

April 2024

Dear

ARC TIME Freehold Income Authorised Fund (“TIME:Freehold” or the “Fund”) ARC TIME Freehold Income Authorised Feeder Trust (“Feeder Trust”)

TIME:Freehold | Opportunity for share/unit class conversion during temporary suspension

We are writing to you to advise you that, given the ongoing suspension and its unknown duration, we shall be offering a monthly opportunity for a class “conversion” from one class of share in the Fund for another class of share in the same Fund during the period of suspension. On the basis that is in the best interests of Shareholders as a whole, this would allow for:

- holders of Accumulation shares to send an instruction to convert their existing shares to the corresponding class of Income shares; or
- holders of Income shares to send an instruction to convert their existing shares to the corresponding class of Accumulation shares.

Whilst we are able to accept dealing instruction for limited Share (or unit) class conversions during the temporary suspension of the Fund, redemptions and subscriptions continue to not be accepted.

The initial date for conversions will be Monday 29 April 2024, with a cut-off for delivery of instruction to participate on 25 April 2024 at 10am. **Please note, should any Accumulation class investors participate for this date (and therefore convert to the equivalent Income class), they will receive the Fund’s full six-monthly distribution, which is scheduled to be paid in cash on or around 31 May 2024.**

Suspension Background

On 13 November 2023 we notified investors that dealing in shares in the Fund (together with the units in its Feeder Trust) had been suspended with immediate effect, further to the Fund’s independent valuer, BNP Paribas Real Estate, expressing material uncertainty regarding the Fund’s residential property valuations. The suspension was discussed and agreed with NatWest Trustee & Depositary Services Limited, the Depositary to the Fund. The introduction of valuation material uncertainty and the suspension in dealing in the Fund was a direct result of the Government’s announcement of a consultation (‘Modern leasehold: restricting ground rent for existing leases’) published on 9 November 2023 following the King’s Speech of 7 November 2023 announcing the Leasehold and Freehold Reform Bill.

In accordance with Financial Conduct Authority (“FCA”) rules the Authorised Corporate Director (“ACD”) and the Depositary must formally review the suspension at least every 28 days and inform the FCA of the results of this review.

It remains currently unclear how long the Fund’s suspension will continue and although the Government’s consultation closed on 17 January 2024, it may take some time before there is clarity from the Government on the final outcome of the consultation and the resulting proposed legislation. However, until such time as the independent valuer confirms that material uncertainty in the valuation of the Fund’s residential property assets no longer exists, the Fund will remain suspended and this is likely to be the case at least until draft legislation is presented to Parliament.

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TIME Investments is a trading name of Alpha Real Property Investment Advisers LLP which is authorised and regulated by the Financial Conduct Authority. TIME is registered in England and Wales with Partnership Number OC355196. Registered address 338 Euston Road, London NW1 3BG.

Given the suspension of dealing is likely to be protracted, the ACD and Investment Manager have been considering what action is permissible during the period of suspension to assist our investors.

As investors will be aware, the Fund offers various classes of share (or unit, in the case of the Feeder Trust) which are primarily categorised in two ways: (1) the profile of the investor (such as retail, institutional, offshore, for example) and (2) the preference for the treatment of the Fund’s income, which arises to your investment. Income can either be paid to investors (by electing for “Income” or income paying classes) OR will be accumulated into the value of your investment – essentially the income arising is reinvested into the capital value of your investment, and as such no cash-paid dividend arises (by electing for “Accumulation” or accumulation classes).

What is a conversion?

Within the Prospectus, we have provided a description of a “conversion” – please see Clause 17 (and for the Feeder Trust Clause 15.1). This includes commentary of the tax implications.

In summary, the Prospectus states:

- a Shareholder in a Fund may convert all or some of his shares of one class in a Fund for another class of shares in the same Fund.
- Conversions will be effected by the ACD recording the change of share class on the Register of the Company.
- A conversion is effected at the latest available Valuation Point for pricing purposes.
- The number of shares to be issued in the new Class will be calculated relative to the price of the Shares being converted from.

What types of conversion will be permitted?

Noting the existing share and unit class terms, the conversion option available to all holders will be simply to convert to the inverse class by distribution profile (i.e. same class Income to Accumulation OR Accumulation to Income) and no other conversions are allowed. Redemptions and subscriptions will continue to not be permitted during the suspension (nor will switching or exchanging).

The following table sets out the conversion options available to all Shareholders in the Fund:

	CURRENT CLASS	CONVERSION OPTION CLASS
Non – commission paying (“RDR clean”) classes	Class A Accumulation (Gross)	Class C Income (Gross)
	Class B Accumulation (Net)	Class D Income (Net)
	Class C Income (Gross)	Class A Accumulation (Gross)
	Class D Income (Net)	Class B Accumulation (Net)
Legacy commission-paying advised investors	Class E Accumulation (Gross)	Class G Income (Gross)
	Class F Accumulation (Net)	Class H Income (Net)
	Class G Income (Gross)	Class E Accumulation (Gross)
	Class H Income (Net)	Class F Accumulation (Net)

Offshore Institutional classes	Class S Accumulation (Net)	Class T Income (Net)
	Class T Income (Net)	Class S Accumulation (Net)
ISA Investors	Class ISA Income (Gross)	Class ISA Accumulation (Gross)
	Class ISA Accumulation (Gross)	Class ISA Income (Gross)

The following table sets out the conversion option available to all Unitholders in the Feeder Trust:

Non-commission paying ("RDR clean") classes	Class I Accumulation (Net)	Class J Income (Net)
	Class J Income (Net)	Class I Accumulation (Net)
Non-UK Investors Only	Class K Accumulation (Net)	Class L Income (Net)
	Class L Income (Net)	Class K Accumulation (Net)

For the avoidance of doubt, please note conversion instructions may be submitted in the normal manner to us. No cash-based conversions (i.e. where there is a "redemption" followed by a "subscription" which requires cash-based movements) will be accepted.

When will conversions be permitted?

The initial date for conversions will be Monday 29 April 2024, with a cut-off for delivery of instruction to participate on 25 April 2024 at 10 am. Please note should any Accumulation class investors participate for this date (and therefore convert to the equivalent Income class), they will receive the Fund's full six-monthly distribution. This is scheduled to be paid in cash on or around 31 May 2024.

Thereafter, we shall effect this same conversion mechanism monthly, being the 12th of each month (or next business day, if the 12th is not a business day). Please note that the cut-off to participate on each conversion date is 10 am two business days prior to the conversion date.

How shall we provide instruction for a conversion?

If you elect to convert to the inverse share class, please contact us to request a Conversion Form on 0345 600 1213 or by emailing enquiries@time-investments.com.

There are two ways to return a completed form to us:

By Email

Please email a signed copy of the Conversion Request Form to: enquiries@time-investments.com. Copies of documents can be sent as digital scans or as high-quality digital photographs.

By Post

If you would prefer to send your Conversion Request Form to us in the post, rather than via email, please send to:

Client Services Team
TIME Investments
338 Euston Road
London NW1 3BG

Please note the cut-off for delivery of instruction to participate on the first conversion date of 29 April 2024 is 10 am on 25 April 2024.

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How frequently are distributions made?

For TIME:Freehold, the distributions will be paid on a six monthly basis, usually on 31 May and 30 November.

We shall continue to publish all updates regarding the suspension and any further information via the Literature Library on our website.

We want to thank you for your support and should you require any assistance, please do not hesitate to contact our Client Services Team on 0345 600 1213 or by emailing enquiries@time-investments.com.

Yours sincerely,

A handwritten signature in black ink that reads "Nigel Ashfield". The signature is written in a cursive, slightly slanted style.

Nigel Ashfield
Managing Director