5,000	Initial fee: Up to 1% of subscription amount  Minimum subscription: £5,000	Initial fee: Up to 1% of subscription amount  Minimum subscription: £5,000	Initial fee: Up to 1% of subscription amount  Minimum subscription: £5,000

## Investment Manager's report (continued)

ISA Share Classes	
<p>These share classes are only open to ISA eligible investors.</p> <p>These share classes are RDR compliant, with no commission payable to Financial Advisers.</p>	
ACCUMULATION	INCOME
Class ISA Gross Accumulation Shares	Class ISA Gross Income Shares
This share class is for eligible UK tax resident adults and Junior ISAs only. Income distributions will automatically be reinvested without deducting withholding tax.	This share class is for eligible UK tax resident adults and Junior ISAs only. Income distributions will be paid without deducting withholding tax.
Initial fee: Up to 1% of subscription amount Minimum subscription: £1,000	Initial fee: Up to 1% of subscription amount Minimum subscription: £1,000

E - H Share Classes			
<p>New applications for the following four share classes are only open to non-UK Financial Advisers with non-UK Investors.</p> <p>Financial Advisers may be eligible for Initial and Trail Commission.</p>			
ACCUMULATION		INCOME	
Class E Gross Accumulation Shares	Class F Net Accumulation Shares	Class G Gross Income Shares	Class H Net Income Shares
This share class is for Exempt Investors only. Income distributions will automatically be reinvested without deducting withholding tax.	Shares in respect of which net income is automatically reinvested net of withholding tax where applicable.	This share class is for Exempt Investors only. Income distributions will be paid without deducting withholding tax.	Shares in respect of which net income is distributed net of withholding tax where applicable.
Initial fee: Up to 3% of subscription amount Minimum subscription: £5,000	Initial fee: Up to 3% of subscription amount Minimum subscription: £5,000	Initial fee: Up to 3% of subscription amount Minimum subscription: £5,000	Initial fee: Up to 3% of subscription amount Minimum subscription: £5,000

S and T Share Classes	
<p>These two share classes are only open to non-UK Financial Advisers with non-UK Investors.</p> <p>Financial Advisers may be eligible for Initial and Trail commission.</p>	
ACCUMULATION	INCOME
Class S Net Accumulation Shares	Class T Net Income Shares
Shares in respect of which income is automatically reinvested net of withholding tax where applicable.	Shares in respect of which net income is distributed net of withholding tax where applicable.
Initial fee: Up to 7% of subscription amount Minimum subscription: £5,000,000	Initial fee: Up to 7% of subscription amount Minimum subscription: £5,000,000

## Investment Manager's report (continued)

### Freehold Income Authorised Feeder Trust ("FIAFT"), the feeder trust

FIAFT, a sub-fund of ARC TIME:Feeder Trusts is an FCA Authorised Unit Trust, was established in April 2013 as a dedicated feeder trust. It is generally intended for investors who are unable to access TIME:Freehold directly as a result of administrative issues which govern a PAIF or for bodies corporate where their holding in TIME:Freehold would exceed 10% of NAV. FIAFT's sole investment is in TIME:Freehold's B, D, F, H, S and T Share Classes.

A separate Prospectus and Application Form are available on the Investment Manager's website [www.time-investments.com/freehold](http://www.time-investments.com/freehold) or are available on request by emailing [enquiries@time-investments.com](mailto:enquiries@time-investments.com).

### Dealing in TIME:Freehold

The dealing day for the issue of shares in TIME:Freehold and units in FIAFT is 10am on the 12th day (or the next business day if the 12th day falls on a weekend or public holiday) of each month. In addition, a second dealing day of the 26th of each month (or the next business day) is offered for the ISA share classes.

The cut off point for receipt of subscriptions for non-ISA share classes is 10am on the business day two days prior to each dealing day being the 12th of each month (or the next business day). The cut off point for receipt of subscriptions for ISA Share Classes is 10am on the business day two days prior to a relevant dealing day being the 12th and 26th of each month (or the next business day). Settlement is due by 5pm on the third business day after the relevant dealing day.

Notices for the redemption of A-H and ISA Shares are required to be delivered no later than 10am five business days prior to the relevant dealing day. Share Classes S and T which are available to institutional investors only, require six months' notice of redemption prior to the relevant dealing day. Once such notice is received by the Administrator, the

redemption will be processed, to the extent possible, on the first dealing day being the 12th of each month (or the next business day) after six months has expired. Further details on the value of shares in TIME:Freehold can be found on the website [www.time-investments.com/freehold](http://www.time-investments.com/freehold) or by calling the Investment Manager on 0345 600 1213 or by email at [enquiries@time-investments.com](mailto:enquiries@time-investments.com).

### Investment returns\* to 31 March 2019:

	Total return	Compounded annual total return
12 months	8.53%	8.53%
3 years	29.70%	9.06%
5 years	56.12%	9.32%
10 years	113.36%	7.87%

\* Representative for a Class A Gross Accumulation shareholder or a Class C Gross Income shareholder with distributions reinvested.

NB. The historical performance prior to 3 April 2013 is based upon the bid price of accumulation units for TIME:Freehold's predecessor, The Freehold Income Trust.

### Performance review

TIME:Freehold's total return for the year to 31 March 2019 of £23.1 million is a slight decrease on the total return for the year ended 31 March 2018 of £24.7 million. This represents a total return for the year of 8.53% (for a Class A Gross Accumulation shareholder). This includes an income distribution for the year of 4.65% of which 2.18% was distributed as income in November 2018 and 2.47% distributed in May 2019.

TIME:Freehold has provided investors with over 26 years of consistently positive, inflation beating returns in excess of the 5% per annum target return with continuous monthly liquidity, providing a platform for TIME:Freehold's performance going forward\*.

\* TIME:Freehold has been operating since 3 April 2013 following its conversion from The Freehold Income Trust. Performance information prior to 3 April 2013, included in this report, is in relation to The Freehold Income Trust.

## Financial highlights

	31 March 2019	31 March 2018
Investment property	£231.4 million	£225.2 million
Total return for the year*	8.53%	8.94%
Income yield for the year ended* (based upon the net asset value of Class A Gross Accumulation shares at 1 April 2018 and 1 April 2017)	4.65%	4.53%
Capital return for the year	3.88%	4.41%
Gross annual ground rent income	£9.0 million	£8.9 million
Approximate number of ground rents	65,300	65,500

\* Representative for a Class A Gross Accumulation shareholder or a Class C Gross Income shareholder with distributions reinvested.

## Investment Manager's report (continued)

### Property investment review

As at 31 March 2019, TIME:Freehold's portfolio consisted of approximately 65,300 freehold interests in residential properties producing a total annual ground rent income of £9.0 million. The component of the portfolio with inflation mitigating leases through uplifts linked to RPI, house price growth or fixed uplifts is 86% by rental value.

TIME:Freehold's investment properties were valued by BNP Paribas Real Estate UK at £231.4 million as at 31 March 2019.

#### Key characteristics of the portfolio

Property type	No. of units	Value %	Average rent per annum £
Flats	45,797	93.0	173
Houses	14,956	5.5	54
Other	4,579	1.5	53
Total portfolio	65,332	100.0	138

#### Geographical split

Region	Rental value %
South East	31.1
London	30.0
North West	14.6
Midlands	11.5
South West	7.4
North East	2.7
Wales	2.7
Total	100.0

The Ministry of Housing, Communities and Local Government announced plans in their July 2017 consultation paper to review unfair practices in the residential leasehold market. Although the focus of the consultation paper is on new residential leaseholds, the timing of any changes and the outcome of any legislative changes in the residential leasehold market and on the value of the portfolio owned by TIME:Freehold is uncertain. (see Outlook section on page 14 for more information).

TIME:Freehold has maintained a prudent approach and has not historically acquired residential leasehold property with ground rents which were initially set too high or had aggressive review mechanisms.

TIME:Freehold has no properties where the ground rent doubles every 10 or 15 years or less in its portfolio. Accordingly TIME:Freehold is in a good position in the context of the Government's consultation on proposals to amend leasehold legislation to address unfair practices in the residential leasehold market. TIME:Freehold has the following rental profile;

Profile	Annual Rent £m	Value %
RPI	2.4	26.8
Fixed Step (non-doubling)	2.8	36.0
Doubling Steps	0.8	10.4
Capital	1.8	17.8
No Uplifts	1.2	9.0
Total as at 31 March 2019	9.0	100.0

TIME:Freehold has less than 5% of its assets in leasehold houses and has no exposure to aggressive ground rent reviews which double every 10 to 15 years or less. The "doubblers" which represent 10.4% of the portfolio are typically 20 years (0.7%) 25 years (6.7%), 33 years (2.7%) and 50 years (0.3%).

### Liquidity Management

TIME:Freehold has a strong financial position and cash reserves as at 31 March 2019 of £53.9 million.

TIME:Freehold also has access to a loan facility with the Royal Bank of Scotland. The loan facility expires on 28 October 2023, and enables TIME:Freehold to borrow £25 million, enhancing its liquidity position. The current loan facility has not been drawn to date and is available for TIME:Freehold to draw on should it require access to additional funding.

In accordance with the rules for a NURS, TIME:Freehold is limited to borrowings of a maximum of 10% of NAV.

The Investment Manager seeks to hold higher levels of cash and assets with enhanced liquidity attributes to seek to ensure that TIME:Freehold continues to offer the same level of monthly liquidity to its shareholders. The Investment Manager's strategy of investing in assets with enhanced liquidity attributes shall be applied where shareholder returns require protection from holding too much cash. At the year end, the majority of this additional liquidity buffer was held in cash with cash holdings of £53.9 million.

On 3 April 2018, TIME:Freehold transferred the portfolio of securities that it owned, by way of an in specie transfer to a new sub-fund of ARC TIME:Funds called Defensive Income Securities Fund ("TIME:Defensive Income Securities"). These securities provide a higher expected return to TIME:Freehold than cash deposits. The securities, being listed, can however be sold within a short period of time to provide liquidity if required. TIME:Defensive Income Securities seeks to deliver a 5% annual income with long



## Investment Manager's report (continued)

term capital growth through a diversified portfolio of shares and corporate bonds of UK listed real asset owning companies, such as infrastructure, renewable energy and property companies. The stocks selected are believed to deliver a consistent income with a degree of inflation protection but with a lower level of price volatility than the markets as a whole. As at 31 March 2019 the investment in TIME:Defensive Income Securities was valued at £30.6 million. Over the year it delivered a return of 14.18%, including 5.68% of income.

In order to enhance shareholder returns, TIME:Freehold had also invested in two property funds, TIME:Commercial Freehold and TIME:Social Freehold, both sub-funds of ARC TIME:Funds.

At 31 March 2019 the investments in TIME:Commercial Freehold and TIME:Social Freehold were valued at £1 million and £11.6 million respectively. TIME:Commercial Freehold delivered a return of 4.80%, including 3.72% of income for the year. TIME:Social Freehold delivered a return of 5.42%, including 4.80% of income for the year.

On 22 March 2019, shareholder consent to exchange shares in both TIME:Commercial Freehold and TIME:Social Freehold for equivalent shares in new FCA authorised funds, TIME:Commercial Long Income and TIME:Social Long Income was overwhelmingly given by 97% of shareholders in TIME:Commercial Freehold and 98% in TIME:Social Freehold who returned a Form of Election. The date of the change was 1 April 2019.

As a result, TIME:Freehold's investments in these funds were transferred to investments in TIME:Commercial Long Income and TIME:Social Long Income on 1 April 2019.

Both TIME:Commercial Long Income and TIME:Social Long Income provide daily liquidity for subscriptions and redemptions.

TIME:Freehold currently imposes, since 12 June 2019, a dilution levy of 5% on new subscriptions into TIME:Freehold which is considered necessary to protect existing investors against the costs associated with acquiring further new portfolios of ground rents.

Existing investments are not affected by the dilution levy. Accumulated distributions within the accumulation share classes are not affected by the dilution levy because no new shares are issued upon the distribution of income.

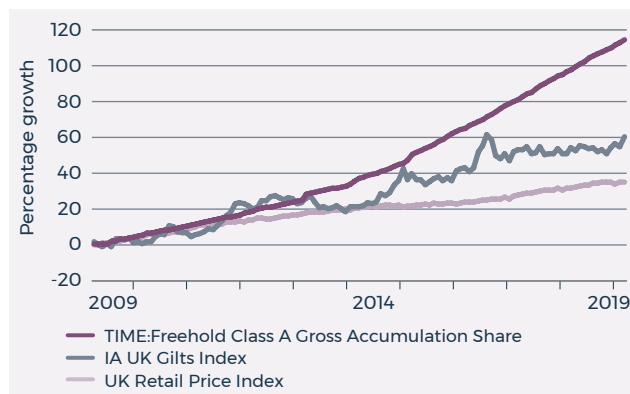
It is important to emphasise that this does not affect redemptions, which continue to be available on normal terms at every dealing day.

The Investment Manager shall continue to monitor the level of dilution and the ongoing requirement for the dilution levy at each dealing day.

## Outlook

Due to the longevity and relatively secure nature of freehold ground rents the Investment Manager expects TIME:Freehold to continue to target stable returns to its shareholders as it has successfully done over the last 26 years. Approximately 86% by rental value of TIME:Freehold's freehold ground rents have a form of inflation protection through periodic uplifts linked to RPI, property values or fixed uplifts. The stability of historic returns can be demonstrated by the graph below, showing the returns from the last 10 years by comparison with RPI and the return achieved from the Investment Association ("IA") UK Gilts Index. Over this period TIME:Freehold achieved an average total return of 7.87% per annum. Over the last decade TIME:Freehold has protected shareholders' real wealth far more effectively than gilts.

TIME:Freehold vs gilts and RPI



Throughout the recent period of volatility in the capital and property markets, TIME:Freehold has continued to provide shareholders with consistent income and modest capital growth at a time of economic, political and market uncertainty. The robustness of freehold ground rents has been the key to producing positive returns in each of the last 26 years, unlike traditional short leased commercial or residential property.

TIME:Freehold has had another successful period with a total return of 8.53% for the year to 31 March 2019.

TIME:Freehold has a strong platform to build on its long track record of consistent returns from its large, well-diversified portfolio of freehold ground rents.

## Investment Manager's report (continued)

### Government's consultation on "Tackling unfair practices in the leasehold Market"

The Government announced plans in its 2017 consultation paper to review unfair practices in the residential leasehold market. Although the focus of the consultation paper is on new residential leaseholds, the timing of any changes and the outcome of any legislative changes in the residential leasehold market and on the value of the portfolio owned by the Fund is uncertain.

Following on from the Government's consultation on "Tackling Unfair Practices in the Leasehold Market" and its subsequent response paper, the Government asked the Law Commission to consider further measures which could assist existing leaseholders of houses and to prioritise enfranchisement solutions for residential leasehold property generally.

In 2018 the Law Commission issued an initial paper followed by a full consultation paper, which sets out a number of potential solutions for a more coherent and streamlined enfranchisement regime for leaseholders of houses and flats. The Law Commission will review the responses, decide on their final recommendations and present them to the Government later in 2019. In the interim the Government recently announced in June 2019 its intention to bring forward proposals for legislation as soon as Parliamentary time allows.

In addition to the initiatives detailed above the Government has stated its intention to reduce the ground rent payable to the freeholder on new leases on leasehold flats to a peppercorn (with any resulting premium paid treated by TIME:Freehold as a capital receipt).

The independent valuer of TIME:Freehold, BNP Paribas Real Estate UK, has, within the valuation of the property portfolio at 31 March 2019 considered the prevailing market conditions, the Government's response to its own consultation on "Tackling Unfair Practices in the Leasehold Market" and the subsequent ongoing review by the Law Commission (and continues to do so at each monthly valuation point going forwards).

We therefore await the recommendations of the Law Commission to the Government and the Government's proposed legislative initiatives. In the short term, until there is more clarity on any proposed reforms to the residential leasehold market, the Fund is not expected to acquire residential ground rent properties, unless contractually committed to do so (at 31 March 2019 the value of property exchanged but not completed is £0.4 million). Any gains derived from the Fund's property portfolio are likely to arise from uplifts in rental income as leases pass through their review periods or through lease extensions. As a result, looking forward, the Fund may generate returns more commensurate with its target total return of 5% per annum.

Nigel Ashfield for TIME Investments  
Investment Manager

31 July 2019

## Statement of Authorised Corporate Director's responsibilities

### in relation to the financial statements of TIME:Freehold

The Open-Ended Investment Companies Regulations 2001 and the Financial Conduct Authority Collective Investment Schemes Sourcebook ("the Sourcebook") require the Authorised Corporate Director to prepare financial statements for each accounting period which give a true and fair view of the financial position of TIME:Freehold for the period. The financial statements are prepared on the basis that TIME:Freehold will continue in operation unless it is inappropriate to assume this. In preparing the financial statements the Authorised Corporate Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- comply with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014;
- comply with the disclosure requirements of the Prospectus;
- comply with FRS 102 'The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland' (FRS 102) and follow generally accepted accounting principles and applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- take reasonable steps for the prevention and detection of fraud and other irregularities.

The Authorised Corporate Director is responsible for the management of TIME:Freehold in accordance with the Prospectus.

This report has been prepared in accordance with the requirements of the Collective Investment Schemes Sourcebook as issued by and amended by the Financial Conduct Authority. In accordance with the requirements of the Sourcebook, the report and financial statements are approved on behalf of the Partners of Alpha Real Capital LLP, the Authorised Corporate Director.

Alpha Real Capital LLP

31 July 2019

## Statement of Depositary's responsibilities

The Depositary must ensure that TIME:Freehold is managed in accordance with the Financial Conduct Authority's ("FCA") Collective Investment Scheme Sourcebook, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations"), as amended, the Financial Services and Market's Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of TIME:Freehold and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of TIME:Freehold in accordance with the Regulations.

The Depositary must ensure that:

- TIME:Freehold's cash flows are properly monitored and that cash of TIME:Freehold is booked into cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares of TIME:Freehold are calculated in accordance with the Regulations;
- any consideration relating to transactions in TIME:Freehold's assets is remitted to TIME:Freehold within the usual time limits;
- TIME:Freehold's income is applied in accordance with the Regulations; and
- the instructions of the AIFM are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that TIME:Freehold is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to TIME:Freehold.

### Report of the Depositary to the shareholders of TIME:Freehold, a sub-fund of ARC TIME:Funds

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of TIME:Freehold, it is our opinion, based on the information available to us and the explanations provided, that in all material respects TIME:Freehold, acting through its AIFM:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of TIME:Freehold's shares and the application of TIME:Freehold's income in accordance with the Regulations and the Scheme documents of TIME:Freehold; and
- has observed the investment and borrowing powers and restrictions applicable to TIME:Freehold.

NatWest Trustee and Depositary Services Limited

31 July 2019

# Independent auditor's report

## To the shareholders of Freehold Income Authorised Fund

### Opinion

We have audited the financial statements of Freehold Income Authorised Fund ("TIME:Freehold") for the year to 31 March 2019 which comprise the Statement of Total Return, Statement of Change in Net Assets Attributable to Shareholders, the Balance Sheet, a Statement of Cash Flows and related notes including the Distribution Table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice "Financial Statements of Authorised Funds" issued by the Investment Association (the "Statement of Recommended Practice for Authorised Funds"), the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

In our opinion, the financial statements:

- give a true and fair view of the state of TIME:Freehold's affairs as at 31 March 2019 and of the net revenue and the net capital gain of the scheme property of TIME:Freehold for the year then ended; and
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice, Statement of Recommended Practice for Authorised Funds, the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### The impact of uncertainties due to United Kingdom exiting the European Union on our audit

The Authorised Corporate Directors' view on the impact of Brexit is disclosed on page 5.

The terms on which the United Kingdom may withdraw from the European Union are not clear and it is therefore not currently possible to evaluate all the potential implications to TIME:Freehold's trade, customers and the wider economy.

We considered the impact of Brexit on TIME:Freehold as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with TIME:Freehold's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for TIME:Freehold and this is particularly the case in relation to Brexit.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The Authorised Corporate Director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Independent auditor's report (continued)

### Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Authorised Corporate Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Authorised Corporate Director has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In light of the knowledge and understanding of TIME:Freehold and its environment obtained in the course of the audit, we have not identified material misstatements in the Authorised Corporate Director's report.

We have nothing to report in respect of the following matters where the Collective Investment Schemes Sourcebook requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all relevant information and explanations we require for our audit.

### Responsibilities of the Authorised Corporate Director

As explained more fully in the Statement of Authorised Corporate Director's responsibilities set out on page 15, the Authorised Corporate Director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Authorised Corporate Director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of the audit report

This report is made solely to the fund's members of TIME:Freehold as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes Sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the members of TIME:Freehold those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than TIME:Freehold and TIME:Freehold's members as a body for our audit work, for this report, or for the opinions we have formed.

Stephen Eames (Senior Statutory Auditor) for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditors  
The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes MK9 1FF  
31 July 2019

The financial statements are published at: [www.time-investments.com](http://www.time-investments.com). The maintenance and integrity of the website is the responsibility of the Investment Manager under its delegation from the Authorised Corporate Director. The work carried out by the independent auditors does not involve consideration of these matters, and accordingly, the independent auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.



## Net Asset Value per share, Performance Record, Ongoing Charge

### Net Asset Value

31 March 2019	Net Asset Value £'000	Net Asset Value per share £	Number of shares in issue
Class A Gross Accumulation	37,366	7.1185	5,249,086.39
Class B Net Accumulation	69,247	6.7651	10,235,864.62
Class C Gross Income	27,684	2.2389	12,365,130.88
Class D Net Income	33,541	2.2307	15,036,209.40
Class E Gross Accumulation	12,700	6.9990	1,814,526.91
Class F Net Accumulation	46,253	6.6554	6,949,751.92
Class G Gross Income	4,435	2.2075	2,009,149.72
Class H Net Income	55,868	2.1994	25,400,954.95
Class ISA Gross Accumulation	12,325	7.1181	1,731,450.32
Class ISA Gross Income	13,168	2.2389	5,881,529.05
	<b>312,587</b>		
Less: Distribution paid in cash to income share class investors post year end	(2,732)		
Add: Equalisation post period adjustments	84		
Less: Investment valuation difference from 12 April 2019 valuation point	(978)		
	<b>308,961</b>		

TIME:Freehold was launched on 3 April 2013. The tables show the net asset value per share at the end of the relevant accounting period.

31 March 2018	Net Asset Value £'000	Net Asset Value per share £	Number of shares in issue
Class A Gross Accumulation	29,815	6.5591	4,545,537.12
Class B Net Accumulation	53,562	6.2789	8,530,508.87
Class C Gross Income	27,876	2.1534	12,945,056.48
Class D Net Income	59,712	2.1453	27,833,516.48
Class E Gross Accumulation	12,589	6.4666	1,946,827.59
Class F Net Accumulation	48,352	6.1936	7,806,736.62
Class G Gross Income	4,367	2.1289	2,051,185.46
Class H Net Income	47,441	2.1210	22,366,998.33
Class ISA Gross Accumulation	10,697	6.5591	1,630,903.79
Class ISA Gross Income	11,675	2.1534	5,421,739.96
	<b>306,086</b>		
Less: Distribution paid in cash to income share class investors post year end	(2,858)		
Less: Equalisation post period adjustments	(14)		
Less: Investment valuation difference from 12 April 2018 valuation point	(319)		
	<b>302,895</b>		

Share Classes A-H were launched on 3 April 2013, the ISA Share Classes were launched on 1 January 2014 and Share Classes S and T were launched on 14 September 2016.

Currently there are no shares issued in the S and T Share Classes.

## Net Asset Value per share, Performance Record, Ongoing Charge (continued)

### Performance Record

Class A Gross Accumulation	31 March 2019	31 March 2018	31 March 2017
<b>CHANGE IN NET ASSETS PER SHARE</b>			
Opening net asset value per share	6.5591	6.0206	5.4886
Return before operating charges*	0.6637	0.6342	0.6181
Operating charges	(0.1043)	(0.0957)	(0.0861)
Return after operating charges*	0.5594	0.5385	0.5320
<b>Closing net asset value per share</b>	<b>7.1185</b>	<b>6.5591</b>	<b>6.0206</b>
Retained distributions on accumulation shares	0.2844	0.2601	0.2774
*Returns are stated after direct transaction costs of:	0.0028	0.0159	0.0153
<b>PERFORMANCE</b>			
Return after charges	8.53%	8.94%	9.69%
<b>OTHER INFORMATION</b>			
Closing net asset value (£'000)	37,366	29,815	22,008
Closing number of shares	5,249,086.39	4,545,537.12	3,655,499.45
Operating charges	1.52%	1.51%	1.49%
Performance fee	0.03%	0.26%	0.57%
Direct transaction costs	0.04%	0.25%	0.26%
<b>PRICES</b>			
Highest share price	7.1185	6.5591	6.0206
Lowest share price	6.6205	6.0749	5.5309

Class B Net Accumulation	31 March 2019	31 March 2018	31 March 2017
<b>CHANGE IN NET ASSETS PER SHARE</b>			
Opening net asset value per share	6.2789	5.8055	5.3378
Return before operating charges*	0.5857	0.5649	0.5509
Operating charges	(0.0995)	(0.0915)	(0.0832)
Return after operating charges*	0.4862	0.4734	0.4677
<b>Closing net asset value per share</b>	<b>6.7651</b>	<b>6.2789</b>	<b>5.8055</b>
Retained distributions on accumulation shares	0.2260	0.2076	0.2165
*Returns are stated after direct transaction costs of:	0.0027	0.0152	0.0148
<b>PERFORMANCE</b>			
Return after charges	7.74%	8.15%	8.76%
<b>OTHER INFORMATION</b>			
Closing net asset value (£'000)	69,247	53,562	70,045
Closing number of shares	10,235,864.62	8,530,508.87	12,065,190.25
Operating charges	1.52%	1.51%	1.49%
Performance fee	0.03%	0.26%	0.57%
Direct transaction costs	0.04%	0.25%	0.26%
<b>PRICES</b>			
Highest share price	6.7651	6.2789	5.8055
Lowest share price	6.3343	5.8546	5.3752

Share Classes A-H were launched on 3 April 2013, the ISA Share Classes were launched on 1 January 2014 and Share Classes S and T were launched on 14 September 2016. Please refer to notes 13 and 14 for details of the types of transaction costs. Amounts are shown in Sterling (£) unless otherwise stated.

## Net Asset Value per share, Performance Record, Ongoing Charge (continued)

### Performance Record (continued)

Class C Gross Income	31 March 2019	31 March 2018	31 March 2017
<b>CHANGE IN NET ASSETS PER SHARE</b>			
Opening net asset value per share	2.1534	2.0627	1.9770
Return before operating charges*	0.2109	0.2105	0.2142
Operating charges	(0.0331)	(0.0317)	(0.0298)
Return after operating charges*	0.1778	0.1788	0.1844
Distributions on income shares	(0.0923)	(0.0881)	(0.0987)
<b>Closing net asset value per share</b>	<b>2.2389</b>	<b>2.1534</b>	<b>2.0627</b>
*Returns are stated after direct transaction costs of:	0.0009	0.0053	0.0053

<b>PERFORMANCE</b>			
Return after charges	8.26%	8.67%	9.33%

<b>OTHER INFORMATION</b>			
Closing net asset value (£'000)	27,684	27,876	30,922
Closing number of shares	12,365,130.88	12,945,056.48	14,991,253.00
Operating charges	1.52%	1.51%	1.49%
Performance fee	0.03%	0.26%	0.57%
Direct transaction costs	0.04%	0.25%	0.26%

<b>PRICES</b>			
Highest share price	2.2389	2.1534	2.0627
Lowest share price	2.1267	2.0369	1.9407

Class D Net Income	31 March 2019	31 March 2018	31 March 2017
<b>CHANGE IN NET ASSETS PER SHARE</b>			
Opening net asset value per share	2.1453	2.0548	1.9668
Return before operating charges*	0.1949	0.1950	0.1967
Operating charges	(0.0330)	(0.0317)	(0.0297)
Return after operating charges*	0.1619	0.1633	0.1670
Distributions on income shares	(0.0765)	(0.0728)	(0.0790)
<b>Closing net asset value per share</b>	<b>2.2307</b>	<b>2.1453</b>	<b>2.0548</b>
*Returns are stated after direct transaction costs of:	0.0009	0.0053	0.0053

<b>PERFORMANCE</b>			
Return after charges	7.55%	7.95%	8.49%

<b>OTHER INFORMATION</b>			
Closing net asset value (£'000)	33,541	59,712	31,017
Closing number of shares	15,036,209.40	27,833,516.48	15,094,717.71
Operating charges	1.52%	1.51%	1.49%
Performance fee	0.03%	0.26%	0.57%
Direct transaction costs	0.04%	0.25%	0.26%

<b>PRICES</b>			
Highest share price	2.2307	2.1453	2.0548
Lowest share price	2.1256	2.0357	1.9393

Share Classes A-H were launched on 3 April 2013, the ISA Share Classes were launched on 1 January 2014 and Share Classes S and T were launched on 14 September 2016. Please refer to notes 13 and 14 for details of the types of transaction costs. Amounts are shown in Sterling (£) unless otherwise stated.

## Net Asset Value per share, Performance Record, Ongoing Charge (continued)

### Performance Record (continued)

Class E Gross Accumulation	31 March 2019	31 March 2018	31 March 2017
<b>CHANGE IN NET ASSETS PER SHARE</b>			
Opening net asset value per share	6.4666	5.9513	5.4401
Return before operating charges*	0.6520	0.6252	0.6131
Operating charges	(0.1196)	(0.1099)	(0.1019)
Return after operating charges*	0.5324	0.5153	0.5112
<b>Closing net asset value per share</b>	<b>6.9990</b>	<b>6.4666</b>	<b>5.9513</b>
Retained distributions on accumulation shares	0.2803	0.2571	0.2751
*Returns are stated after direct transaction costs of:	0.0027	0.0156	0.0151

<b>PERFORMANCE</b>			
Return after charges	8.23%	8.66%	9.40%

<b>OTHER INFORMATION</b>			
Closing net asset value (£'000)	12,700	12,589	15,699
Closing number of shares	1,814,526.91	1,946,827.59	2,637,979.58
Operating charges	1.77%	1.76%	1.79%
Performance fee	0.03%	0.26%	0.57%
Direct transaction costs	0.04%	0.25%	0.26%

<b>PRICES</b>			
Highest share price	6.9990	6.4666	5.9513
Lowest share price	6.5257	6.0036	5.4806

Class F Net Accumulation	31 March 2019	31 March 2018	31 March 2017
<b>CHANGE IN NET ASSETS PER SHARE</b>			
Opening net asset value per share	6.1936	5.7418	5.2935
Return before operating charges*	0.5759	0.5576	0.5470
Operating charges	(0.1141)	(0.1058)	(0.0987)
Return after operating charges*	0.4618	0.4518	0.4483
<b>Closing net asset value per share</b>	<b>6.6554</b>	<b>6.1936</b>	<b>5.7418</b>
Retained distributions on accumulation shares	0.2232	0.2053	0.2147
*Returns are stated after direct transaction costs of:	0.0026	0.0151	0.0146

<b>PERFORMANCE</b>			
Return after charges	7.46%	7.87%	8.47%

<b>OTHER INFORMATION</b>			
Closing net asset value (£'000)	46,253	48,352	54,506
Closing number of shares	6,949,751.92	7,806,736.62	9,492,649.38
Operating charges	1.77%	1.76%	1.79%
Performance fee	0.03%	0.26%	0.57%
Direct transaction costs	0.04%	0.25%	0.26%

<b>PRICES</b>			
Highest share price	6.6554	6.1936	5.7418
Lowest share price	6.2469	5.7890	5.3292

Share Classes A-H were launched on 3 April 2013, the ISA Share Classes were launched on 1 January 2014 and Share Classes S and T were launched on 14 September 2016. Please refer to notes 13 and 14 for details of the types of transaction costs. Amounts are shown in Sterling (£) unless otherwise stated.

## Net Asset Value per share, Performance Record, Ongoing Charge (continued)

### Performance Record (continued)

Class G Gross Income	31 March 2019	31 March 2018	31 March 2017
<b>CHANGE IN NET ASSETS PER SHARE</b>			
Opening net asset value per share	2.1289	2.0447	1.9651
Return before operating charges*	0.2080	0.2081	0.2131
Operating charges	(0.0381)	(0.0365)	(0.0354)
Return after operating charges*	0.1699	0.1716	0.1777
Distributions on income shares	(0.0913)	(0.0874)	(0.0981)
<b>Closing net asset value per share</b>	<b>2.2075</b>	<b>2.1289</b>	<b>2.0447</b>
*Returns are stated after direct transaction costs of:	0.0009	0.0052	0.0052

<b>PERFORMANCE</b>			
Return after charges	7.98%	8.39%	9.04%

<b>OTHER INFORMATION</b>			
Closing net asset value (£'000)	4,435	4,367	7,562
Closing number of shares	2,009,149.72	2,051,185.46	3,698,385.09
Operating charges	1.77%	1.76%	1.79%
Performance fee	0.03%	0.26%	0.57%
Direct transaction costs	0.04%	0.25%	0.26%

<b>PRICES</b>			
Highest share price	2.2075	2.1289	2.0447
Lowest share price	2.1020	2.0185	1.9285

Class H Net Income	31 March 2019	31 March 2018	31 March 2017
<b>CHANGE IN NET ASSETS PER SHARE</b>			
Opening net asset value per share	2.1210	2.0369	1.9550
Return before operating charges*	0.1922	0.1929	0.1958
Operating charges	(0.0381)	(0.0367)	(0.0354)
Return after operating charges*	0.1541	0.1562	0.1604
Distributions on income shares	(0.0757)	(0.0721)	(0.0785)
<b>Closing net asset value per share</b>	<b>2.1994</b>	<b>2.1210</b>	<b>2.0369</b>
*Returns are stated after direct transaction costs of:	0.0009	0.0052	0.0052

<b>PERFORMANCE</b>			
Return after charges	7.27%	7.67%	8.20%

<b>OTHER INFORMATION</b>			
Closing net asset value (£'000)	55,868	47,441	24,296
Closing number of shares	25,400,954.95	22,366,998.33	11,928,172.31
Operating charges	1.77%	1.76%	1.79%
Performance fee	0.03%	0.26%	0.57%
Direct transaction costs	0.04%	0.25%	0.26%

<b>PRICES</b>			
Highest share price	2.1994	2.1210	2.0369
Lowest share price	2.1010	2.0175	1.9272

Share Classes A-H were launched on 3 April 2013, the ISA Share Classes were launched on 1 January 2014 and Share Classes S and T were launched on 14 September 2016. Please refer to notes 13 and 14 for details of the types of transaction costs. Amounts are shown in Sterling (£) unless otherwise stated.

## Net Asset Value per share, Performance Record, Ongoing Charge (continued)

### Performance Record (continued)

Class ISA Accumulation	31 March 2019	31 March 2018	31 March 2017
<b>CHANGE IN NET ASSETS PER SHARE</b>			
Opening net asset value per share	6.5591	6.0206	5.4886
Return before operating charges*	0.6628	0.6341	0.6200
Operating charges	(0.1038)	(0.0956)	(0.0880)
Return after operating charges*	0.5590	0.5385	0.5320
<b>Closing net asset value per share</b>	<b>7.1181</b>	<b>6.5591</b>	<b>6.0206</b>
Retained distributions on accumulation shares	0.2844	0.2601	0.2774
*Returns are stated after direct transaction costs of:	0.0028	0.0159	0.0156
<b>PERFORMANCE</b>			
Return after charges	8.52%	8.94%	9.69%
<b>OTHER INFORMATION</b>			
Closing net asset value (£'000)	12,325	10,697	9,294
Closing number of shares	1,731,450.32	1,630,903.79	1,543,657.22
Operating charges	1.52%	1.51%	1.49%
Performance fee	0.03%	0.26%	0.57%
Direct transaction costs	0.04%	0.25%	0.26%
<b>PRICES</b>			
Highest share price	7.1181	6.5591	6.0206
Lowest share price	6.6205	6.0749	5.5309

Class ISA Income	31 March 2019	31 March 2018	31 March 2017
<b>CHANGE IN NET ASSETS PER SHARE</b>			
Opening net asset value per share	2.1534	2.0627	1.9770
Return before operating charges*	0.2111	0.2105	0.2152
Operating charges	(0.0333)	(0.0317)	(0.0308)
Return after operating charges*	0.1778	0.1788	0.1844
Distributions on income shares	(0.0923)	(0.0881)	(0.0987)
<b>Closing net asset value per share</b>	<b>2.2389</b>	<b>2.1534</b>	<b>2.0627</b>
*Returns are stated after direct transaction costs of:	0.0009	0.0053	0.0055
<b>PERFORMANCE</b>			
Return after charges	8.26%	8.67%	9.33%
<b>OTHER INFORMATION</b>			
Closing net asset value (£'000)	13,168	11,675	11,885
Closing number of shares	5,881,529.05	5,421,739.96	5,762,105.49
Operating charges	1.52%	1.51%	1.49%
Performance fee	0.03%	0.26%	0.57%
Direct transaction costs	0.04%	0.25%	0.26%
<b>PRICES</b>			
Highest share price	2.2389	2.1534	2.0627
Lowest share price	2.1267	2.0369	1.9407

Share Classes A-H were launched on 3 April 2013, the ISA Share Classes were launched on 1 January 2014 and Share Classes S and T were launched on 14 September 2016. Please refer to notes 13 and 14 for details of the types of transaction costs. Amounts are shown in Sterling (£) unless otherwise stated.



## Net Asset Value per share, Performance Record, Ongoing Charge (continued)

### Ongoing Charge (OC)

Share class	31 March 2019 (%)	31 March 2018 (%)
Class A - D and ISA Shares	1.69	1.61
Class E - H Shares	1.96	1.87
Class S - T Shares	1.95	1.86

The Ongoing Charge (OC) represents the total annualised expenses of TIME:Freehold, excluding transaction costs, interest and other finance costs and property related expenses expressed as a percentage of the average net assets during the accounting period.

The OC stated for 31 March 2019 is based on the NAV as at 31 December 2018 in line with what is stated in the Key Investor Information Document.

### Risk warning

Shareholders should be aware that there are risks inherent in the holding of investments.

Shareholders should be aware that the price of shares and the income from them can fall as well as rise and shareholders may not receive back the full amount invested.

Past performance is not a guide to future performance.

An investment in an open-ended investment company should be regarded as a medium to long term investment.

Following the Referendum held on 23 June 2016 concerning the UK's membership of the EU, a decision was taken to exit. We are now in a period of uncertainty in relation to many factors that impact the property investment and letting markets. Since the Referendum date it has not been possible to gauge the effect of this decision by reference to transactions in the market place. The probability of the valuer's opinion of value exactly coinciding with the price achieved, were there to be a sale, has reduced.

TIME:Freehold has mitigated the cross-border risk of Brexit as all of TIME:Freehold's property is located within the UK. Additionally TIME:Freehold's cash reserves are only held in pounds sterling. While the cross-border risks of Brexit have been mitigated TIME:Freehold is still exposed to the effect of a downturn or a recession in the property market or the wider economy caused by the adverse effects of Brexit. This cannot be measured with any certainty. However, it is expected that the property portfolio of TIME:Freehold would, as long income property, provide greater defensive characteristics to mitigate the effect on TIME:Freehold of any Brexit related downturn in the property market or in the wider economy, when compared against conventional property funds with shorter lease lengths.

The Government announced plans in its 2017 consultation paper to review unfair practices in the residential leasehold market. Although the focus of the consultation paper is on

new residential leaseholds, the timing of any changes and the outcome of any legislative changes in the residential leasehold market and on the value of the portfolio owned by the Fund is uncertain.

Following on from the Government's consultation on "Tackling Unfair Practices in the Leasehold Market" and its subsequent response paper, the Government asked the Law Commission to consider further measures which could assist existing leaseholders of houses and to prioritise enfranchisement solutions for residential leasehold property generally.

In 2018 the Law Commission issued an initial paper followed by a full consultation paper, which sets out a number of potential solutions for a more coherent and streamlined enfranchisement regime for leaseholders of houses and flats. The Law Commission will review the responses, decide on their final recommendations and present them to the Government later in 2019. In the interim the Government recently announced in June 2019 its intention to bring forward proposals for legislation as soon as Parliamentary time allows.

In addition to the initiatives detailed above the Government has stated its intention to reduce the ground rent payable to the freeholder on new leases on leasehold flats to a peppercorn (with any resulting premium paid treated by TIME:Freehold as a capital receipt).

The independent valuer of TIME:Freehold, BNP Paribas Real Estate UK, has, within the valuation of the property portfolio at 31 March 2019 considered the prevailing market conditions, the Government's response to its own consultation on "Tackling Unfair Practices in the Leasehold Market" and the subsequent ongoing review by the Law Commission (and continues to do so at each monthly valuation point going forwards).

We therefore await the recommendations of the Law Commission to the Government and the response to the Government's proposed legislative initiatives. In the short term, until there is more clarity on any proposed reforms to the residential leasehold market, the Fund is not expected to acquire residential ground rent properties, unless contractually committed to do so (at 31 March 2019 the value of property exchanged but not completed is £0.4 million).

For further risk information please see the Company's Prospectus.

# Portfolio Statement

As at 31 March 2019

Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %
E17	7,159	2.31%	M8	617	0.20%	KT19	330	0.11%	WN2	231	0.07%
B1	5,206	1.68%	E3	615	0.20%	BL1	329	0.11%	LE3	231	0.07%
W2	3,739	1.21%	TN24	612	0.20%	CT19	329	0.11%	HP23	231	0.07%
CF10	3,328	1.07%	BD1	608	0.20%	BN16	328	0.11%	SK14	230	0.07%
SW18	2,784	0.90%	B65	608	0.20%	BL8	328	0.11%	CB1	230	0.07%
N1	2,751	0.89%	CR4	606	0.20%	B71	327	0.11%	WS2	229	0.07%
E14	2,749	0.89%	L3	606	0.20%	CV6	326	0.11%	TA24	227	0.07%
SO50	2,350	0.76%	GU22	603	0.19%	LE1	326	0.11%	SG13	225	0.07%
SW15	2,043	0.66%	CM14	602	0.19%	WD23	326	0.11%	IG7	225	0.07%
SO14	1,945	0.63%	UB6	600	0.19%	SE13	324	0.10%	BL4	225	0.07%
SW6	1,809	0.58%	NI1	593	0.19%	SE15	324	0.10%	BL9	222	0.07%
RG21	1,667	0.54%	NR4	580	0.19%	M40	321	0.10%	RH15	221	0.07%
M50	1,647	0.53%	SO15	575	0.19%	MK42	319	0.10%	SE3	221	0.07%
ME1	1,560	0.50%	S6	573	0.18%	CH1	318	0.10%	GU12	220	0.07%
WD17	1,484	0.48%	RC1	568	0.18%	SE6	318	0.10%	DA17	218	0.07%
IP3	1,476	0.48%	E4	564	0.18%	LL28	317	0.10%	SW1W	216	0.07%
SW16	1,473	0.48%	M20	563	0.18%	B73	317	0.10%	DA16	214	0.07%
SE10	1,428	0.46%	CT9	557	0.18%	EN8	314	0.10%	BH6	214	0.07%
ME8	1,409	0.45%	BS3	551	0.18%	BN21	314	0.10%	SW12	214	0.07%
NW3	1,383	0.45%	BR3	549	0.18%	LE10	314	0.10%	WA3	212	0.07%
VV10	1,372	0.44%	HA1	545	0.18%	RG30	314	0.10%	BS24	211	0.07%
IG11	1,347	0.43%	ME10	545	0.18%	TW7	313	0.10%	N3	210	0.07%
CRO	1,317	0.42%	SM5	542	0.17%	NE29	312	0.10%	BS20	208	0.07%
SL3	1,313	0.42%	PL2	537	0.17%	SN3	310	0.10%	S1	208	0.07%
HP21	1,309	0.42%	WA14	534	0.17%	NW1	310	0.10%	WS3	206	0.07%
BS2	1,308	0.42%	SE5	530	0.17%	W4	309	0.10%	W3	205	0.07%
CM23	1,268	0.41%	OX16	526	0.17%	NG5	307	0.10%	M26	204	0.07%
SN2	1,251	0.40%	EN2	524	0.17%	M22	306	0.10%	RG4	203	0.07%
GU15	1,245	0.40%	EX2	523	0.17%	B97	304	0.10%	BS35	203	0.07%
EN10	1,241	0.40%	PO16	518	0.17%	MK40	303	0.10%	M16	203	0.07%
BS23	1,221	0.39%	ME15	513	0.17%	DE65	302	0.10%	WN1	202	0.07%
WD4	1,147	0.37%	PO1	511	0.16%	TW16	302	0.10%	BH10	202	0.07%
E1	1,141	0.37%	N5	509	0.16%	SG18	298	0.10%	TW18	201	0.06%
BN23	1,127	0.36%	AL5	503	0.16%	SE26	298	0.10%	NE16	201	0.06%
NI7	1,122	0.36%	N9	501	0.16%	RG45	297	0.10%	M27	201	0.06%
W14	1,094	0.35%	RM10	497	0.16%	CM11	297	0.10%	RG14	200	0.06%
CV1	1,084	0.35%	SL1	495	0.16%	N12	294	0.09%	B31	200	0.06%
EN1	1,078	0.35%	WD18	492	0.16%	M19	293	0.09%	KT2	199	0.06%
CM1	1,062	0.34%	LU2	492	0.16%	CM8	292	0.09%	BD10	197	0.06%
PL4	1,056	0.34%	TF4	488	0.16%	CH5	290	0.09%	IG9	197	0.06%
DY13	1,056	0.34%	LN5	488	0.16%	DE72	289	0.09%	PO12	197	0.06%
SM2	1,044	0.34%	RM18	477	0.15%	N7	289	0.09%	SE7	196	0.06%
HP3	1,029	0.33%	BR5	473	0.15%	CV21	287	0.09%	IP5	195	0.06%
CM20	1,024	0.33%	IP2	470	0.15%	GL5	286	0.09%	PR4	195	0.06%
SE8	1,018	0.33%	WA9	470	0.15%	IG3	284	0.09%	BT19	189	0.06%
RM16	1,004	0.32%	NW7	467	0.15%	M12	284	0.09%	PE29	189	0.06%
CO1	1,003	0.32%	B11	446	0.14%	W6	283	0.09%	WN3	188	0.06%
RM1	997	0.32%	MK9	432	0.14%	MK10	280	0.09%	DA11	188	0.06%
SM6	981	0.32%	SN15	425	0.14%	W1H	279	0.09%	DA7	188	0.06%
SA12	977	0.32%	N16	423	0.14%	ME20	278	0.09%	E5	185	0.06%
CB2	973	0.31%	BH8	421	0.14%	WS10	274	0.09%	SK22	185	0.06%
DA9	954	0.31%	AL7	419	0.14%	SG8	273	0.09%	BH2	185	0.06%
ME16	883	0.28%	OL12	411	0.13%	UB3	271	0.09%	HP12	184	0.06%
PR7	867	0.28%	CW9	407	0.13%	SY1	270	0.09%	B17	184	0.06%
BS16	863	0.28%	NW6	407	0.13%	WA6	270	0.09%	SE22	184	0.06%
DE14	857	0.28%	M4	407	0.13%	SW2	267	0.09%	CM17	183	0.06%
SO16	840	0.27%	WA8	401	0.13%	BS39	266	0.09%	TN1	180	0.06%
EN11	837	0.27%	SY3	401	0.13%	ME14	264	0.09%	EC1R	178	0.06%
TA6	834	0.27%	W11	399	0.13%	W7	264	0.09%	M28	177	0.06%
EN3	831	0.27%	TQ1	396	0.13%	BD16	262	0.08%	RH1	176	0.06%
SG12	825	0.27%	CM7	393	0.13%	HP9	262	0.08%	SO31	176	0.06%
SE11	817	0.26%	VV14	390	0.13%	TF3	260	0.08%	TF10	175	0.06%
DY5	805	0.26%	UB7	387	0.12%	EN5	259	0.08%	SO40	174	0.06%
CV34	803	0.26%	ST5	385	0.12%	NP20	256	0.08%	SW17	173	0.06%
CM2	798	0.26%	SE9	381	0.12%	SW4	255	0.08%	L18	173	0.06%
CV37	795	0.26%	SO53	380	0.12%	HX3	254	0.08%	BH4	172	0.06%
ME4	783	0.25%	RH10	378	0.12%	WD6	253	0.08%	LN2	172	0.06%
HP13	770	0.25%	E15	371	0.12%	BL6	253	0.08%	ECTV	167	0.05%
N21	755	0.24%	WA15	370	0.12%	MK5	251	0.08%	WR4	165	0.05%
NR1	746	0.24%	ST1	367	0.12%	CV12	247	0.08%	RG40	164	0.05%
CH2	745	0.24%	DY4	366	0.12%	B91	247	0.08%	BH7	164	0.05%
GU1	744	0.24%	BH5	365	0.12%	TN23	246	0.08%	TW9	164	0.05%
CR2	727	0.23%	WF8	360	0.12%	CH43	246	0.08%	BD17	162	0.05%
TF7	708	0.23%	BS8	357	0.12%	TF2	245	0.08%	UB8	162	0.05%
M1	708	0.23%	CF14	356	0.11%	M34	245	0.08%	GL20	161	0.05%
CW1	708	0.23%	RG17	355	0.11%	E2	243	0.08%	TS20	159	0.05%
RH6	695	0.22%	TW20	355	0.11%	PL5	243	0.08%	SL7	159	0.05%
SO22	690	0.22%	IM8	355	0.11%	NE7	243	0.08%	GU21	158	0.05%
DE24	673	0.22%	WN7	354	0.11%	NG3	242	0.08%	B9	158	0.05%
HP20	667	0.22%	OX26	353	0.11%	E6	241	0.08%	SS15	156	0.05%
DA1	666	0.21%	B33	347	0.11%	SL2	240	0.08%	B24	156	0.05%
IG1	665	0.21%	WD3	346	0.11%	NR3	240	0.08%	KT12	154	0.05%
PE1	665	0.21%	KT4	345	0.11%	B64	240	0.08%	RM11	154	0.05%
SE18	664	0.21%	B35	343	0.11%	NW2	240	0.08%	L12	154	0.05%
SE16	653	0.21%	SS1	342	0.11%	M44	239	0.08%	HP11	154	0.05%
EN9	645	0.21%	RH19	341	0.11%	IP1	237	0.08%	NN4	153	0.05%
DA8	644	0.21%	NW8	341	0.11%	S40	237	0.08%	VV13	153	0.05%
GU11	643	0.21%	NW4	337	0.11%	SK5	236	0.08%	PR6	152	0.05%
TW3	643	0.21%	RM17	335	0.11%	SK16	236	0.08%	WA13	152	0.05%
SE1	642	0.21%	B66	335	0.11%	SK9	236	0.08%	KT10	152	0.05%
B23	640	0.21%	TA2	334	0.11%	BH1	234	0.08%	ST15	151	0.05%
GU35	629	0.20%	BS5	334	0.11%	SM4	234	0.08%	NN16	150	0.05%
WR11	623	0.20%	SL9	334	0.11%	SG4	233	0.08%	SS0	150	0.05%
WS11	620	0.20%	OX11	333	0.11%	SE14	232	0.07%	RM7	148	0.05%
KT16	617	0.20%	E9	331	0.11%	PO21	231	0.07%	SL6	147	0.05%

# Portfolio Statement (continued)

As at 31 March 2019

Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %
BT21	146	0.05%	BS11	97	0.03%	WIT	63	0.02%	LL19	37	0.01%
IP22	146	0.05%	SA11	97	0.03%	RG19	63	0.02%	SK10	37	0.01%
S9	146	0.05%	PL17	96	0.03%	NR33	63	0.02%	M23	37	0.01%
TW11	146	0.05%	NE22	94	0.03%	DA15	63	0.02%	SK11	36	0.01%
NN11	146	0.05%	CM21	94	0.03%	NE31	62	0.02%	OX2	36	0.01%
S33	145	0.05%	CT1	92	0.03%	KT8	62	0.02%	NN10	36	0.01%
L8	145	0.05%	WA1	92	0.03%	TN6	62	0.02%	M31	36	0.01%
M33	144	0.05%	WS12	92	0.03%	TQ13	62	0.02%	B47	36	0.01%
SG17	143	0.05%	TS14	91	0.03%	LS12	62	0.02%	N18	36	0.01%
N13	142	0.05%	WS7	90	0.03%	N4	61	0.02%	RG2	35	0.01%
GU10	141	0.05%	B69	90	0.03%	SW10	61	0.02%	LS25	35	0.01%
SM1	141	0.05%	NW10	90	0.03%	GU24	60	0.02%	SW19	35	0.01%
WA4	140	0.05%	TW8	90	0.03%	GU16	60	0.02%	IP4	34	0.01%
SY11	139	0.04%	GU51	90	0.03%	ST17	59	0.02%	M24	34	0.01%
OL4	139	0.04%	BB12	89	0.03%	ETW	58	0.02%	CM16	34	0.01%
RM6	138	0.04%	BH21	89	0.03%	SL4	58	0.02%	WA7	33	0.01%
OL2	137	0.04%	PR25	89	0.03%	CB4	58	0.02%	LS13	33	0.01%
CM9	134	0.04%	PO19	89	0.03%	RH7	58	0.02%	M14	33	0.01%
DH8	133	0.04%	SS17	89	0.03%	SE24	57	0.02%	ST13	32	0.01%
L40	133	0.04%	LL11	89	0.03%	BA1	56	0.02%	DL9	32	0.01%
CW8	133	0.04%	LS1	88	0.03%	FY5	56	0.02%	W5	31	0.01%
RG27	133	0.04%	OL9	88	0.03%	B74	56	0.02%	NN18	31	0.01%
PR2	133	0.04%	DE23	86	0.03%	RG12	56	0.02%	TW1	31	0.01%
E8	132	0.04%	BS7	86	0.03%	ST18	56	0.02%	LS5	31	0.01%
WN5	132	0.04%	M15	86	0.03%	CV5	56	0.02%	SK6	31	0.01%
ST11	131	0.04%	ME19	86	0.03%	B30	56	0.02%	BN27	31	0.01%
CH3	131	0.04%	LS7	86	0.03%	CW2	55	0.02%	BN43	30	0.01%
HA5	131	0.04%	ME7	86	0.03%	BT9	55	0.02%	LU1	30	0.01%
PO15	130	0.04%	DY10	86	0.03%	TS12	55	0.02%	SY2	30	0.01%
RM12	129	0.04%	HP4	84	0.03%	LS8	54	0.02%	DN32	30	0.01%
YO16	129	0.04%	GU4	84	0.03%	BH11	54	0.02%	BH23	30	0.01%
PO37	129	0.04%	CH46	84	0.03%	BS15	54	0.02%	ME2	29	0.01%
IP33	128	0.04%	M45	84	0.03%	SG14	53	0.02%	OL8	29	0.01%
MK4	128	0.04%	W10	84	0.03%	SK15	52	0.02%	NE25	29	0.01%
KT17	128	0.04%	B90	83	0.03%	KT13	51	0.02%	SL5	28	0.01%
RM14	127	0.04%	GU47	83	0.03%	WV2	51	0.02%	DN31	28	0.01%
RG42	126	0.04%	GL4	82	0.03%	RM3	51	0.02%	CH60	27	0.01%
CO10	126	0.04%	LL30	82	0.03%	EN4	51	0.02%	ST6	27	0.01%
L17	125	0.04%	NN15	82	0.03%	KT7	51	0.02%	WV11	26	0.01%
RH16	124	0.04%	SO30	82	0.03%	ME12	51	0.02%	L25	26	0.01%
OL15	124	0.04%	BT22	81	0.03%	IG6	51	0.02%	M25	26	0.01%
NG2	123	0.04%	L5	81	0.03%	WV16	50	0.02%	HP2	26	0.01%
WV4	123	0.04%	BB9	81	0.03%	RH20	50	0.02%	L20	26	0.01%
WA11	122	0.04%	SN6	81	0.03%	L1	50	0.02%	S12	26	0.01%
E12	121	0.04%	TW10	81	0.03%	GL56	49	0.02%	SS12	25	0.01%
RM2	121	0.04%	BLO	81	0.03%	DT3	49	0.02%	OL13	25	0.01%
CR3	121	0.04%	WS13	80	0.03%	DE11	49	0.02%	WA5	25	0.01%
KT23	120	0.04%	SS6	79	0.03%	L2	49	0.02%	NG17	25	0.01%
L15	120	0.04%	OX4	79	0.03%	OL7	48	0.02%	PL15	24	0.01%
OL10	120	0.04%	NN3	79	0.03%	UB4	48	0.02%	BL5	24	0.01%
CV22	118	0.04%	NN13	79	0.03%	TW17	48	0.02%	OX5	24	0.01%
TQ7	117	0.04%	HP17	78	0.03%	BT40	47	0.02%	DA14	24	0.01%
BL3	117	0.04%	OL16	77	0.02%	B46	47	0.02%	MK7	24	0.01%
TN2	116	0.04%	B78	77	0.02%	NN8	46	0.01%	RH14	23	0.01%
GU20	116	0.04%	M21	77	0.02%	CT4	46	0.01%	PE33	23	0.01%
PR8	115	0.04%	SM3	76	0.02%	UB1	46	0.01%	B12	23	0.01%
KT11	115	0.04%	GL1	75	0.02%	RG28	46	0.01%	E13	23	0.01%
CW12	115	0.04%	GL52	75	0.02%	RG41	46	0.01%	BD22	23	0.01%
SN25	114	0.04%	BS32	75	0.02%	NE17	45	0.01%	M11	23	0.01%
SG2	114	0.04%	SE17	75	0.02%	HP18	44	0.01%	SK23	22	0.01%
BL2	114	0.04%	NC9	74	0.02%	SK8	44	0.01%	S10	22	0.01%
GU34	113	0.04%	M29	74	0.02%	OL1	44	0.01%	HC2	22	0.01%
B20	113	0.04%	HC4	74	0.02%	KT1	43	0.01%	SS2	22	0.01%
EX4	113	0.04%	S11	74	0.02%	L35	43	0.01%	SK1	22	0.01%
TA9	113	0.04%	SO51	73	0.02%	CB9	43	0.01%	BB7	22	0.01%
E11	113	0.04%	IP32	73	0.02%	PR3	43	0.01%	SW5	21	0.01%
SY16	112	0.04%	BH9	73	0.02%	HA4	43	0.01%	BT4	21	0.01%
EX9	112	0.04%	BH15	72	0.02%	WF4	42	0.01%	OX14	21	0.01%
L26	112	0.04%	LS29	72	0.02%	SY12	42	0.01%	RG9	21	0.01%
SO17	111	0.04%	GU19	72	0.02%	M38	42	0.01%	S4	21	0.01%
CM13	111	0.04%	M46	72	0.02%	CT5	42	0.01%	DN8	21	0.01%
CF82	111	0.04%	BN12	72	0.02%	LE9	42	0.01%	YO21	20	0.01%
SR4	111	0.04%	TS5	71	0.02%	CO3	41	0.01%	BB11	20	0.01%
KT20	111	0.04%	M3	71	0.02%	FY3	41	0.01%	HX1	19	0.01%
OX28	109	0.04%	L32	71	0.02%	EX34	41	0.01%	DL3	19	0.01%
RM19	109	0.04%	GL51	69	0.02%	SK4	41	0.01%	B96	19	0.01%
N8	107	0.03%	RH11	69	0.02%	CF31	41	0.01%	BN13	19	0.01%
NC7	107	0.03%	ST16	69	0.02%	BB4	41	0.01%	L39	18	0.01%
NR6	107	0.03%	B77	69	0.02%	GU7	41	0.01%	CW11	18	0.01%
EX16	106	0.03%	CM6	69	0.02%	S60	40	0.01%	E18	18	0.01%
SW9	106	0.03%	BR1	69	0.02%	BR2	40	0.01%	B93	17	0.01%
L24	105	0.03%	WN4	68	0.02%	PL14	40	0.01%	B63	17	0.01%
BH12	105	0.03%	TW12	68	0.02%	L31	39	0.01%	DY1	17	0.01%
SG1	105	0.03%	LE2	67	0.02%	SK7	39	0.01%	L13	17	0.01%
PO31	104	0.03%	LE7	67	0.02%	LL13	39	0.01%	L30	17	0.01%
BS4	103	0.03%	HX6	67	0.02%	CF38	38	0.01%	LS11	17	0.01%
AL2	103	0.03%	PL3	66	0.02%	LE12	38	0.01%	MK19	16	0.01%
BT23	102	0.03%	SW11	66	0.02%	PR26	38	0.01%	BB8	16	0.01%
CV31	102	0.03%	GL7	66	0.02%	HP6	38	0.01%	PL12	16	0.01%
L36	101	0.03%	SR2	65	0.02%	M9	37	0.01%	M32	16	0.01%
SW8	101	0.03%	SG6	64	0.02%	RG10	37	0.01%	HA8	16	0.01%
B28	99	0.03%	NN17	64	0.02%	BT28	37	0.01%	N10	16	0.01%
RM8	99	0.03%	WN6	64	0.02%	BT38	37	0.01%	CW10	15	0.00%
SG5	97	0.03%	RH12	64	0.02%	GU31	37	0.01%	SS9	15	0.00%
UB10	97	0.03%	OL11	64	0.02%	B43	37	0.01%	TS25	14	0.00%

# Portfolio Statement (continued)

As at 31 March 2019

Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %
S14	14	0.00%	AL9	9	0.00%	BT20	6	0.00%	M30	2	0.00%
PE16	14	0.00%	S26	9	0.00%	L7	6	0.00%	BT11	2	0.00%
PO14	14	0.00%	SS14	9	0.00%	BB5	6	0.00%	B75	2	0.00%
SO18	14	0.00%	LS16	9	0.00%	PO7	6	0.00%	SO19	2	0.00%
RG22	14	0.00%	BB3	9	0.00%	WV1	6	0.00%	SK2	2	0.00%
SN5	13	0.00%	HR2	9	0.00%	L6	5	0.00%	S41	2	0.00%
TS26	13	0.00%	PR9	9	0.00%	YO11	5	0.00%	GU17	2	0.00%
TS10	13	0.00%	S13	9	0.00%	CB8	5	0.00%	HG1	2	0.00%
WR2	13	0.00%	TS21	9	0.00%	S35	5	0.00%	NE26	2	0.00%
WA2	13	0.00%	PE7	9	0.00%	PR1	5	0.00%	NE66	2	0.00%
BT16	13	0.00%	WS15	9	0.00%	DY8	5	0.00%	RG8	2	0.00%
S8	13	0.00%	OL5	8	0.00%	M43	5	0.00%	SK12	2	0.00%
LI0	12	0.00%	M41	8	0.00%	TS16	5	0.00%	SN1	1	0.00%
YO61	12	0.00%	WV12	8	0.00%	RH9	4	0.00%	DY3	1	0.00%
LU7	12	0.00%	RC31	8	0.00%	CO4	4	0.00%	NE9	1	0.00%
FY1	12	0.00%	CW6	8	0.00%	WA16	4	0.00%	BL7	1	0.00%
CW7	12	0.00%	DA10	8	0.00%	DL16	4	0.00%	NE12	1	0.00%
OL3	11	0.00%	NR17	8	0.00%	PR5	4	0.00%	CW4	1	0.00%
LS2	11	0.00%	L23	8	0.00%	AL4	4	0.00%	IC2	1	0.00%
L4	11	0.00%	DL1	7	0.00%	TS11	4	0.00%	WA10	1	0.00%
YO10	11	0.00%	SO45	7	0.00%	TA18	4	0.00%	S43	1	0.00%
SK13	11	0.00%	S36	7	0.00%	SK3	4	0.00%	L19	1	0.00%
TS6	11	0.00%	CH66	7	0.00%	WA12	4	0.00%	M6	1	0.00%
BT7	10	0.00%	MK41	7	0.00%	LS3	4	0.00%			
NE24	10	0.00%	CA16	7	0.00%	NE2	3	0.00%			
KT15	10	0.00%	WS4	7	0.00%	M7	3	0.00%			
RG24	10	0.00%	DL5	6	0.00%	BB1	3	0.00%			
BH25	9	0.00%	TS24	6	0.00%	S5	3	0.00%			
IP30	9	0.00%	NE10	6	0.00%	BB2	3	0.00%			
									Total	231,380	74.89%

	Market valuation £'000	Total net assets %
<b>Total value of property (as listed above)</b>	<b>231,380</b>	<b>74.89%</b>
<b>Investments</b>		
Defensive Income Securities Fund (27,898,238 shares)	30,585	9.90%
Social Freehold Feeder Trust (10,547,039 units)	11,644	3.77%
Commercial Freehold Feeder Trust (794,470 units)	1,005	0.33%
<b>Net other assets</b>	<b>34,347</b>	<b>11.11%</b>
<b>Total Net Assets as at 31 March 2019</b>	<b>308,961</b>	<b>100.00%</b>

# Portfolio Statement

As at 31 March 2018

Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %
E17	7,282	2.40%	B65	613	0.20%	NW4	323	0.11%	SM4	224	0.07%
B1	5,030	1.66%	KT16	606	0.20%	TA2	321	0.11%	PO21	224	0.07%
W2	3,747	1.24%	NR4	605	0.20%	OX11	320	0.11%	SE14	224	0.07%
CF10	3,244	1.07%	E3	597	0.20%	CV6	320	0.11%	HP23	224	0.07%
SW18	2,717	0.90%	WR11	596	0.20%	CH1	318	0.11%	SE3	222	0.07%
N1	2,638	0.87%	BD1	594	0.20%	KT19	318	0.10%	CH43	222	0.07%
E14	2,558	0.84%	RG1	592	0.20%	E9	318	0.10%	BL4	221	0.07%
SO50	2,281	0.75%	TN24	591	0.19%	LE1	317	0.10%	SK14	221	0.07%
SW15	1,965	0.65%	L3	588	0.19%	B73	317	0.10%	BL9	220	0.07%
SO14	1,882	0.62%	UB6	588	0.19%	SE15	315	0.10%	DA16	219	0.07%
SW6	1,750	0.58%	GU22	585	0.19%	WD23	315	0.10%	SG13	218	0.07%
RG21	1,627	0.54%	CM14	582	0.19%	RG30	314	0.10%	GU12	218	0.07%
IP3	1,602	0.53%	NI1	572	0.19%	M40	312	0.10%	NE16	215	0.07%
M50	1,539	0.51%	S6	561	0.19%	SE6	312	0.10%	BH1	213	0.07%
ME1	1,535	0.51%	SO15	554	0.18%	MK42	310	0.10%	BH6	210	0.07%
WD17	1,453	0.48%	CT9	551	0.18%	W4	309	0.10%	SE7	209	0.07%
ME8	1,440	0.48%	ME10	549	0.18%	TW16	308	0.10%	BS24	208	0.07%
SE10	1,373	0.45%	E4	545	0.18%	LL28	305	0.10%	WA3	208	0.07%
SL3	1,358	0.45%	M20	545	0.18%	NE29	304	0.10%	IC7	204	0.07%
VV10	1,345	0.44%	BS3	540	0.18%	BN21	303	0.10%	BS20	204	0.07%
NW3	1,331	0.44%	BR3	540	0.18%	EN8	302	0.10%	N3	203	0.07%
CR0	1,290	0.43%	N9	531	0.18%	LE10	302	0.10%	WS3	202	0.07%
BS2	1,278	0.42%	SM5	527	0.17%	TW7	301	0.10%	TA24	201	0.07%
HP21	1,262	0.42%	WA14	526	0.17%	NW1	299	0.10%	M16	201	0.07%
CM23	1,224	0.40%	HA1	523	0.17%	NI2	298	0.10%	S1	201	0.07%
GU15	1,201	0.40%	PL2	522	0.17%	DE65	297	0.10%	WN1	199	0.07%
EN10	1,199	0.40%	RM10	519	0.17%	NG5	296	0.10%	BS35	199	0.07%
BS23	1,194	0.39%	EX2	513	0.17%	IG3	294	0.10%	M27	198	0.07%
CM20	1,180	0.39%	SE5	510	0.17%	BN16	294	0.10%	BH10	198	0.07%
BN23	1,178	0.39%	OX16	507	0.17%	B97	293	0.10%	W3	197	0.07%
SW16	1,114	0.37%	EN2	505	0.17%	RG45	291	0.10%	SW1W	197	0.07%
NI7	1,107	0.37%	PO16	504	0.17%	M19	291	0.10%	RG4	197	0.06%
E1	1,101	0.36%	ME15	495	0.16%	MK40	289	0.10%	RG14	195	0.06%
WD4	1,101	0.36%	LU2	492	0.16%	TF3	288	0.10%	TW18	194	0.06%
SN2	1,093	0.36%	TF4	491	0.16%	SY1	288	0.10%	BD10	194	0.06%
SE8	1,093	0.36%	AL5	490	0.16%	M22	288	0.10%	M26	193	0.06%
W14	1,058	0.35%	N5	490	0.16%	SE26	287	0.09%	IC9	193	0.06%
CV1	1,047	0.35%	N16	482	0.16%	CM8	287	0.09%	B31	192	0.06%
CM1	1,038	0.34%	LN5	478	0.16%	SC8	286	0.09%	KT2	192	0.06%
DY13	1,037	0.34%	WD18	473	0.16%	CM11	285	0.09%	BT19	192	0.06%
EN1	1,037	0.34%	SL1	467	0.15%	CH5	284	0.09%	IP5	191	0.06%
SM2	1,009	0.33%	RM18	466	0.15%	M12	284	0.09%	NW7	191	0.06%
PL4	999	0.33%	BR5	464	0.15%	N7	282	0.09%	PO12	191	0.06%
HP3	997	0.33%	PO1	463	0.15%	CV21	282	0.09%	PR4	189	0.06%
CO1	990	0.33%	WA9	460	0.15%	DE72	279	0.09%	PE29	189	0.06%
SA12	966	0.32%	IP2	454	0.15%	UB3	277	0.09%	SK22	186	0.06%
RM16	965	0.32%	BI1	428	0.14%	NW2	273	0.09%	WN3	185	0.06%
RM1	955	0.32%	SN15	417	0.14%	WH1	273	0.09%	HP12	181	0.06%
SM6	955	0.32%	MK9	414	0.14%	MK10	270	0.09%	DA11	181	0.06%
CB2	937	0.31%	AL7	413	0.14%	SC18	269	0.09%	SE22	180	0.06%
DA9	918	0.30%	OL12	401	0.13%	W6	269	0.09%	DA7	180	0.06%
PR7	853	0.28%	CW9	400	0.13%	WS10	269	0.09%	TF10	179	0.06%
ME16	848	0.28%	SY3	400	0.13%	ME20	267	0.09%	E5	179	0.06%
BS16	843	0.28%	BH8	396	0.13%	WA6	264	0.09%	EC1R	177	0.06%
DE14	826	0.27%	WA8	393	0.13%	BS39	260	0.09%	BH2	177	0.06%
SO16	824	0.27%	M4	392	0.13%	HP9	257	0.08%	CM17	177	0.06%
ME4	822	0.27%	VV14	388	0.13%	BL6	255	0.08%	BH4	174	0.06%
DY5	822	0.27%	ST5	387	0.13%	ME14	253	0.08%	TN1	173	0.06%
EN11	816	0.27%	WI1	385	0.13%	W7	253	0.08%	SO31	170	0.06%
SE11	805	0.27%	SE9	382	0.13%	BD16	253	0.08%	L18	170	0.06%
TA6	798	0.26%	CM7	380	0.13%	NP20	251	0.08%	GU10	170	0.06%
SG12	794	0.26%	SO53	379	0.13%	TN23	250	0.08%	RH1	170	0.06%
CV37	779	0.26%	UB7	371	0.12%	HX3	249	0.08%	SO40	168	0.06%
CM2	773	0.26%	RH10	367	0.12%	SW4	246	0.08%	LN2	168	0.06%
GU1	754	0.25%	NW6	366	0.12%	M34	246	0.08%	SW17	166	0.05%
CV34	752	0.25%	WA15	364	0.12%	NR3	246	0.08%	WR4	165	0.05%
HP13	741	0.24%	ST1	360	0.12%	WD6	244	0.08%	B9	165	0.05%
N21	728	0.24%	DY4	359	0.12%	EN5	243	0.08%	HP11	162	0.05%
IG11	728	0.24%	RC17	358	0.12%	IP1	242	0.08%	BH7	161	0.05%
CH2	728	0.24%	OX26	358	0.12%	B91	242	0.08%	EC1V	160	0.05%
TF7	725	0.24%	WN7	357	0.12%	TF2	242	0.08%	UB8	159	0.05%
DE24	705	0.23%	BH5	355	0.12%	MK5	242	0.08%	RG40	158	0.05%
DA1	705	0.23%	WF8	353	0.12%	RH15	241	0.08%	TW9	158	0.05%
CW1	696	0.23%	WD3	346	0.11%	E2	240	0.08%	GL20	157	0.05%
NR1	691	0.23%	CT19	344	0.11%	SK16	239	0.08%	SS15	156	0.05%
M1	688	0.23%	E15	344	0.11%	PL5	238	0.08%	M28	156	0.05%
SO22	677	0.22%	BS8	343	0.11%	CV12	238	0.08%	BD17	156	0.05%
SE18	675	0.22%	CF14	343	0.11%	SK5	236	0.08%	PR6	155	0.05%
RH6	672	0.22%	TW20	342	0.11%	GL5	236	0.08%	TS20	154	0.05%
EN3	665	0.22%	B33	341	0.11%	M44	235	0.08%	L12	154	0.05%
SE1	662	0.22%	BL1	340	0.11%	SK9	234	0.08%	SL7	153	0.05%
DA8	656	0.22%	RH19	337	0.11%	NE7	233	0.08%	SG17	152	0.05%
IG1	651	0.21%	SS1	333	0.11%	B64	233	0.08%	GU21	152	0.05%
CR2	648	0.21%	B35	333	0.11%	NG3	233	0.08%	B24	152	0.05%
GU35	647	0.21%	KT4	332	0.11%	S40	232	0.08%	WA13	150	0.05%
HP20	644	0.21%	SN3	330	0.11%	E6	232	0.08%	VV13	149	0.05%
WS11	644	0.21%	NW8	329	0.11%	WN2	230	0.08%	SS0	148	0.05%
PE1	642	0.21%	B66	328	0.11%	SW12	230	0.08%	RM11	148	0.05%
CR4	633	0.21%	SL9	328	0.11%	DA17	229	0.08%	N13	148	0.05%
TW3	632	0.21%	BS5	327	0.11%	LE3	228	0.08%	NN4	147	0.05%
SE16	628	0.21%	TQ1	327	0.11%	SL2	227	0.07%	S9	147	0.05%
GU11	628	0.21%	RM17	327	0.11%	CB1	226	0.07%	KT12	147	0.05%
B23	627	0.21%	BL8	326	0.11%	SW2	225	0.07%	IP22	146	0.05%
EN9	626	0.21%	B71	325	0.11%	WS2	225	0.07%	KT10	146	0.05%
M8	616	0.20%	IM8	324	0.11%	SC4	225	0.07%	ST15	145	0.05%



# Portfolio Statement (continued)

As at 31 March 2018

Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %
M33	144	0.05%	B77	94	0.03%	NR33	63	0.02%	SK11	36	0.01%
SL6	144	0.05%	UB10	93	0.03%	BT22	62	0.02%	BT38	36	0.01%
RM14	143	0.05%	BS11	93	0.03%	NN17	62	0.02%	LS25	36	0.01%
NN11	142	0.05%	WA1	92	0.03%	RH12	62	0.02%	NN10	36	0.01%
RM7	142	0.05%	SG5	92	0.03%	TQ13	60	0.02%	B43	36	0.01%
NN16	142	0.05%	PR25	92	0.03%	KT8	60	0.02%	BN27	36	0.01%
S33	141	0.05%	TS14	91	0.03%	NE31	60	0.02%	GU31	36	0.01%
L8	140	0.05%	WS7	90	0.03%	TN6	59	0.02%	SK10	35	0.01%
TW11	140	0.05%	BB12	90	0.03%	LS12	59	0.02%	M31	35	0.01%
SY11	139	0.05%	NW10	89	0.03%	N4	58	0.02%	OX2	35	0.01%
CH3	139	0.05%	NE22	89	0.03%	SW10	58	0.02%	HP6	34	0.01%
OL4	138	0.05%	SS17	89	0.03%	EW	57	0.02%	B47	34	0.01%
OL2	136	0.04%	CT1	89	0.03%	GU24	57	0.02%	N18	34	0.01%
ST11	136	0.04%	BT23	88	0.03%	GU16	57	0.02%	RG2	34	0.01%
SM1	135	0.04%	PO19	87	0.03%	ST17	57	0.02%	M24	34	0.01%
WA4	134	0.04%	LL11	87	0.03%	BA1	56	0.02%	LS13	33	0.01%
PR2	134	0.04%	B69	87	0.03%	B46	56	0.02%	IP4	32	0.01%
DH8	133	0.04%	TW8	86	0.03%	ST18	56	0.02%	CM16	32	0.01%
RM6	133	0.04%	M15	86	0.03%	CB4	56	0.02%	SK6	32	0.01%
L40	132	0.04%	ME19	86	0.03%	SL4	56	0.02%	M14	32	0.01%
WN5	131	0.04%	GU51	86	0.03%	KT20	55	0.02%	W5	31	0.01%
CW8	131	0.04%	BH21	86	0.03%	TS12	55	0.02%	DL9	31	0.01%
RG42	130	0.04%	BL0	84	0.03%	CW2	55	0.02%	NN18	31	0.01%
PO37	129	0.04%	LS1	84	0.03%	BT9	55	0.02%	LS5	31	0.01%
L1	129	0.04%	E11	84	0.03%	SE24	54	0.02%	ST13	31	0.01%
E8	128	0.04%	LS7	84	0.03%	B74	54	0.02%	RG9	30	0.01%
RG27	128	0.04%	W10	84	0.03%	RG12	54	0.02%	TW1	30	0.01%
YO16	126	0.04%	CH46	84	0.03%	CV5	53	0.02%	DN32	30	0.01%
IP33	126	0.04%	M45	84	0.03%	B30	53	0.02%	SV2	29	0.01%
HA5	125	0.04%	ME7	83	0.03%	SK15	53	0.02%	LU1	29	0.01%
PO15	125	0.04%	DE23	83	0.03%	BS15	53	0.02%	OL8	29	0.01%
RM12	124	0.04%	DY10	83	0.03%	FY5	53	0.02%	BH23	29	0.01%
WA11	124	0.04%	GL4	82	0.03%	LS8	51	0.02%	M25	28	0.01%
MK4	124	0.04%	NN15	82	0.03%	SG14	51	0.02%	DN31	28	0.01%
CO10	123	0.04%	HP4	82	0.03%	L2	49	0.02%	ME2	28	0.01%
CM9	123	0.04%	BS7	82	0.03%	KT13	49	0.02%	NE25	27	0.01%
KT17	123	0.04%	LL30	82	0.03%	WV2	49	0.02%	SL5	27	0.01%
L17	123	0.04%	GU4	81	0.03%	RM3	49	0.02%	CH60	27	0.01%
NG2	122	0.04%	B90	80	0.03%	ME12	49	0.02%	BN43	27	0.01%
RH16	121	0.04%	GU47	80	0.03%	KT7	49	0.02%	L25	26	0.01%
OL10	120	0.04%	L5	80	0.03%	EN4	49	0.02%	S12	26	0.01%
E12	119	0.04%	SN6	79	0.03%	GL56	48	0.02%	B63	26	0.01%
OL15	119	0.04%	SO30	79	0.03%	DT3	48	0.02%	L20	26	0.01%
RM2	118	0.04%	BB9	78	0.03%	IG6	48	0.02%	WV11	25	0.01%
CR3	118	0.04%	TW10	78	0.03%	RH20	48	0.02%	HP2	25	0.01%
WV4	118	0.04%	NN13	77	0.03%	OL7	48	0.02%	SS12	25	0.01%
L15	118	0.04%	WS13	77	0.03%	WV16	48	0.02%	OL13	25	0.01%
SE13	117	0.04%	NN3	76	0.03%	BH11	47	0.02%	WA5	25	0.01%
BL2	117	0.04%	SS6	76	0.03%	DE11	47	0.02%	NG17	25	0.01%
CV22	116	0.04%	SE17	76	0.03%	UB4	46	0.02%	SS2	24	0.01%
TN2	116	0.04%	OL16	76	0.03%	SK8	46	0.02%	BL5	24	0.01%
KT23	115	0.04%	SO51	75	0.02%	NN8	46	0.02%	MK7	24	0.01%
BL3	115	0.04%	HP17	75	0.02%	TW17	45	0.01%	BD22	24	0.01%
TQ7	115	0.04%	NC9	74	0.02%	NE17	45	0.01%	PE33	24	0.01%
PR8	114	0.04%	M29	74	0.02%	CT4	44	0.01%	E13	23	0.01%
GU34	113	0.04%	PL17	73	0.02%	UB1	44	0.01%	B12	23	0.01%
EX9	113	0.04%	BN12	73	0.02%	L35	44	0.01%	OX5	23	0.01%
KT11	113	0.04%	SM3	73	0.02%	RG28	44	0.01%	DA14	23	0.01%
SN25	112	0.04%	M46	73	0.02%	RG41	44	0.01%	M11	23	0.01%
TA9	112	0.04%	BS32	73	0.02%	BT40	43	0.01%	SK23	23	0.01%
GU20	111	0.04%	M21	73	0.02%	CB9	43	0.01%	RH14	22	0.01%
EX4	111	0.04%	GL1	73	0.02%	BB4	43	0.01%	HC2	22	0.01%
B20	111	0.04%	GL52	72	0.02%	WF4	43	0.01%	S10	22	0.01%
CW12	110	0.04%	S11	72	0.02%	HP18	43	0.01%	SK1	22	0.01%
N8	110	0.04%	LS29	71	0.02%	OLI	42	0.01%	BB7	22	0.01%
CF82	110	0.04%	IP32	70	0.02%	M38	42	0.01%	BT4	21	0.01%
NG7	109	0.04%	BI7	70	0.02%	SY12	42	0.01%	CW11	21	0.01%
L26	109	0.04%	WN4	69	0.02%	KT1	42	0.01%	OX14	21	0.01%
SO17	109	0.04%	TS5	68	0.02%	HA4	42	0.01%	S4	21	0.01%
CM13	109	0.04%	SR2	68	0.02%	SK4	42	0.01%	SW5	21	0.01%
SY16	108	0.04%	OL11	68	0.02%	FY3	41	0.01%	L39	20	0.01%
SR4	107	0.04%	GU19	68	0.02%	PR3	41	0.01%	YO21	20	0.01%
OX28	105	0.03%	L32	68	0.02%	CO3	41	0.01%	BB11	20	0.01%
RM19	105	0.03%	HG4	68	0.02%	CF31	40	0.01%	DN8	20	0.01%
SW9	104	0.03%	M3	68	0.02%	GU7	40	0.01%	DL3	19	0.01%
EX16	104	0.03%	LE7	67	0.02%	LE9	40	0.01%	SE23	19	0.01%
BH12	103	0.03%	CM6	67	0.02%	SK7	40	0.01%	HX1	18	0.01%
SG2	103	0.03%	LE2	67	0.02%	EX34	40	0.01%	B96	18	0.01%
SG1	103	0.03%	SG6	67	0.02%	S60	40	0.01%	E18	18	0.01%
L24	102	0.03%	HX6	67	0.02%	L31	39	0.01%	BN13	18	0.01%
L36	102	0.03%	BR1	67	0.02%	PL14	39	0.01%	L30	17	0.01%
CM21	102	0.03%	GL51	67	0.02%	BR2	38	0.01%	L13	17	0.01%
PO31	102	0.03%	RH11	67	0.02%	SW19	38	0.01%	DY1	17	0.01%
NR6	102	0.03%	ST16	67	0.02%	LE12	38	0.01%	LS11	17	0.01%
OL9	100	0.03%	PL3	66	0.02%	CT5	38	0.01%	N10	17	0.01%
BS4	100	0.03%	RH7	65	0.02%	PR26	38	0.01%	WR2	17	0.01%
WS12	99	0.03%	WN6	65	0.02%	LL13	38	0.01%	B93	17	0.01%
AL2	98	0.03%	TW12	65	0.02%	LL19	38	0.01%	BB8	17	0.01%
BT21	98	0.03%	BH9	65	0.02%	CF38	38	0.01%	PL15	16	0.01%
SW8	97	0.03%	SW11	64	0.02%	M9	37	0.01%	PL12	16	0.01%
CV31	96	0.03%	DA15	64	0.02%	RG10	37	0.01%	M32	16	0.01%
B28	96	0.03%	W1T	63	0.02%	OX4	37	0.01%	MK19	16	0.01%
RM8	95	0.03%	BH15	63	0.02%	BT28	37	0.01%	HA8	16	0.01%
SA11	95	0.03%	GL7	63	0.02%	M23	37	0.01%	WV12	16	0.01%
B78	94	0.03%	RC19	63	0.02%	WA7	36	0.01%	SO18	15	0.01%



# Portfolio Statement (continued)

As at 31 March 2018

Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %	Property postcode	Market valuation £'000	Total net assets %
CW10	15	0.00%	S26	10	0.00%	NE10	6	0.00%	NE2	4	0.00%
PO14	15	0.00%	KT15	9	0.00%	DL5	6	0.00%	M7	3	0.00%
SS9	15	0.00%	AL9	9	0.00%	TS24	6	0.00%	BB1	3	0.00%
TS25	15	0.00%	LS16	9	0.00%	BT20	6	0.00%	BT11	3	0.00%
S14	14	0.00%	SS14	9	0.00%	L7	6	0.00%	S5	3	0.00%
PE16	14	0.00%	BB3	9	0.00%	BB5	6	0.00%	BB2	3	0.00%
SN5	13	0.00%	IP30	9	0.00%	MK41	6	0.00%	M30	3	0.00%
TS26	13	0.00%	HR2	9	0.00%	WV1	6	0.00%	NE26	3	0.00%
TS10	13	0.00%	PR9	9	0.00%	L6	5	0.00%	B75	3	0.00%
RG22	13	0.00%	TS21	9	0.00%	YO11	5	0.00%	SO19	3	0.00%
S8	13	0.00%	S13	9	0.00%	S35	5	0.00%	HG1	2	0.00%
IG2	13	0.00%	PE7	9	0.00%	PR1	5	0.00%	GU17	2	0.00%
WA2	13	0.00%	WS15	9	0.00%	CB8	5	0.00%	SK2	2	0.00%
BT16	13	0.00%	OL5	8	0.00%	DY8	5	0.00%	S41	2	0.00%
L10	12	0.00%	M41	8	0.00%	M43	5	0.00%	RG8	2	0.00%
YO10	12	0.00%	LU7	8	0.00%	TS16	5	0.00%	NE66	2	0.00%
YO61	12	0.00%	RG31	8	0.00%	RH9	5	0.00%	SK12	2	0.00%
FY1	12	0.00%	DA10	8	0.00%	CO4	4	0.00%	SN1	2	0.00%
CW7	12	0.00%	PO7	8	0.00%	ST6	4	0.00%	DY3	2	0.00%
OL3	11	0.00%	NR17	8	0.00%	DL16	4	0.00%	NE9	1	0.00%
LS2	11	0.00%	S36	8	0.00%	WA16	4	0.00%	BL7	1	0.00%
L4	11	0.00%	CW6	8	0.00%	PR5	4	0.00%	NE12	1	0.00%
TS6	11	0.00%	DL1	8	0.00%	AL4	4	0.00%	CW4	1	0.00%
SK13	11	0.00%	L23	7	0.00%	TS11	4	0.00%	WA10	1	0.00%
BH25	11	0.00%	CH66	7	0.00%	TA18	4	0.00%	S43	1	0.00%
BT7	10	0.00%	SO45	7	0.00%	SK3	4	0.00%	S17	1	0.00%
NE24	10	0.00%	CA16	7	0.00%	WA12	4	0.00%			
RG24	10	0.00%	WS4	7	0.00%	LS3	4	0.00%	Total	225,240	74.36%

	Market valuation £'000	Total net assets %
<b>Total value of property (as listed above)</b>	<b>225,240</b>	<b>74.36%</b>
Investments		
Commercial Freehold Feeder Trust (17,364,504.48 units)	19,803	6.54%
Social Freehold Feeder Trust ( 2,691,304.80 units)	2,713	0.90%
Nextenergy Solar Fund Limited (1,823,296 shares)	2,015	0.67%
Bluefield Solar Income Fund Limited (1,733,200 shares)	2,002	0.66%
Greencoat UK Wind Plc (1,652,771 shares)	1,998	0.66%
The Renewables Infrastructure Group Limited (1,876,691 shares)	1,991	0.66%
Foresight Solar Fund Limited (1,884,276 shares)	1,955	0.65%
Starwood European Real Estate Finance Limited (1,847,747 shares)	1,922	0.63%
BBGI SICAV S.A. (1,438,589 shares)	1,910	0.63%
John Laing Environmental Assets Group Limited (1,893,794 shares)	1,899	0.63%
GCP Infrastructure Investments Limited (1,559,203 shares)	1,865	0.62%
International Public Partnership Limited (1,312,826 shares)	1,835	0.61%
John Laing Infrastructure Fund Limited (1,614,891 shares)	1,828	0.60%
HICL Infrastructure Company Limited (1,282,353 shares)	1,729	0.57%
3I Infrastructure Plc (786,491 shares)	1,675	0.55%
F&C Commercial Property Trust Limited (881,491 shares)	1,139	0.38%
UK Commercial Property Trust Limited (1,265,248 shares)	1,127	0.37%
Big Yellow Group Plc (133,134 shares)	1,120	0.37%
Tritax Big Box REIT Plc (759,931 shares)	1,089	0.36%
Standard Life Investments Property Income Trust Limited (1,200,695 shares)	1,074	0.35%
Custodian REIT Plc (933,450 shares)	1,057	0.35%
Land Securities Group Plc (113,744 shares)	1,047	0.35%
British Land Company Plc (164,357 shares)	1,033	0.34%
CLS Holdings Plc (136,100 units)	142	0.05%
St Modwen Properties Plc (132,600 units)	140	0.05%
Net other assets	21,547	7.11%
<b>Total Net Assets as at 31 March 2018</b>	<b>302,895</b>	<b>100.00%</b>

## Statement of total return

For the year to 31 March 2019

	Notes	Year ended 31 March 2019 £'000	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000	Year ended 31 March 2018 £'000
<b>INCOME</b>					
Net capital gains	6		14,365		17,022
Revenue	7	14,372		14,089	
Expenses	9	(5,606)		(6,432)	
<b>Net revenue before taxation</b>		<b>8,766</b>		<b>7,657</b>	
Taxation	10	(2)		(1)	
<b>Net revenue after taxation</b>			<b>8,764</b>		<b>7,656</b>
<b>Total return before distributions</b>			<b>23,129</b>		<b>24,678</b>
Distributions	11		(13,340)		(13,053)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>9,789</b>		<b>11,625</b>

There are no recognised gains or losses other than those declared in the Statement of Total Return.

## Statement of change in net assets attributable to shareholders

For the year to 31 March 2019

	Year ended 31 March 2019 £'000	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000	Year ended 31 March 2018 £'000
Opening net assets attributable to shareholders		302,895		287,968
Amounts receivable on creation of shares	38,858		12,691	
Amounts payable on cancellation of shares	(49,777)		(16,173)	
		<b>(10,919)</b>		<b>(3,482)</b>
Income accumulated into capital		6,685		6,284
Dilution levy receivable on creation of shares		511		500
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>9,789</b>		<b>11,625</b>
<b>Closing net assets attributable to shareholders</b>		<b>308,961</b>		<b>302,895</b>

## Balance sheet

As at 31 March 2019

	Note	31 March 2019 £'000	31 March 2019 £'000	31 March 2018 £'000	31 March 2018 £'000
<b>ASSETS</b>					
Investment Properties	13		231,380		225,240
Investments	14		43,234		56,107
			<b>274,614</b>		<b>281,347</b>
Debtors	15	1,511		1,674	
Cash at bank		53,951		41,729	
<b>Total other assets</b>			<b>55,462</b>		<b>43,403</b>
<b>Total assets</b>			<b>330,076</b>		<b>324,750</b>
<b>LIABILITIES</b>					
Creditors	16	(6,190)		(7,732)	
Distribution payable to shareholders		(2,732)		(2,868)	
Provision for deferred liabilities and charges	19	(12,193)		(11,255)	
<b>Total liabilities</b>			<b>(21,115)</b>		<b>(21,855)</b>
<b>Net assets attributable to shareholders</b>			<b>308,961</b>		<b>302,895</b>

Authorised for issue and signed on behalf of the Authorised Corporate Director on 31 July 2019.

Alpha Real Capital LLP

# Statement of cash flows

For the year to 31 March 2019

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total return	23,129	24,678
Adjustments for:		
Net capital gains	(14,365)	(17,022)
Interest receivable	(26)	(115)
Distributions received from investments	(428)	(1,326)
Income accumulated to capital on investments	(1,712)	(544)
Taxation	1,399	1,293
Increase in debtors	(1,318)	(90)
Decrease in creditors	(1,486)	(875)
<b>Cash from operations</b>	<b>5,193</b>	<b>5,999</b>
Tax paid	(1,399)	(1,293)
<b>Net cash flow from operating activities</b>	<b>3,794</b>	<b>4,706</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Disposal proceeds of investment properties	990	1,595
Disposal proceeds from statutory lease extensions	2,847	2,836
Disposal proceeds from investments	28,746	2,820
Disposal proceeds from grant of new lease	-	93
Purchase of tangible investment properties	(112)	(6,232)
Purchase of investments	(9,550)	(18,864)
Transaction costs on purchase of investment properties	(17)	(422)
Transaction costs on purchase of investments	-	(41)
Transactions costs on disposals of investment properties	(88)	(99)
Transactions costs on statutory lease extensions	(159)	(185)
Transaction costs on grant of new lease	-	(11)
Distributions received from investments	428	1,326
Interest received	26	115
<b>Net cash flow from investing activities</b>	<b>23,111</b>	<b>(17,069)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Creation of shares	38,858	12,691
Cancellation of shares	(49,777)	(16,173)
Dilution levy charge on creation of shares	511	500
Distributions paid	(4,275)	(4,525)
<b>Net cash flow from financing activities</b>	<b>(14,683)</b>	<b>(7,507)</b>
<b>Net increase/(decrease) in cash</b>	<b>12,222</b>	<b>(19,870)</b>
<b>Cash at the beginning of the year</b>	<b>41,729</b>	<b>61,599</b>
<b>Cash at the end of the year</b>	<b>53,951</b>	<b>41,729</b>

# Notes to the financial statements

For the year to 31 March 2019

## 1. Accounting policies

The principal accounting policies are summarised below.

### (a) General Information

The principal activity of TIME:Freehold is to acquire freehold ground rents which offer a consistent income stream and capital growth prospects. TIME:Freehold is a sub-fund of an umbrella OEIC, ARC TIME:Funds, which was incorporated in the United Kingdom on 3 April 2013. The Company is authorised by the FCA as a NURS. The principal place of business is the office of the ACD.

### (b) Functional and presentational currency

These financial statements have been presented in Sterling as this is TIME:Freehold's functional currency, being the primary currency in which TIME:Freehold operates. The amounts presented in these financial statements have been rounded to the nearest thousand.

### (c) Basis of preparation

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard Applicable in the United Kingdom and the Republic of Ireland' (FRS 102') and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014 and the Financial Conduct Authority's Collective Investment Scheme Sourcebook (COLL). These financial statements have been prepared under the historical costs convention, as modified for the fair value of investment properties and certain financial instruments.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the ACD to exercise judgement in applying the accounting policies (see note 4).

These financial statements have been prepared on a going concern basis.

### (d) Recognition of revenue

#### i) Operating leases as a lessor

Rental income from ground rent leases is credited to income on a straight-line basis over the terms of the leases.

#### ii) Other revenue

"Voluntary" lease extension receipts from leaseholders are recognised in the Statement of Total Return on the granting of the extension, as a one-off payment by a leaseholder to extend the life of the lease. However, where such receipt is received by virtue of the leaseholder exercising an extension under the Leasehold Reform Housing and Urban Development Act 1993 the "statutory" lease extension receipt is recognised as a capital receipt.

Investment income is recognised when the shares are first quoted on an ex-dividend basis.

### (e) Interest receivable

Interest income is accounted for on a receivable basis.

### (f) Investment properties

Investment properties comprise freehold interests in properties providing ground rents and are included in the financial statements each period on the basis of an open market valuation provided by an independent valuer. Direct expenses incurred in the acquisition of a freehold interest in a property, or the acquisition of the structure which owns the freehold interest, are treated as part of the cost of the property. No depreciation is provided in respect of investment properties. Realised and unrealised gains and losses on investment properties are included in the Statement of Total Return.

### (g) Financial instruments

Investments in Collective Investments Schemes ("CIS") are initially measured at cost (which is equal to fair value at inception). Investments are subsequently measured at the quoted bid prices for dual priced funds, the quoted prices for single price funds, the net asset value of the CIS or at fair value as permitted by the Prospectus under Fair Value Pricing. Fair value gains and losses from revaluation and/or sale are recorded in the Statement of Total Return as capital income. CIS investments are valued at their fair value as at 31 March 2019.

Investments in listed securities are initially measured at cost (which is equal to fair value at inception). Listed securities are subsequently measured at bid price or at fair value as permitted by the Prospectus under Fair Value Pricing. Investments in listed securities are valued at their fair value as at the balance sheet where held.

Any dividend or distribution income received during the investment holding period is recognised as income in the income account.

Financial assets, being cash and debtors, which are receivable within one year are recorded at transaction price. Any losses arising from impairments are recognised in the statement of total return.

Financial liabilities, being distributions payable to investors, which are payable within one year are recorded at transaction price. Any losses arising from impairments are recognised in the statement of total return.

### (h) Taxation

Withholding tax has been provided at an appropriate rate to the relevant income stream of the distributions made to shareholders holding net shares. The calculation of the share prices for the net share classes is net of withholding tax.

# Notes to the financial statements (continued)

For the year to 31 March 2019

## 1. Accounting policies (continued)

### (i) Incentive Fees

The Property Manager is entitled to an incentive fee of 10% of any increase in value of TIME:Freehold's property assets. This is calculated as the gain over the book cost achieved on a sale or increase in value of an asset following the renegotiation of a lease or other arrangement affecting immovable property but, in the case of a sale, less any lease negotiation fees paid on that property ("book cost" is the total capital cost of an asset, including all capital costs and expenses related to that asset at the date of the original acquisition of that asset plus any capital expenditure). This is a contractual obligation of TIME:Freehold at the point of the purchase of the asset but is only paid in the event of a sale. The fees on both the realised and unrealised gains during the period have been recognised in the Statement of Total Return.

### (j) Treatment of expenses

Expenses are recognised on an accruals basis.

## 2. Distribution policy

### (a) Basis of distribution

Income is generated by TIME:Freehold's investments during each accounting period. Distributions of income are made in respect of the income available for distribution in each accounting period. Distributions which have remained unclaimed for a period of six years after it has become due will be forfeited and will revert to TIME:Freehold. Distributions are based on each sub-fund's individual net revenue after taxation.

### (b) Apportionment to multiple share classes

The allocation of revenue and expenses to each share class is based on the proportion of TIME:Freehold's assets attributable to each share class on the day the revenue is earned or the expense is suffered.

### (c) Expenses

In determining the amount available for distribution in any accounting period, the aggregate of the income received or receivable by TIME:Freehold for the accounting period is taken and any charges and expenses paid or payable out of income in respect of that accounting period are deducted. The ACD then makes such other adjustments as it considers appropriate in relation to taxation, income equalisation, income unlikely to be received within twelve months following the relevant income allocation date, transfers between the income and capital account and any other adjustments which the ACD considers appropriate after consulting the auditors and the Depositary. This treatment will increase the amount of income (which may be taxable) available for distribution to shareholders in TIME:Freehold but may constrain capital growth.

## 3. Equalisation

Equalisation applies to shares subscribed or redeemed during the period. It is the amount of revenue included in the price of shares subscribed or redeemed.

Equalisation may be refunded on distribution or accumulated at the time of distribution. Shareholders are not liable to income tax on equalisation distributed as it is a return of capital and therefore must be deducted from the cost of shares for capital gains tax purposes.

## Notes to the financial statements (continued)

For the year to 31 March 2019

### 4. Judgements in applying accounting policies and key estimation uncertainty

In applying TIME:Freehold's accounting policies, the ACD is required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The ACD's judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Critical judgements in applying the fund's accounting policies

The critical judgements that the ACD has made in the process of applying TIME:Freehold's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

##### (i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the ACD has considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

#### Key sources of estimation uncertainty

The key sources of estimation uncertainty, that have a risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (i) Determining fair values of investment properties

Investment properties are valued by professional external valuers based on the current active market of similar properties. These valuations are believed to be appropriate and carried out with a high level of proficiency but estimates and assumptions are made leading to a level of uncertainty regarding the valuations.

##### (ii) Valuation of investment holdings

TIME:Freehold's investments are held at market value or fair value. The value of these investments may fluctuate depending on market conditions. The value of the holdings could vary within the next financial year, making this an area of estimation uncertainty.

##### (iii) Recoverability of receivables

TIME:Freehold establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the ACD considers factors such as the aging of the receivables, past experience of recoverability, and the credit profile of customers.

##### (iv) Litigation provision

TIME:Freehold establishes a provision for estimated costs relating to litigation cases that are likely to be incurred. When assessing costs of this nature the ACD relies on advice from professional external solicitors and the information provided by the Property Manager. Cases are reviewed regularly and on a case by case basis.

##### (v) Incentive fee provision

TIME:Freehold establishes a provision for a 10% incentive fee payable on any increase in property value over the cost, less lease negotiations fees paid on that property. The provision is estimated based on the property value at each valuation point. As assumptions are made when valuing investment properties there is a level of uncertainty about the amount and/or timing of these outflows.



# Notes to the financial statements (continued)

For the year to 31 March 2019

## 5. Risk management policies

### (a) Market risk and valuations of property

The exposure to market risk arising from the prevailing general economic conditions and market sentiment, may affect the balance sheet and total return of TIME:Freehold.

TIME:Freehold's exposure to market price risk is comprised mainly of movements in the value of TIME:Freehold's investments in properties. TIME:Freehold invests in ground rent assets. This concentrates the risk to TIME:Freehold in one asset class. However TIME:Freehold shall not invest in any one single property representing more than 15% of the Scheme Property (or 25% once included within the Scheme Property). In practice TIME:Freehold has approximately 65,300 ground rent assets across more than 6,800 legal titles. This provides a diversification of risk across the asset class and therefore reduces TIME:Freehold's exposure to a single asset.

Property investments are inherently difficult to value and difficult to transform into cash due to the individual nature of each property. As a result, valuations are subject to uncertainty. There is no assurance that the actual sale price will reflect the estimates resulting from the valuation process even where such sales occur shortly after the valuation date. Where it is necessary for TIME:Freehold to sell properties in order to meet redemptions, the amount realised from the sales may be materially less than the current valuation.

### (b) Credit and liquidity risk

TIME:Freehold's liquidity is reviewed on a periodic basis, not less than each month and more frequently in the event of major transactions or a trend of transactions e.g. in a net redemption of shares environment. This review will encompass a detailed forecast of imminent liquidity requirements and a broad projection of cash requirements for the next twelve month period.

TIME:Freehold will encounter liquidity risk when attempting to realise assets or otherwise raise funds to meet financial commitments. Investments in immovable property are relatively illiquid and more difficult to realise than most equities or bonds. If an asset cannot be liquidated in a timely manner then it may be harder to attain a reasonable price. TIME:Freehold's liquidity can be affected by unexpected or high levels of share redemptions. Cash is held to address liquidity risk but the spread of shareholders and the deferred redemption provision may mitigate this risk. However, under certain market conditions where liquidity risk may be deemed to be elevated, the level of cash held by TIME:Freehold may be higher.

Where requested redemptions are received across all Classes of TIME:Freehold for a particular valuation point on a dealing day which exceed 10% of the Net Asset Value of TIME:Freehold, the ACD may defer redemptions to the next dealing day.

The ACD may, acting in the best interests of all shareholders, effect instructions for subscriptions or redemptions of shares on a different pricing basis where a dealing request (or series of requests) for a particular dealing day exceeds £250,000 for TIME:Freehold. Shareholders affected by this provision may at the discretion of the ACD have such large deals refused until such time as the ACD is satisfied there is no prejudicial impact to the best interests of shareholders as a whole.

### (c) Currency risk

All financial assets and liabilities of TIME:Freehold are in Sterling, and TIME:Freehold has no exposure to currency risk at the balance sheet date.

### (d) Interest rate risk

TIME:Freehold held £53.9 million cash at the end of the year and this cash is exposed to interest rate risk. The ACD considers the impact of a change in rate as immaterial.

### (e) Legislative risk

The Government announced plans in its 2017 consultation paper to review unfair practices in the residential leasehold market. Although the focus of the consultation paper is on new residential leaseholds, the timing of any changes and the outcome of any legislative changes in the residential leasehold market and on the value of the portfolio owned by the Fund is uncertain.

Following on from the Government's consultation on "Tackling Unfair Practices in the Leasehold Market" and its subsequent response paper, the Government asked the Law Commission to consider further measures which could assist existing leaseholders of houses and to prioritise enfranchisement solutions for residential leasehold property generally.

In 2018 the Law Commission issued an initial paper followed by a full consultation paper, which sets out a number of potential solutions for a more coherent and streamlined enfranchisement regime for leaseholders of houses and flats. The Law Commission will review the responses, decide on their final recommendations and present them to the Government later in 2019. In the interim the Government recently announced in June 2019 its intention to bring forward proposals for legislation as soon as Parliamentary time allows.

In addition to the initiatives detailed above the Government has stated its intention to reduce the ground rent payable to the freeholder on new leases on leasehold flats to a peppercorn (with any resulting premium paid treated by TIME:Freehold as a capital receipt).

The independent valuer of TIME:Freehold, BNP Paribas Real Estate UK, has, within the valuation of the property portfolio at 31 March 2019 considered the prevailing market conditions, the Government's response to its own consultation on "Tackling Unfair Practices in the Leasehold Market" and the subsequent ongoing review by the Law Commission (and continues to do so at each monthly valuation point going forwards).

We therefore await the recommendations of the Law Commission to the Government and the response to the Government's proposed legislative initiatives. In the short term, until there is more clarity on any proposed reforms to the residential leasehold market, the Fund is not expected to acquire residential ground rent properties, unless contractually committed to do so (at 31 March 2019 the value of property exchanged but not completed is £0.4 million).

## Notes to the financial statements (continued)

For the year to 31 March 2019

### 6. Net capital gains

	Year ended 31 March 2019 £'000	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000	Year ended 31 March 2018 £'000
Proceeds from sale of investment properties	920		1,527	
Transaction costs	(83)		(97)	
Cost of investment properties sold	(249)		(753)	
Transfer of unrealised gain to realised gain	6		39	
<b>Realised gains on investment properties sold based on value during the year</b>		<b>594</b>		<b>716</b>
Proceeds from sale of investment properties	70		68	
Transaction costs	(6)		(3)	
Cost of investment properties sold	(75)		(47)	
Transfer of unrealised loss to realised loss	(1)		(19)	
<b>Realised loss on investment properties sold based on value during the year</b>		<b>(12)</b>		<b>(1)</b>
Proceeds from statutory lease extensions	2,847		2,836	
Transaction costs	(159)		(185)	
Cost of investment properties extended	(422)		(383)	
<b>Realised gains on statutory lease extensions during the year</b>		<b>2,266</b>		<b>2,268</b>
Proceeds from sale of investments	28,746		2,363	
Cost of investments sold	(28,270)		(2,363)	
Dilution levy	(28)		-	
Transfer of unrealised gain to realised gain	982		13	
<b>Realised gains on investments sold during the year</b>		<b>1,430</b>		<b>13</b>
Proceeds from sale of investments	-		457	
Cost of investments sold	-		(459)	
Transfer of unrealised loss to realised loss	-		(5)	
<b>Realised loss on investments sold during the year</b>		<b>-</b>		<b>(7)</b>
Proceeds from sale of new lease	-		93	
Transaction costs	-		(11)	
<b>Realised gain on grant of new leases during the year</b>		<b>-</b>		<b>82</b>
Unrealised gains on investment properties	10,420		24,177	
Unrealised loss on investment properties	(2,506)		(6,377)	
Unrealised gains on investments	3,111		-	
Unrealised loss on investments	-		(1,720)	
<b>Total unrealised gains</b>		<b>11,025</b>		<b>16,080</b>
<b>Incentive fee accrued on unrealised gains on investment properties</b>		<b>(938)</b>		<b>(2,129)</b>
<b>Total net capital gains</b>		<b>14,365</b>		<b>17,022</b>

There was no gain/(loss) for the in-specie transfer of the traded securities.

## Notes to the financial statements (continued)

For the year to 31 March 2019

### 7. Revenue

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Rental Income	9,163	8,795
Voluntary lease extension income	2,787	3,081
Interest income	26	118
Income from investments	2,286	2,010
Other income	110	85
	<b>14,372</b>	<b>14,089</b>

### 8. Operating lease commitments where the fund is a lessor

TIME:Freehold holds ground rent leases and receives lease based payments on these. The future minimum lease payments receivable under these leases are as follows:

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Not later than one year	8,994	8,898
Later than one year not later than five years	35,976	35,578
Later than five years	3,236,226	2,922,520
<b>Total future minimum lease payments</b>	<b>3,281,196</b>	<b>2,966,996</b>

The above table excludes expired contracts and those contracts that are transient in nature. Investors should also note that this incorporates leases of 999 years and over.

### 9. Expenses

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Authorised Corporate Director's fee	248	282
Depositary's fees	449	451
Custodian's fees	38	13
Investment Manager's fees	2,310	2,409
Transfer agency fees	225	226
Property Manager's fees	1,219	1,268
Performance fee	79	767
Audit fee	93	95
Tax adviser's fee	9	8
Valuation fee	138	129
Other professional fees and sundry expenses	798	784
	<b>5,606</b>	<b>6,432</b>

## Notes to the financial statements (continued)

For the year to 31 March 2019

### 10. Taxation

TIME:Freehold qualifies as a PAIF for tax purposes. Accordingly, the income generated by its property investment business will be exempt from tax. Any dividend income received from United Kingdom companies or, in general, from non-United Kingdom companies will also be exempt from tax.

Under the PAIF regulations, TIME:Freehold makes distributions to Net Share Class, non-exempt shareholders, net of the basic rate of income tax for the relevant income streams.

#### (a) Other taxation

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Isle of Man Tax at 20%	2	1
<b>Tax charge for the year</b>	<b>2</b>	<b>1</b>

### 11. Distributions

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000
Class A Gross Accumulation	1,464	1,122
Class B Net Accumulation	2,136	2,730
Class C Gross Income	1,231	1,144
Class D Net Income	1,673	1,341
Class E Gross Accumulation	565	622
Class F Net Accumulation	1,796	1,721
Class G Gross Income	195	268
Class H Net Income	1,762	1,114
Class T Net Income	-	526
Class ISA Gross Accumulation	498	437
Class ISA Gross Income	561	488
	<b>11,881</b>	<b>11,513</b>
Add: Income tax withheld on distribution	1,459	1,540
<b>Distributions for the year</b>	<b>13,340</b>	<b>13,053</b>

The difference between the net revenue after taxation and the distribution for the year is as follows:

Net revenue after taxation	8,764	7,656
<b>EXPENSES ALLOCATED TO CAPITAL FOR THE PURPOSE OF DISTRIBUTION CALCULATION:</b>		
Authorised Corporate Director's fee	248	282
Depository's fees	449	451
Custodian's fees	38	13
Investment Manager's fees	2,310	2,409
Transfer agency fees	225	226
Property Manager's fees	825	745
Valuation fees	138	129
Performance fee	79	767
Other professional fees	264	375
<b>Net distributions for the year</b>	<b>13,340</b>	<b>13,053</b>

## Notes to the financial statements (continued)

For the year to 31 March 2019

### 11. Distributions (continued)

**Distribution Table:** (for the year to 31 March 2019 (in pence per share))

Interim distribution for accounting date 30 September 2018 paid 30 November 2018.

Final distribution for accounting date 31 March 2019 paid 31 May 2019.

	Gross Revenue	Income Tax	Net Revenue	Distribution Paid 31/05/2019	Distribution Paid 30/11/2018
	p	p	p	p	p
Class A Gross Accumulation	30.51	-	30.51	16.20	14.31
Class B Net Accumulation	29.17	(4.85)	24.32	12.95	11.37
Class C Gross Income	9.69	-	9.69	5.10	4.59
Class D Net Income	9.67	(1.58)	8.09	4.27	3.82
Class E Gross Accumulation	30.04	-	30.04	15.95	14.09
Class F Net Accumulation	28.71	(4.74)	23.97	12.74	11.23
Class G Gross Income	9.57	-	9.57	5.03	4.54
Class H Net Income	9.57	(1.59)	7.98	4.21	3.77
Class ISA Gross Accumulation	30.51	-	30.51	16.20	14.31
Class ISA Gross Income	9.69	-	9.69	5.10	4.59

**Distribution Table:** (for the year to 31 March 2018 (in pence per share))

Interim distribution for accounting date 30 September 2017 paid 30 November 2017.

Final distribution for accounting date 31 March 2018 paid 31 May 2018.

	Gross Revenue	Income Tax	Net Revenue	Distribution Paid 31/05/2018	Distribution Paid 30/11/2017
	p	p	p	p	p
Class A Gross Accumulation	27.29	-	27.29	14.13	13.16
Class B Net Accumulation	26.24	(4.48)	21.76	11.23	10.53
Class C Gross Income	9.05	-	9.05	4.64	4.41
Class D Net Income	9.05	(1.56)	7.49	3.83	3.66
Class E Gross Accumulation	26.94	-	26.94	13.94	13.00
Class F Net Accumulation	25.95	(4.45)	21.50	11.09	10.41
Class G Gross Income	8.96	-	8.96	4.59	4.37
Class H Net Income	8.98	(1.56)	7.42	3.80	3.62
Class T Net Income	4.39	(0.76)	3.63	-	3.63
Class ISA Gross Accumulation	27.29	-	27.29	14.13	13.16
Class ISA Gross Income	9.05	-	9.05	4.64	4.41

Share Classes A-H were launched on 3 April 2013, the ISA Share Classes were launched on 1 January 2014 and Share Classes S and T were launched on 14 September 2016.

The amount of income equalisation that is returned to investors with the distribution payment is the actual amount of income included in the issue price at the time of purchase. Therefore there is no equalisation rate available.

### 12. Administrative expenses

#### (a) Authorised Corporate Director fees

With respect to performing the role of Authorised Corporate Director of TIME:Freehold, the ACD charges a fee at a rate of 0.1% per annum of NAV, calculated and paid monthly in arrears, subject to a minimum of £150,000 per annum. The ACD bears primary responsibility for all aspects of the operation of TIME:Freehold, except for those reserved for the Depositary.

#### (b) Depositary fees

The Depositary receives a fee at the rate of 0.15% per annum of NAV (up to a NAV of £150 million), subject to a minimum fee of £100,000 per annum, and a fee of 0.1% on any incremental NAV above £150 million, calculated monthly and paid quarterly in arrears or such other rate or rates as may be agreed in writing between the parties to the Instrument of Incorporation.

## Notes to the financial statements (continued)

For the year to 31 March 2019

### 12. Administrative expenses (continued)

#### (c) Investment Manager fees

The Investment Manager is responsible for TIME:Freehold's investment management and administration. The Investment Manager received a fee at a rate of 0.763% per annum of NAV (for Class A Gross Accumulation Shares to Class D Net Income Shares and the two ISA Share Classes), 0.938% per annum of (NAV for Class E Gross Accumulation Shares to Class H Net Income Shares), and 1.013% per annum of NAV (for Class S Net Accumulation and Class T Net Income Shares) (paid monthly in arrears) together the "Investment Management Fee".

The Investment Manager shall additionally be responsible for the provision of transfer agency services. For the provision of transfer agency services the Investment Manager, shall receive a fee of 0.075% of NAV per annum, payable monthly in arrears, subject to a minimum fee of £90,000 per annum.

A Performance Fee will accrue if TIME:Freehold's NAV increase exceeds the Hurdle Rate which is set at 8%. The fee will be 20% of the surplus above 8%. 50% of any such performance fee is payable to the Investment Manager and 50% to the Property Manager, in accordance with their service agreements.

#### (d) Property Manager fees

The aggregate property management fees payable to the Property Manager are 0.345% per annum of NAV (for Class A Gross Accumulation Shares to Class D Net Income Shares, Class S Net Accumulation to Class T Net Income Shares and the two ISA Share Classes), and 0.42% per annum of NAV (for Class E Gross Accumulation Shares to Class H Net Income Shares), calculated monthly and paid quarterly in arrears, for its work in managing and administering TIME:Freehold's property assets.

Additionally, the Property Manager is also entitled to an incentive fee of 10% of any increase in value of TIME:Freehold's property assets. This is calculated as the gain over book cost achieved on a sale or increase in value of an asset following the renegotiation of a lease or other arrangement affecting immovable property but, in the case of a sale, less any lease negotiation fees paid on that property ("book cost" is the total capital cost of an asset, including all capital costs and expenses related to that asset at the date of the original acquisition of that asset plus any capital expenditure). This is a contractual obligation of TIME:Freehold at the point of the purchase of the asset but is only paid in the event of a sale. The fees on both the realised and unrealised gains during the period have been recognised in the Statement of Total Return.

A Performance Fee will accrue if TIME:Freehold's NAV increase exceeds the Hurdle Rate which is set at 8%. The fee will be 20% of the surplus above 8%. 50% of any such performance fee is payable to the Investment Manager and 50% to the Property Manager, in accordance with their service agreements.

### 13. Investment properties

	Cost	Net unrealised appreciation	Net book value	%*
	£'000	£'000	£'000	
<b>As at 1 April 2018</b>	<b>130,241</b>	<b>94,999</b>	<b>225,240</b>	
Cost of property additions	112	-	112	
Transaction costs:				
Stamp duty	-	-	-	0.00%
Land registry fees	-	-	-	0.00%
Legal fees	15	-	15	13.71%
Acquisition fee	1	-	1	1.20%
Agents' fees	1	-	1	0.60%
<b>Total transaction costs</b>	<b>17</b>	<b>-</b>	<b>17</b>	<b>15.50%</b>
<b>Total cost of property additions after transaction costs</b>	<b>129</b>	<b>-</b>	<b>129</b>	
Reversal of accrual of cost of works capitalised in the prior year	(1,161)		(1,161)	
Transactions costs on disposals	88	-	88	(8.87%)
Transaction costs on lease extensions	159	-	159	
Disposals (note 6)	(989)	(5)	(994)	
Net increase in unrealised gain (note 6)	-	7,919	7,919	
<b>As at 31 March 2019</b>	<b>128,467</b>	<b>102,913</b>	<b>231,380</b>	

\* This represents the direct transaction costs for acquisitions as a percentage of cost of property additions or the direct transaction costs for disposals as a percentage of property disposals.

## Notes to the financial statements (continued)

For the year to 31 March 2019

### 13. Investment properties (continued)

TIME:Freehold's freehold and leasehold properties were independently valued as at 31 March 2019 by BNP Paribas Real Estate, acting in the capacity of External Valuers. The valuation was in accordance with the requirements of IFRS 13, FRS 102 and the RICS Valuation – Global Standards 2017.

In the financial year ending 31 December 2018, the total fees earned by the Valuers from TIME:Freehold were less than 5% of our company turnover.

The Valuers reported a total Market Value of the investment property that was held by the company of £231,380,000.

The Valuer's opinions were primarily derived from comparable recent market transactions on arms length terms.

### 14. Investments

	Cost	Net unrealised appreciation	Net book value
	£'000	£'000	£'000
<b>As at 1 April 2018</b>	<b>58,380</b>	<b>(2,273)</b>	<b>56,107</b>
Cost of investment additions	9,550	-	9,550
Cost of investment - inspecie	33,634	-	33,634
<b>Total cost of investment additions after transaction costs</b>	<b>43,184</b>	<b>-</b>	<b>43,184</b>
Accumulated distributions	1,711	-	1,711
Disposals (note 6)	(28,270)	982	(27,288)
Disposals - inspecie	(34,854)	1,263	(33,591)
Net increase in unrealised gain (note 6)	-	3,111	3,111
<b>As at 31 March 2019</b>	<b>40,151</b>	<b>3,083</b>	<b>43,234</b>

Please refer to the Portfolio Statements for details of the holdings.

Portfolio transaction costs vary depending on the types of investment, their market capitalisation and method of execution. They are made up of direct and indirect portfolio transactions costs.

There were no direct or indirect transaction costs in the period.

### 15. Debtors: amounts falling due within one year

	31 March 2019	31 March 2018
	£'000	£'000
Rental income receivable	567	908
Other debtors	435	316
Dealing subscriptions monies	235	134
Insurance premium recoverable from tenants	115	117
Accrued income	74	100
Deposits on purchases	32	46
Insurance income receivable from agents	49	49
Prepayments	4	4
	<b>1,511</b>	<b>1,674</b>



## Notes to the financial statements (continued)

For the year to 31 March 2019

### 16. Creditors: amounts falling due within one year

	31 March 2019 £'000	31 March 2018 £'000
Deferred income	3,637	3,831
Other taxation	726	800
Accrued expenses	610	1,618
Other creditors	615	241
Amounts owed to the Depositary	110	113
Amounts owed to the Custodian	7	7
Amounts owed to the Property Manager	427	749
Amounts owed to the Investment Manager	36	349
Amounts owed to the ACD	22	24
	<b>6,190</b>	<b>7,732</b>

### 17. Creditors: amounts falling due after more than one year

TIME:Freehold has a loan facility with the Royal Bank of Scotland maturing on 28 October 2023. The loan facility enables TIME:Freehold to borrow £25 million. At 31 March 2019 no debt had been drawn on the loan facility.

### 18. Financial instruments

	31 March 2019 £'000	31 March 2018 £'000
Investments measured at fair value	43,234	56,107
Financial assets measured at transaction price	1,272	1,671
Cash	53,951	41,729
Financial liabilities measured at transaction price	1,804	3,076

### 19. Provisions for liabilities and charges

Provisions represent amounts due on unrealised gains on investment properties, as follows:

	Incentive fees (see note 1i) £'000
As at 1 April 2018	11,255
Increase in unrealised gains	938
As at 31 March 2019	<b>12,193</b>

TIME:Freehold provides for an incentive fee of 10% on any increase in property value over book cost, less any lease negotiation fees paid on that property. This fee accrues to the Property Manager from the date of purchase of the property, as of the registration date in the name of TIME:Freehold but not paid until the asset is sold.

The provision is estimated based on the property value at each valuation point. As assumptions are made when valuing investment properties there is a level of uncertainty about the amount and/or timing of these outflows.

## Notes to the financial statements (continued)

For the year to 31 March 2019

### 20. Leverage

The leverage definition under AIFMD is wider than the traditional gearing definition applied. In accordance with the EU Commission Delegated Regulation (EU) No. 231/13 leverage is any method which increases the fund's exposure, including borrowing of cash and the use of derivatives. It is expressed as a percentage of the fund's exposure to its net asset value and is calculated on both a gross and commitment method.

Under the gross method, exposure represents the sum of the fund's absolute positions after deduction of cash balances and cash equivalents, without taking into account any netting arrangements. Under the commitment method, the exposure is calculated in the same way but takes into account any netting arrangements.

Under AIFMD the gross and commitment ratios calculate zero leverage as being 100% of net assets. As indicated in the Investment Manager's report TIME:Freehold has not utilised its loan facility and does not have any derivatives to hedge any risks as at 31 March 2019. Therefore the actual leverage recorded as at 31 March 2019 is 0.94 (or 94.4) using both the gross and commitment methods.

### 21. Reconciliation of movement in shares

Share Class	Opening number of shares 1 April 2018	Shares issued	Shares cancelled	Conversions in	Conversions out	Closing number of shares 31 March 2019
Class A Gross Accumulation	4,545,537.12	1,200,473.83	(460,656.90)	51,337.64	(87,605.30)	5,249,086.39
Class B Net Accumulation	8,530,508.87	1,587,690.40	(960,453.04)	1,429,916.79	(351,798.40)	10,235,864.62
Class C Gross Income	12,945,056.48	783,632.55	(1,382,545.91)	333,674.80	(314,687.04)	12,365,130.88
Class D Net Income	27,833,516.48	1,963,656.23	(10,163,823.30)	640,643.94	(5,237,783.94)	15,036,209.40
Class E Gross Accumulation	1,946,827.59	-	(106,639.75)	-	(25,660.93)	1,814,526.91
Class F Net Accumulation	7,806,736.62	165,436.80	(1,275,674.59)	647,697.04	(394,443.95)	6,949,751.92
Class G Gross Income	2,051,185.46	-	(41,488.07)	-	(547.67)	2,009,149.72
Class H Net Income	22,366,998.33	4,083,426.49	(1,535,311.35)	585,911.34	(100,069.86)	25,400,954.95
Class ISA Gross Accumulation	1,630,903.79	321,758.28	(198,453.31)	9,184.67	(31,943.11)	1,731,450.32
Class ISA Gross Income	5,421,739.96	1,128,762.98	(1,035,827.97)	444,807.43	(77,953.35)	5,881,529.05

### 22. Capital commitments and contingent liabilities

At 31 March 2019, £0.4 million of properties had exchanged but not yet completed.

There are no other material capital commitments or contingent liabilities as at 31 March 2019.

### 23. Related parties

The definition of related parties in The Financial Reporting Standard 102, Section 33 'Related Party Disclosures' has been reviewed and based upon this the Depositary, ACD, Investment Manager and Property Manager have been identified as related parties as they have the ability to control other parties or exert significant influence over other parties in making financial or operational decisions.

Alpha Real Capital LLP is the ACD of TIME:Freehold and the parent of the Investment Manager and thus is considered a related party to TIME:Freehold. The ACD acts as principal on all the transactions of shares in TIME:Freehold. During the year, the monies received through issues of shares totalled £38,857,584, the monies paid on cancellations totalled £49,777,019, the monies received as dilution levy totalled £511,140, which is retained by the Fund. Equalisation on shares issued was £758,920 and equalisation on shares cancelled was £803,277.

The ACD charges fees to TIME:Freehold as detailed in notes 12 (a). ACD fees of £248,489 were charged during the year (31 March 2018: £282,096). The ACD has put in place a rebate mechanism to avoid double charging of fees in relation to TIME:Freehold's investment in TIME:Commercial Freehold, TIME:Social Freehold and TIME:Defensive Income Securities. During the year, the ACD rebated fees of £51,078 (31 March 2018: £18,705). As at 31 March 2019 the total outstanding to the ACD was £21,812 (2018: £24,006).

Alpha Real Capital LLP and its subsidiary, Alpha Global Property Securities Fund Pte Limited, holds 3,808 Class B Net Accumulation shares in TIME:Freehold. As at 31 March 2019 these were valued at £25,760.

Alpha Real Trust Limited is considered to be a related party. Alpha Real Capital LLP, the ACD, is also the Investment Adviser and Manager of Alpha Real Trust Limited. As at 31 March 2018, Alpha Real Trust Limited held 13.2 million Class J Net Income units in FIAFT, the dedicated feeder of TIME:Freehold. As at 31 March 2019, Alpha Real Trust Limited held no investment in TIME:Freehold or its dedicated feeder trust.

NatWest Trustee and Depositary Services Limited is the Depositary of TIME:Freehold and is thus considered a related party of TIME:Freehold. Depositary fees of £449,481 were charged during the year (31 March 2018: £450,961). As at 31 March 2019 the total outstanding to the Depositary was £109,526 (2018: £112,734).

## Notes to the financial statements (continued)

For the year to 31 March 2019

### 23. Related parties (continued)

TIME:Commercial Freehold is a sub-fund of ARC TIME:Funds and is thus considered a related party of TIME:Freehold. TIME:Freehold holds 0.8 million Class I Net Accumulation units via Commercial Freehold Feeder Trust, the dedicated feeder for TIME:Commercial Freehold. As at 31 March 2019 these were valued at £1.0 million.

TIME:Social Freehold is a sub-fund of ARC TIME:Funds and is thus considered a related party of TIME:Freehold. TIME:Freehold holds 10.5 million Class I Net Accumulation units via Social Freehold Feeder Trust, the dedicated feeder for TIME:Social Freehold. As at 31 March 2019 these were valued at £11.6 million.

TIME:Defensive Income Securities is a sub-fund of ARC TIME:Funds and is thus considered a related party of TIME:Freehold. At 31 March 2019, TIME:Freehold held 27.9 million Income shares in TIME:Defensive Income Securities, valued at £30.6 million.

TIME Investments is the Investment Manager of TIME:Freehold and is thus considered a related party of TIME:Freehold. Investment Manager fees of £2,310,107, Transfer Agency fees of £224,676 and a Performance Fee of £35,687 (31 March 2018: £2,409,062, £225,600 and £348,540 respectively) were charged during the year as detailed in notes 12 (c). As at 31 March 2019 the total outstanding to the Investment Manager was £35,687 (2018: £348,540), which is included in creditors. The Investment Manager has put in place a rebate mechanism to avoid double charging of fees in relation to TIME:Freehold's investment in TIME:Commercial Freehold, TIME:Social Freehold and TIME:Defensive Income Securities. During the year, the Investment Manager rebated fees of £172,497 (31 March 2018: £98,200).

Freehold Managers PLC is the Property Manager to TIME:Freehold and thus considered a related party to TIME:Freehold. Property Manager fees of £824,926 and a Performance Fee of £35,687 plus VAT (31 March 2018: £744,796 and £348,540 plus VAT respectively) were charged during the year as detailed in Note 12 (d). The Property Manager also received transaction based fees during the year as follows; rental collection fees of £109,134 (31 March 2018: £170,790), lease extension fees of £272,066 (31 March 2018: £343,227), deed of variation & consents fees of £10,236 (31 March 2018: £7,116), enfranchisement fees of £878 (31 March 2018: £1,214) and lease transfer fees of £1,521 (31 March 2018: £1,064). As at 31 March 2019 the total outstanding to the Property Manager was £426,649 (2018: £749,002), which is included in creditors.

### 24. Post balance sheet events

On 31 May 2019, TIME:Freehold paid its final distribution for the year ended 31 March 2019.

Following the investor consent to the proposed Merger and Exchange offer in both TIME:Commercial Freehold and TIME:Social Freehold for equivalent shares in the new FCA authorised funds, TIME:Commercial Long Income and TIME:Social Long Income, TIME:Freehold's investments in TIME:Commercial Freehold and TIME:Social Freehold were transferred to TIME:Commercial Long Income and TIME:Social Long Income on a 1 for 1 basis on 1 April 2019.

## Company information and key service providers

### Company

ARC TIME:Funds (the "Company")

Registered in England with  
Company Number IC000958

### Sub-funds

Freehold Income Authorised Fund

Defensive Income Securities Fund

Commercial Freehold Fund

Social Freehold Fund

### Registered Office

338 Euston Road  
London NW1 3BG

### Authorised Corporate Director and Alternative Investment Fund Manager

Alpha Real Capital LLP  
338 Euston Road  
London NW1 3BG

Authorised and regulated by the  
Financial Conduct Authority

The register of TIME:Freehold may be  
inspected at this address

### Investment Manager, Administrator and Transfer Agent

TIME Investments  
338 Euston Road  
London NW1 3BG

Authorised and regulated by the  
Financial Conduct Authority

### Depository

NatWest Trustee and Depository  
Services Limited  
Floor 2 South  
Drummond House  
1 Redheughs Avenue  
Edinburgh EH12 9RH

Authorised and regulated by the  
Financial Conduct Authority

### Custodian

The Northern Trust Company  
50 Bank Street  
Canary Wharf  
London E14 5NT

Authorised and regulated by the  
Financial Conduct Authority

### Property Manager

Freehold Managers PLC  
Butlers Wharf Building  
36 Shad Thames  
London SE1 2YE

Authorised and regulated by the  
Financial Conduct Authority in  
relation to its insurance activities

### Standing Independent Valuer

BNP Paribas Real Estate UK  
5 Aldermanbury Square  
London EC2V 7BP

### Independent Auditors

Mazars LLP  
The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes MK9 1FF

### Taxation Advisers

KPMG LLP  
15 Canada Square  
London E14 5GL

Mazars LLP  
The Pinnacle  
160 Midsummer Boulevard  
Milton Keynes MK9 1FF

### Legal Advisers

Eversheds LLP  
1 Wood Street  
London EC2V 7WS

### Bankers

Royal Bank of Scotland PLC  
Corporate Banking  
4th Floor  
5-10 Great Tower Street  
London EC3P 3HX

Barclays Bank PLC  
1 Churchill Place  
London E14 5HP





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# Alpha

Authorised Corporate Director:  
Alpha Real Capital LLP

TIME Investments is the trading name of Alpha Real Property Investment Advisers LLP which is registered in England and Wales with company number 0C355196. It is a subsidiary of Alpha Real Capital LLP with company number 0C312705. Both TIME Investments and Alpha Real Capital LLP are authorised and regulated by the Financial Conduct Authority. FCA registration number 534723 and 436048 respectively. July 2019.

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