



Alpha Real Capital Ltd
TCFD Report

2022/2023

Contents

A message from the CEO	3
About us	4
Executive summary	6
Climate change	7
TCFD	8
Governance	9
Strategy	13
Physical risks	14
Transition risks	17
Risk management	23
Metrics and targets	27
Looking ahead	30
Appendix I	31

A message from the CEO

Welcome to our first TCFD report. While the Group is not currently in-scope under the Climate-related Financial Disclosures Regulation of 2022, this voluntary report is in response to interest from clients, consultants and other key stakeholders in how we are tackling the challenge of climate-related risks.

With our focus on sustainability as one of the key components of our business strategy, together with a rigorous approach to risk management, it is a natural progression for us to increase the level of disclosure to all our stakeholders and we hope that you enjoy reading this report.

The report has been prepared in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which provides a framework for companies to disclose their climate-related risks and opportunities, covering the four key areas of Governance, Strategy, Risk Management and Metrics & Targets. The report is intended to offer readers a detailed understanding of the climate-related risks and opportunities faced by the firm and the funds it manages.

One of our key sustainability commitments is to continuously seek improvement in our ability to gather and disclose relevant data over time. While we believe that this first report marks a significant step forward, we remain committed to improving both the quantum and analysis of reported data in the years to come.

Phillip Rose

Chief Executive Officer





About us

Alpha Real Capital Ltd ('the Group') encompasses Alpha Real Capital LLP ('AlphaReal') and TIME Investments ('TIME').

AlphaReal is a specialist real assets investment manager focused on secure income strategies. We invest in UK and European assets with predictable secure long term cash flows. We provide market leading and innovative real asset solutions across a range of investments such as ground rents and long lease property, renewable infrastructure, social infrastructure and secured lending, combining operational real estate expertise and fixed income skills.

TIME (www.time-investments.com) is the Group's authorised wealth management investment solutions arm.



The Group has a **180 plus strong professional team** and £4.8 billion of assets under management¹, including capital commitments.



We are **signatories** to the United Nations Principles for Responsible Investment, the UN Global Compact and members of INREV and AREF.



We look for **long term relationships** with our investment partners, tenants, lenders and other stakeholders.



The Group works with a wide range of **UK, European and international investors**, including pension funds and other large institutional investors as well as private investors, family offices and wealth managers through TIME.

¹ As of March-end 2023.

Specialist platforms

<p>Long Income Long-income real estate and social infrastructure</p>	<p>Renewable Infrastructure Renewable energy infrastructure</p>	<p>Alpha Property Lending Property lending</p>
---	--	---

Investment funds

<p>Index Linked Income Fund Long-income, inflation-linked commercial freehold ground rents</p> <p>European Long Income Fund Long-income, inflation-linked European commercial property investment</p> <p>Social Long Income Fund Long-income, inflation-linked social infrastructure</p>	<p>Wind Renewables Income Fund Renewable energy infrastructure</p>	<p>Alpha Real Trust Property lending and other asset-backed investing</p>
---	---	--

Wealth management solutions & funds²

<p>TIME: Freehold Long-income, inflation-linked freehold ground rents</p> <p>TIME: Commercial Long Income Long-income, inflation linked commercial property investment</p> <p>TIME: Property Long Income & Growth Listed real estate securities and directly held long income properties</p> <p>TIME: Social Long Income Long-income, inflation-linked social infrastructure</p>	<p>TIME: Advance IHT investment services focussed on renewable energy infrastructure and property lending</p>	<p>TIME: UK Infrastructure Income Listed renewable energy and infrastructure securities</p>
--	--	--

² Includes other TIME structured products not included in the diagram.

Executive summary

This inaugural TCFD report by the Group seeks to demonstrate to stakeholders the company's commitment to climate disclosure and to developing leading disclosures by using a recognised global framework such as the TCFD recommendations.

Governance

This report confirms that the Group has signed Board responsibility for overseeing the response to climate change including ESG performance and climate-related risks and opportunities. The Board will be establishing an "Executive Management Committee" (EMC) which will have the responsibility for the assessment of physical and transition climate-related issues and will report to the Board every year. A summary overview of physical and transitional risks across all qualifying funds will be included in the internal board reporting annually. This will include monitoring the trajectory of the reports created from MSCI's Climate Value-at-Risk ("Climate VaR")³ tool over time. The management of identified climate-related issues will be embedded through all management levels of the Group and will be supported by the ESG Committee which will drive the implementation of initiatives.

Strategy

We have identified and reported both the material physical and transition opportunities and the risks that could impact the Group in the short (0-5 years), medium (5-15 years) and long-term (15+ years). Physical risks have been categorised as either acute (event-driven e.g. increased severity of weather events) or chronic (longer shifts in climate patterns). Transition risks have been categorised as either policy & legal risks, technological risks, market risks or reputational risks. Where risks are identified, the likelihood, consequence and mitigation actions are considered to aid the understanding of how the risk could impact managed funds in the future. To aid this understanding we have utilised MSCI datasets to understand the potential Climate VaR and additional benchmark tools such as the Carbon Risk Real Estate Monitor (CRREM) analysis to inform financial planning, including future investment strategies for managed funds.

This approach better positions AlphaReal and TIME to take into account different climate change scenarios and embed greater resilience over time.

Risk management

The Group has four committees (refer to pages 11 and 12) and each Committee holds responsibilities for considering climate-related issues. Together, these committees ensure that identifying, assessing and managing climate-related risks are integrated into our overall

risk management. The EMC will have overall responsibility for ESG oversight, including climate-related risk management. In addition, where risks are deemed to be sufficiently material to require escalation to the Board, the EMC will take responsibility for this.

Metrics & targets

The Group has identified a series of metrics and targets to manage climate-related risks and opportunities and to drive the Group's overall strategy to achieve net zero by 2050. We continue to improve our understanding of our Funds' carbon performance. The Group has disclosed Scope 1, 2 and 3 emissions and continues to engage with tenants to increase portfolio emissions coverage.

Looking ahead

The Group is committed to continuously improving our climate-related disclosures over time and we look forward to sharing our progress with our stakeholders. An important step in the process is enhancing quality and granularity of climate data, while catering for the particularities of each asset class in which we invest across the Group.

Engaging with stakeholders will be essential for achieving our ambitions, particularly given the challenges of data accessibility within private markets and the limitations we face to directly influence tenant behaviour in the case of our commercial ground rent investments.

³ Climate Value-at-Risk (Climate VaR) is a forward-looking model that assesses the future costs that could be incurred by assets due to climate change.



Climate change

Recent wildfires, typhoons and extreme weather have demonstrated the impacts of climate change and the knock-on effect on the economy.

In December 2015, nearly 200 governing bodies agreed to address climate change in a multilateral effort to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and pursue efforts to limit it to 1.5°C. This is referred to as the Paris Agreement.

At the UN Climate Change Conference in November 2022 (COP27), countries came together to take action on climate change and keep global warming under 1.5°C compared to pre-industrial levels. Furthermore, the Intergovernmental Panel on Climate Change's (IPCC) 2022 report indicated that limiting global warming to around 1.5°C will require greenhouse gas (GHG) emissions to fall by 43% below 2019 levels by 2030 to subsequently reach Net Zero by 2050.

The UK commits, under the Paris Agreement, to reduce economy wide GHG emissions by at least 68% by 2030, compared to 1990 levels. However, in order to achieve the required emissions reductions, further to government action, private capital plays an important role. This creates opportunities for investors and financial markets as a whole to mobilise capital towards climate change solutions and promote capital markets climate financing. It is also crucial for a low carbon transition that financial institutions and markets enhance transparency in climate-related disclosures. The Task Force on Climate-related Financial Disclosures (TCFD) is a framework that promotes such transparency.

TCFD

The TCFD, first launched in 2017, was created to improve and increase reporting of climate-related information. It demonstrates how an organisation considers and mitigates climate-related risks and opportunities.

TCFD focuses on two classifications of climate risk:

- ➔ **Transition risks** are business-related risks that follow a transition to a low-carbon economy. This includes governmental legislation technology and policy changes which can lead to capital and operational risks to assets.
- ➔ **Physical climate** risk refers to the impacts such as heat stress changes in flooding, drought and sea level rise as well as the likelihood and intensity of extreme weather events.

TCFD key pillars

The TCFD recommendations are structured consistent with four key pillars, and eleven recommended disclosures to support disclosures under each pillar, set out by the Financial Stability Board's TCFD.



Governance

Describe the board's oversight of climate-related risks and opportunities.

The Board

The Board of ARCL or 'the Board' takes ultimate responsibility for ESG performance and climate related risks and opportunities, including the implementation of any relevant funds' ESG objectives and conformance with the ESG expectations of key stakeholders. The Board intends to empower the "Executive Management Committee" (EMC), which is in the process of being established (see Table 1 for membership of Committee), to assess climate-related issues (both physical and transition risks).

Where the EMC deems it necessary, any material climate risks identified will be escalated up to the Board. The EMC will report to the Board on an annual basis. These reports issued to the Board will note any material changes in risk that have occurred compared with the previous year. The Board will oversee the EMC, reviewing and scrutinising the findings from these annual reports.

Looking to the future

Once the EMC is established, a summary overview of physical and transitional risks across all qualifying funds will be included annually in the internal board reporting. This will include monitoring the trajectory of the reports created from MSCI's Climate VaR tool over time. For the avoidance of doubt, any material climate risks identified and escalated to the Board by the EMC will also be discussed in board meetings annually.

Organisational structure

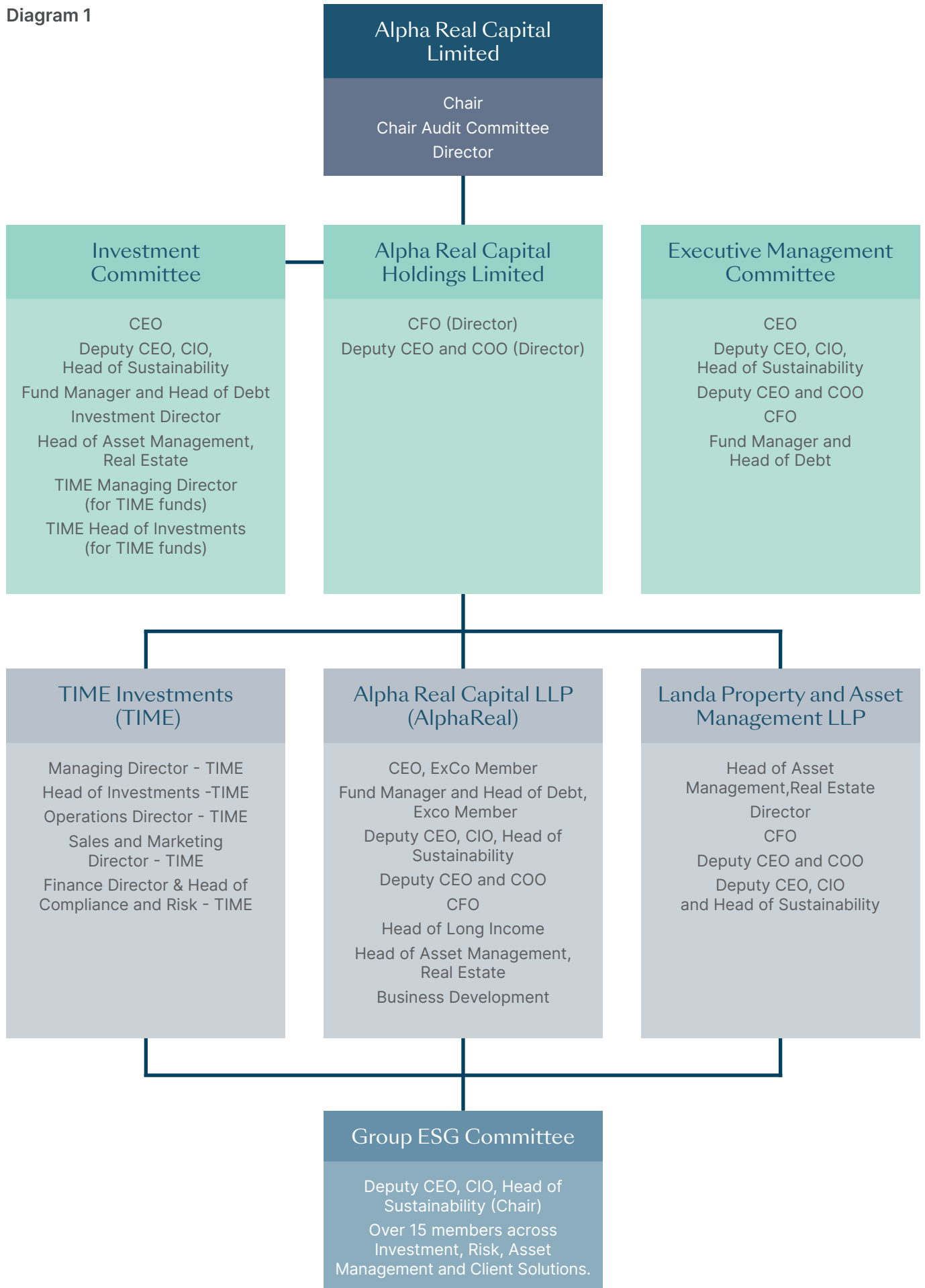
Group organisational structure is shown in Diagram 1, on the following page.

For note: at the time this report was written, the company had undergone a reorganisation, effective from 1st of April, and resulting in the establishment of a Board at Alpha Real Capital Ltd ("ARCL"), the parent company.

References to the Group should be interpreted as referring to the key subsidiaries of ARCL together i.e. AlphaReal and TIME.



Diagram 1



Describe management's role in assessing and managing climate-related risks and opportunities.

Management

Management of climate related risks is embedded through all management levels, including the EMC, the Investment Committee, the Risk Committee as well as Asset Management and Individual Fund Management teams. In addition, an ESG Committee with broad membership from across the firm contributes to strategy, knowledge sharing, culture and execution of initiatives.

These bodies perform the following roles in this respect:

Executive Management Committee

The Group EMC will represent the senior management of the group, constituting five members who hold overall accountability for the delivery of the ESG strategy, including climate change and its associated risks and opportunities, as well as for reviewing the development of sustainability and climate-related policies, alongside the Board. The *Deputy CEO, CIO and Head of Sustainability and Deputy CEO and COO* will jointly lead this committee, which also includes the *CEO and CFO* as members. The EMC will monitor progress towards the management and mitigation of risks via annual reports including climate risk information produced via the Climate VaR tool. The EMC will meet annually to oversee the strategic direction of the Group's approach to assessing and managing climate-related risks and opportunities, review the development of relevant policies and trends as well as any other developments in climate-related issues to which our funds may be exposed. The EMC will also review climate-related risks and opportunities across standing assets at annual meetings and will determine whether any potential risks should be escalated to the Board level for review and monitoring. The threshold for escalation will not be subject to a minimum to allow the EMC flexibility in its recommendations.

Investment Committee

The Investment Committee (the "IC") is the transaction-focused forum in which senior management from AlphaReal and TIME (as appropriate) agrees to recommend the purchase and disposal of properties, asset-backed operating businesses, loan investments, significant lease agreements and/or capital raising and refinancing. It plays an important role in ensuring that due consideration is given to investment decisions.

With regard to assessing and managing climate-related risks and opportunities, ESG and sustainability factors are incorporated into the investment decision process across the Group, albeit in different formats and including different characteristics depending on the asset class. For instance, in the case of Long Income, the largest proportion of our AuM, all IC papers and recommendations are required to include an assessment using Climate VaR, together with an ESG Scorecard. The ESG Scorecard summarises a range of ESG risks and opportunities pertinent to the transaction in question and together with the Climate VaR output forms an integral part of the materials reviewed by the IC. For other areas of the business, such as Renewable Infrastructure, where the use of Climate VaR is not yet appropriate, or for certain funds with assets of less than £100m, climate-related risks and opportunities and ESG due diligence may be evidenced using an adapted form of the ESG Scorecard or alternative methods which have been approved by the *Chief Investment Officer and the Head of Investment Risk*.

Risk Committee

The Risk Committee ("RC") is a forum in which senior management from AlphaReal and TIME meet to discuss and review risk issues. It is differentiated from the EMC (which will be strategic in nature) and from the IC (which is focused on transactions), with its focus instead being on corporate risk management, with climate-related risks and opportunities considered to be a subset of this. The RC meets monthly, and it considers climate-related risks and opportunities to the extent they relate to the ongoing business strategy of the Group. The membership of the RC includes the *CEO, the Deputy CEO and COO, the Deputy CEO, CIO and Head of Sustainability, the CFO and the Financial Director & Head of Compliance and Risk for TIME*.

Asset Management Team

The Asset Management team plays a key role in the risk management process of climate-related risks at the asset level.

This team is responsible for working with tenants and closely monitoring remedial actions, previously identified at the IC or by the fund management team as required to mitigate climate risks.

The team will ensure that agreed actions with tenants are executed successfully and in a timely manner.

Fund Management Teams

ESG and sustainability factors are embedded in our investment process, and as noted above, ESG considerations as well as climate-related risks and opportunities are incorporated both at the time of acquisition as well as ongoing monitoring. The fund management teams prepare an ESG Scorecard for presentation to IC, which takes a holistic view and considers *inter alia* the climate risk of an asset, environmental due diligence, metrics relevant to societal benefits and governance. As noted above, the precise format and contents of the ESG Scorecard may vary across funds. To the extent a potential transaction as evaluated by the ESG Scorecard is viewed by a fund management team as presenting an unacceptable level of ESG risk, it would be declined.

ESG Committee

The ESG Committee forms part of the formal bodies responsible for integration of ESG within the organisation and is chaired by the *Deputy CEO, CIO and Head of Sustainability*. It comprises representatives from across the firm, including members of the investment team, risk and asset management as well as client-facing staff, and is convened monthly. This committee functions as a forum to consistently review and enhance the firm's processes, capabilities and solutions with regard to sustainability, including climate-related risks and opportunities, through generation and execution of ideas. It allows for the firm's

dedicated ESG resources and other areas of the business to work together, leveraging the different areas of expertise, to identify and manage solutions to climate-related risks and opportunities across the business. For instance, the forum enables close collaboration between the ESG team and investment teams to manage physical risks at the portfolio and asset level, as well as monitoring and assessment of transition risks with the asset management team, such as risks related to Energy Performance Certification ('EPC'), at property level.

Table 1: Members and roles of Management Committees

Committee name	Member job title	Meeting frequency	Role: climate-related risks & opportunities
Executive Management Committee (EMC) ⁴	CEO Fund Manager and Head of Debt Deputy CEO and COO CFO Deputy CEO, CIO & Head of Sustainability	Annually	Strategic oversight, policy review and accountability
Investment Committee (IC)	CEO Deputy CEO, CIO & Head of Sustainability Fund Manager and Head of Debt Investment Director Head of Asset Management, Real Estate TIME – Managing Director (for TIME funds) TIME – Head of Investments (for TIME funds)	Ongoing	Ensuring climate-related risks and opportunities are incorporated into investment decisions
Risk Committee	CEO Deputy CEO and COO Deputy CEO, CIO & Head of Sustainability CFO TIME – Financial Director, Head of Compliance & Risk	Monthly	Ensuring climate-related risks and opportunities are incorporated and monitored as part of corporate risk management processes
ESG Committee	Deputy CEO, CIO and Head of Sustainability Over 15 representatives across the business in the areas of ESG, Investment, Risks and Client Solutions	Monthly	Enable cross-firm collaboration to enhance firm's processes, capabilities, and solutions with regard to climate-related risks and opportunities

⁴ Newly formed committee to help manage climate risk.

Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short-medium and long term.

Climate related opportunities identified

The Group manages several funds on behalf of investors. AlphaReal funds are available to institutions such as pension funds and insurers, while TIME funds are primarily available to advised retail investors⁵. Overall, the Group invests across three main platforms on behalf of investors:

- 1 Long Income Real Estate:**
Commercial Ground Rents, Long Leases and Social Infrastructure
- 2 Renewable Infrastructure:**
Wind and Solar
- 3 Asset-backed lending and other specialist real asset sectors and services**

In our Long Income platform, ESG considerations, including climate risk, are incorporated into our credit process at the time of acquisition. This process may identify potential future risks, which may also present an opportunity. For example, a fund may acquire an asset with an EPC rating that is not consistent with the Minimum Energy Efficiency Standards (“MEES”). Subject to negotiations with the tenant, this may provide an opportunity to upgrade the energy efficiency of such an asset to the point that it is consistent with MEES. However, it is important to note that in most of our real estate funds, the fund acts as Landlord under a fully repairing and insuring (“FRI”) lease. Under an FRI lease, the landlord owns, but does not operate the asset, and building maintenance and Capex decisions are the obligation of the tenant.

Fully Repairing and Insuring Leases (“FRI leases”)

Many of our funds in Real Estate Long Income act as Landlord under FRI leases, including our flagship ‘Index Linked Income Fund’. Under an FRI lease, the tenant is responsible for maintaining and operating the building and is effectively free to operate it as if it were the owner for the term of the lease.

The landlord (fund) has a passive rather than an active role in ongoing property management, which reduces the ability to identify and execute on climate-related opportunities once the acquisition has completed. Prior to acquisition, climate-related risks are identified at an early stage, developed through due diligence and also modelled using Climate VaR as part of the investment process. While funds will generally have a preference for buildings with green credentials, there may also be opportunities to provide funding to enhance the climate resilience or energy efficiency of an asset. Fund management teams seek to engage with tenants in order to identify and cost such opportunities.

Integration of climate-related risks and opportunities in terms of process, tools and data availability may vary depending on the asset class. However, it is our overarching philosophy and commitment to ensure ESG factors are fully integrated in our investment process, and to seek to identify, measure and manage climate risks and, where possible, opportunities, across our platforms and investments. Furthermore, we also place emphasis on renewable energy infrastructure, which we believe helps to mitigate the challenges of climate-change, and in doing so, adds additional resilience to our business.

⁵ For product description, please refer to the section ‘About us’ above.



Climate-related risks identified

In accordance with TCFD guidance, we have separated Physical Risks and Transition Risks. The risks identified are highlighted as the key climate-related risks which have the potential to materially impact our organisation. These risks will be monitored by our EMC and RC on a regular basis to ensure they are being appropriately managed throughout our organisation.

Climate risks may arise in respect of a company itself, its affiliates, or its supply chain and/or apply to a particular economic sector, geographical, or political region.

Time horizon for assessments

Given the diverse range of investment strategies offered to meet our client needs, the following time horizons were considered in assessing the impact of climate risks and opportunities on our business operations.

- Short Term: 0 to 5 years
- Medium Term: 5 to 15 years
- Long Term: 15 years+

Below we outline the transition and physical risks for these time horizons, as well as key opportunities and how they would impact our organisation.

Physical risks

Physical risks have been divided into two categories, acute and chronic:



Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, heatwaves, wildfires or floods.



Chronic physical risks refer to longer-term shifts in climate patterns (e.g. sustained higher temperatures and precipitation patterns), and sea level rise.

The table on the following page sets out the relevant physical climate risks to our business. Wildfire, tropical cyclones and drought are not considered to be a material risk to our Funds and are only mentioned in the risk table below for risks relating to insurability.

Chronic: changes and extreme variability in precipitation and weather patterns that may cause sea level rise or chronic heat waves.

More severe and more frequent heavy rainfall events. Rising sea levels encroaching onto land located near the coastline



Time horizon:
Long term



Likelihood:
Low

Consequence/risk to fund

Real estate:

- More frequent tenant business disruption
- Increased tenant insurance costs at assets which have a greater exposure and severity of these risks
- Assets becoming obsolete if continual impacts of physical risks are experienced, such as continuous flooding

Physical damage to assets could cause tenant occupation to be interrupted during repair. However, as the cost of repairs would fall to the tenant under an FRI lease, and rent would continue to be payable, the impact to the Group is **Low**.

All assets being considered for investment are surveyed during the acquisition phase and assessed by MSCI's Climate VaR which includes chronic physical hazards.

Further assessment is performed and/or mitigants identified where necessary. If a risk is deemed unacceptable, an asset would be removed from the transaction before completion.

Renewable infrastructure:

Impact is also **Low** given impact of extreme precipitation (and drought) is expected to be minimal for UK onshore wind and solar assets. Furthermore, asset due diligence includes environmental and physical hazards, while the firm is working to identify and employ a quantitative financial tool designed for Renewables climate risks.

Average temperatures increase.



Time horizon:
Mid to long term



Likelihood:
Low

Consequence/risk to fund

Real estate:

- Overheating in buildings causes negative impacts on human health and reduced efficiency of some building components
- Increased energy usage required to meet cooling demands
- Stricter Building Standards

Rising mean temperatures under a Paris-aligned scenario (1.5°C to 2°C) are not expected to result in structural issues to buildings, therefore the overall risk is considered to be **Low**. Energy consumption and management is a tenant responsibility. Nonetheless, the firm seeks to include a 'green clause' in leases to positively influence tenants to have regard to environmental good practice. As for stricter building standards, improvements are expected to be addressed by tenants for the majority of cases. Furthermore, as mentioned above, climate risks are mitigated through detailed risk assessment of real estate assets prior to acquisition.

Renewable infrastructure:

Rising mean temperatures under a Paris-aligned scenario (1.5°C to 2°C) are not expected to result in structural issues to wind turbines or solar farms, therefore impact is considered to be **Low**.



Opportunity/ action

Real estate:

We will continue to improve actual data collection which further enhances accuracy of the assessment of chronic risks. There is also an opportunity to continue to strengthen engagement with tenants, seeking to positively influence tenant behaviour with regard to environmental performance of the premises.

Renewable infrastructure:

We will continue to engage with climate data providers to identify a tool designed for renewable infrastructure to assess chronic climate risk from a financial perspective. There may be an opportunity to develop an in-house methodology.

Acute: Extreme weather events

Increased likelihood and severity of extreme weather events, such as cyclones, hurricanes, or floods.



Time horizon:

Short and medium term



Likelihood:

Low to medium

Consequence/risk to fund

Real estate:

- Physical damage to assets from flooding, and high winds which could either result in assets becoming obsolete or extended business disruption to tenants whilst damages are repaired
- Increased insurance costs or difficulty insuring assets which have a greater exposure to physical risks

Physical damage is mitigated by detailed environmental risk assessment prior to acquisition. For the majority of the commercial ground rents we manage, insurance lies with the tenant, in which case we ensure that insurance is in place. Furthermore, insurance availability and cost are checked prior to acquisition, therefore mitigating risks.

Renewable infrastructure:

- Physical damage to renewable infrastructure causing temporary reduction in output

New build solar assets are designed to an approved code of practice which uses a probabilistic methodology to ensure structures perform adequately over their design life. New build wind assets are designed to similar standards, and energy yield analysis accounts for climate effects. Thus, risk is deemed **Low** as it is fully insurable and not financially material.




Transition risks

Transition risks are the impacts through switching to a lower-carbon economy, such as extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organisations.

As shown below, our current expectation is that material transition risks are mostly short to medium term in nature, while material physical risks (identified above) usually have a longer-term horizon.

Technological risks

Net Zero transition costs

 **Time horizon:**
Medium and long term

 **Likelihood:**
Medium to high

Consequence/risk to fund


Landlord (fund) costs relating to implementation of Net Zero transition.



Opportunity/ action

It is expected that tenants will incur a majority of costs required to transition to a low carbon economy as they implement their own Net Zero strategies. However, in some cases it will be beneficial for funds to help with transition costs to ensure tenants' operational security and ensure preservation of future value through enhanced climate resilience.

Data capture

 **Time horizon:**
Medium term

 **Likelihood:**
Medium to high

Consequence/risk to fund

To achieve increased data coverage and accuracy, we are likely to need to adopt new technologies.



Opportunity/ action

A cost will be involved in adopting these new technologies. Over time, as technology improves, it is expected that these costs will reduce as efficiencies are developed.

Market risks

Assets becoming obsolete



Time horizon:
Medium to long term



Likelihood:
Low to medium

Consequence/risk to fund

- Assets become less saleable
- Reductions in price



Opportunity/ action

With early action through our ESG strategy and TCFD risk analysis, we already have a strong understanding of where our risks are and what measures need to be introduced to mitigate obsolescence risk.

Stakeholder behaviour change – Increased demand for green, low-carbon buildings



Time horizon:
Short and medium term



Likelihood:
Low to medium

Consequence/risk to fund

- Rental discount for buildings with poor sustainability credentials
- Properties with higher rated green credentials may let quicker and attract higher premiums



Opportunity/ action

Sustainable buildings typically attract a higher rent or achieve a higher capital value at the point of sale. There is also an opportunity to invest in improving the sustainability credentials of assets.

Wholesale power prices (Real Estate and Renewable Infrastructure)



Time horizon:
Short to medium term



Likelihood:
Medium

Consequence/risk to fund

- Reduced rent affordability for tenants
- Reduction in power prices impacting revenue from Renewable Infrastructure



Opportunity/ action

Work with tenants to improve energy efficiency.
In the case of Renewable Infrastructure, hedging strategies are regularly reviewed.

Raw materials costs (Renewable Infrastructure)



Time horizon:
Short to medium term



Likelihood:
Low

Consequence/risk to fund

Volatility in costs of industrial materials and freight costs in the supply chain of renewables, leading to additional costs.



Opportunity/ action

The Group's renewable energy portfolios are predominantly invested in operating assets. Our investment team closely monitors supply chain costs and trends. Furthermore, exposure is predominantly limited to the development phase, where timescales are relatively short, thus minimizing the impact of cost volatility.

Demand for wind and solar PV remains strong in spite of price volatility.

Reputational risks

Mandatory ESG disclosure regulations



Time horizon:
Medium and long term



Likelihood:
Medium to high

Consequence/risk to fund

- Loss of reputation
- Loss of investment



Opportunity/ action

The Group is committed to meeting stakeholders' and regulatory disclosure requirements and is proactive in doing so, an example being this voluntary TCFD report. The Group has a detailed and robust risk management framework which is expected to identify any additional mandatory disclosures and take the necessary steps to facilitate them.



Policy & legal risks

Cost of complying with minimum building/EPC standards (MEES compliance)



Time horizon:
Short term



Likelihood:
High

Consequence/risk to fund

- Cost of upgrading assets to comply with new regulations (MEES regulations requirement for properties to hold a minimum 'B' rating by 2030)
- Reduced asset values if regulations not met
- Risk of asset impairment



Opportunity/ action

We have prepared a database of current EPCs across all funds together with anticipated costs to bring them in line with MEES regulations and noting where exemptions apply.

Litigation costs



Time horizon:
Short to medium term



Likelihood:
Low to Medium

Consequence/risk to fund

Due to the expected rise in legislation as we switch to a low carbon economy, there is expected to be an increased risk of litigation costs for non-compliance.



Opportunity/ action

We expect the risk to be minimal as we are actively managing our risks and already transitioning our portfolio to be prepared for new legislation requirements.

Carbon pricing



Time horizon:
Medium and long term



Likelihood:
Medium

Consequence/risk to fund

Increased demand for carbon offset credits.



Opportunity/ action

Although we do not control the operation of assets under FRI leases and the associated path to Net Zero, we continue to encourage tenants to develop their Net Zero strategy. Once we have sufficient data, we will aggregate them into a Net Zero strategy at fund level. Residual emissions may require carbon offsets to bring to zero.

Policy and regulatory changes (Renewable Infrastructure)



Time horizon:
Medium to long term



Likelihood:
Low to medium

Consequence/risk to fund

Impact on operating costs.



Opportunity/ action

Our portfolio of assets is located in the UK. We believe that the likelihood that the UK government moves away from its net zero strategy and ambitions is low.

The Group closely monitors policy and legislation changes.

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

We believe that identifying, measuring and managing climate related risk factors can play an important role in ensuring attractive risk-adjusted returns over the long term.

Integrating sustainability within our investment process not only enhances risk management but, in some cases, also allows us to quantify benefits through which we are able to assess our contribution to the broader sustainability agenda. We manage the impacts of identified climate related risks and opportunities on our business through a risk matrix. By assessing all risks identified above across a short-, medium- and long-term outlook described above, we can focus resources on the material issues impacting our business and take advantage of the opportunities identified. MSCI datasets allow us to understand the potential Climate VaR across each of our funds, which is then managed by fund and asset management teams. A consolidated firm view will be held by the EMC and reported to the board so that a holistic view across all funds can be gained. The risk matrix will be reviewed by EMC on a regular basis to determine what actions need to be implemented in managing risks and which risks are considered to be material.

During the acquisition process, we utilise MSCI datasets when assessing a transaction to gain a better understanding of the climate risks that the asset could be exposed to in the long-term (up to 2100). Risks are discussed at the Investment Committee, including the financial implications for a fund of acquiring an asset which could be exposed to material physical or transition risks over the very long term. The Investment Committee must be comfortable that such risks can be mitigated in order for a transaction to proceed. During ownership of the asset, we engage with our tenants to better understand how these risks are evolving over time, for example by collecting tenant data, reviewing EPC performance and conducting CRREM analysis. Each of these areas feed into the investment strategy for individual funds.

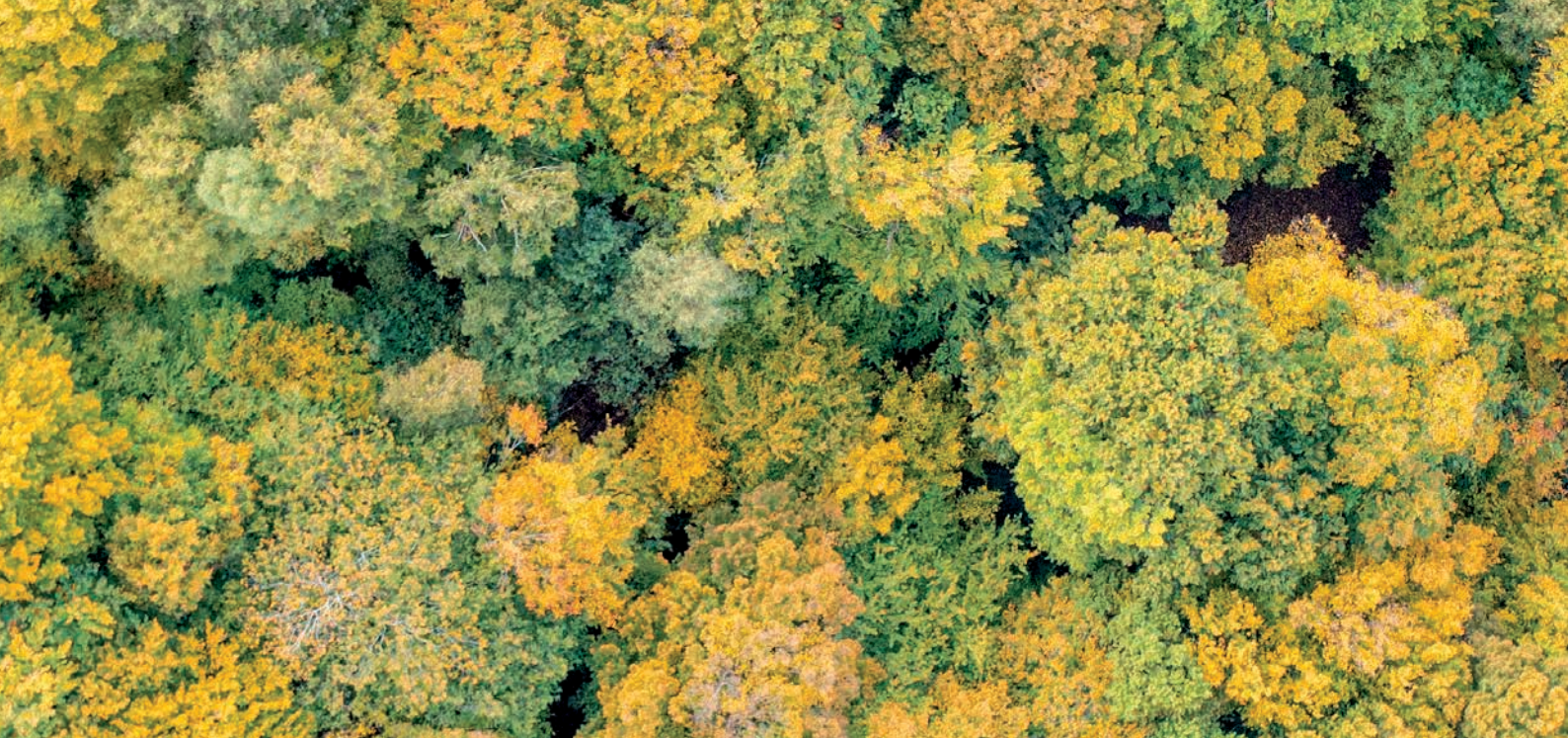
At the corporate level, we anticipate that the impact of climate-related risks on the Group will be limited, with opportunities focused primarily in the Group's ability to grow the renewables investment business.

The Group operates as a "boutique" asset manager offering a focused set of fund management products, primarily from its head office located in central London.

The Group has been certified as a carbon neutral organisation and intends to maintain this status going forward. Our carbon footprint has already been reduced due to measures such as sourcing electricity from 100% renewable sources and recycling waste. While we are committed to monitoring corporate emissions and looking at ways to reduce them, as a growing business, a certain amount of emissions will be required for "business as usual". However, we will seek to offset such emissions with reputable providers.

Main impact

The main impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning is the extent to which fund assets are deemed to be climate-resilient. As noted earlier, at the fund level Climate VaR is used to better understand the climate risks that an asset may be exposed to over the longer term. To the extent this estimate is material, there may be a risk of additional costs to be borne in future as well as an opportunity to improve the climate resilience of an asset.



Describe the resilience of the organisation’s strategy, taking into consideration different climate scenarios including a 2°C or lower scenario.

The Group is committed to delivering sustainable investment returns in a way that delivers positive environmental, social and economic benefits.

Given the long-term nature of the assets we manage as well as our clients’ investment horizons, we take sustainable investing seriously, with ESG considerations embedded within our investment and ongoing monitoring processes. Our funds have a long track record of direct investment in assets such as commercial ground rents, renewables infrastructure and social infrastructure, which has allowed us to develop a deep and practical understanding of ESG issues at our assets and manage the risk accordingly.

All funds operate under our Sustainable Investment Policy and align to the UN Principles for Responsible Investing. We use a range of tools to monitor and manage the sustainability characteristics of managed assets, including: MSCI Climate VaR and Sustainable Development Goals

(SDGs). We regularly review CQC and Ofsted ratings for educational assets and we instruct surveyors to report on Minimum Energy Efficiency Standards, EPC, BREEAM and other environmental ratings, where appropriate. We believe this approach helps to limit the impact of climate risk on our overall business. Our assets are typically occupied by corporate tenants, many of which have their own Net Zero strategies which provides a strong footing for managing climate risks. We actively engage with our tenants to support more sustainable practices and to improve the assets’ KPIs from an ESG perspective.

If an asset is identified as high risk, then an in-depth review of the asset’s risk is carried out to ensure the relevant risks are adequately managed. Risks identified in previous years are managed through the individual fund and asset management teams. Our focus on increasing tenant data across the portfolio builds resilience into the process as we gather more accurate insights into the portfolio to minimise the use of proxy data.

Looking ahead

The Group’s strategy will remain focused on “secure income” assets that deliver sustainable investment returns in a way that also delivers positive ESG benefits. Climate-resilient adjacencies to existing business streams identified as areas for future growth include expanding greenfield development in renewables infrastructure, investments in Battery Energy Storage Systems (BESS) and future renewables expansion into continental Europe. We anticipate maintaining the climate resilience of our existing funds through the use of tools such as Climate VaR, combined with a higher proportion of actual (rather than proxy) data.

Risk management

Describe the organisation's processes for identifying and assessing climate-related risks.

We undertake thorough ESG due diligence as part of our acquisition process which includes a review of the MSCI Climate VaR tool to identify transition and physical climate risks to prospective assets and assess their potential impact on our portfolio.

The ESG due diligence process considers three scenarios, 3°C, 2°C and 1.5°C. However, this process is different for each asset class in terms of process and depending on data availability and appropriate tools.

We also actively track EPCs across our real estate funds and intend to ensure that EPCs which do not benefit from an exemption are brought up to a minimum C rating by 2027.

Where risks are identified, both during acquisition and throughout a property's life cycle, they are recorded on the fund's risk register. Risks are categorised as either (i) Market, (ii) Credit, (iii) Liquidity, (iv) Counterparty or Operational (which includes ESG).

This year, CBRE held two workshops with senior management including the CEO, the *Deputy CEO, CIO and Head of Sustainability*; the *Deputy CEO and COO and the Head of Asset Management, Real Estate* to verify the overarching climate-related risks identified as part of this year's physical and transition climate risk assessments based

on CREEM and MSCI Climate VaR outputs, and to qualitatively and, as appropriate, quantitatively assess the relative significance of the risks and opportunities and their potential impact to the business.

Climate-related risk assessment

In addition to our baseline screening of climate risk, we collaborated with CBRE to identify and assess climate-related physical and transition risks to several of the portfolios using the tools MSCI Climate VaR and CRREM (the latter was used for further transition risks assessment).

The MSCI Climate Risk platform was used to provide a range of climate scenarios to identify the potential exposure to physical and transition risks up to 2100. This exposure analysis helps us to understand how these risks may materialise and what the impact to our business might be over the short, medium and long-term horizons.

We chose a range of scenarios provided through MSCI to test our portfolios against a range of potential climate related outcomes. This assessment involved testing the portfolio against the latest market models and provided a range of outcomes relating to both transitional and physical risks.

CRREM seeks to accelerate the decarbonisation of the real estate sector by enabling investors to set science-based targets and

reduction pathways and with monitoring tools that are necessary to manage efficiency measures effectively. CRREM is the leading global standard and initiative for operational decarbonisation of real estate assets to avoid stranding risk, address transition risk and comply with the Paris-aligned decarbonisation effort. According to CRREM, stranded assets are properties that cannot be adapted to meet future energy efficiency standards and market expectations and might be exposed to the risk of early economic obsolescence.

Identifying and assessing physical risk

The five scenarios on the next page are examples of scenarios used to assess the impact of physical risk on our real estate funds. The data from MSCI used these different scenarios to give a financial risk category associated with an asset's Climate VaR, enabling us to understand how exposed the asset might be to various different levels of climate change by the end of the century. Scenarios are not intended to be predictions of the future, instead they provide us with a possible pathway of warming which leads to a different level of physical climate hazard exposure. This enables us to assess exposure and understand the impacts to our business. The outputs of the assessment will allow us to develop flexible strategies and interventions to reduce our risk and futureproof the resilience of our assets.



REMIND | 1.5°C | SSP 2 | Orderly: this is an ambitious scenario that limits global warming to 1.5°C through stringent climate policies and innovation, reaching net zero CO₂ around 2050. Some jurisdictions such as the US, EU and Japan reach net zero for all greenhouse gases by this point

REMIND | 2°C | SSP 2 | Orderly: the “Below 2°C” scenario gradually increases the stringency of climate policies, giving a 67% chance of limiting global warming to below 2°C

REMIND | 3°C | SSP 2 | NDC: the “Nationally Determined Contributions (NDCs)” scenario

IPCC | 4°C | SSP3-7.0: A climate scenario for physical risk based on the global shared socioeconomic pathway with high regional rivalry and low international cooperation with mitigation measures leading to a mean global warming of around 4°C by 2100.

IPCC | 5°C | SSP5-8.5: A climate scenario for physical risk based on the global shared socioeconomic pathway with a high reliance on fossil fuels and little mitigation, leading to a mean global warming of around 5°C by 2100.

Transitional risk scenarios

To understand our transitional risks, we have utilised three methodologies.

- 1 We utilise the MSCI data to understand the Climate VaR. This involved a scenario analysis under a 1.5, 2 and 3°C warming scenarios to understand the financial risks to our portfolios and build out mitigation measures as necessary.
- 2 We use energy consumption and carbon emissions (actual & proxy) to assess each asset’s alignment to the Paris Agreement’s 1.5°C pathway. Initial assessments have been based on 2021 calendar year data and will be updated to 2022 calendar year data when this year’s data collection cycle ends in mid-2023. As outlined in our Metric and Targets section, Scope 1 & 2 emissions are negligible for our Real Estate funds, given the tenants have operational control over the properties and therefore emissions fall within Scope 3. This also means we rely heavily on tenants providing their annual consumption data to be able to assess our transitional risks.
- 3 We assess our EPC risk in line with the expected changes to MEEES legislation in 2027 and 2030. A substantial proportion of some portfolios will be exempt due to long lease structures, but we see it as a key metric in helping determine the proximity of our portfolios to Net Zero aligned assets.

Describe the organisation’s processes for managing climate-related risks.

Key processes for managing climate related risks:

Investment Committee

The Investment Committee assesses the ability to manage climate-related risks at the time of acquisition. This is done (in conjunction with an assessment of other ESG risks) through the integration of an ESG Scorecard within the papers considered by the committee. The committee will decide whether the risks identified can be mitigated, managed or accepted, or whether they present an unacceptable or unmanageable risk.

Risk Committee

The RC meets to discuss and review climate-related risks to the extent they impact upon the business strategy of the Group. As such, the RC may need to take action to manage certain risks.

Asset management and Fund Management teams

Once an acquisition has completed, the ongoing management of the asset is conducted by the asset management team, working in partnership with the relevant fund manager(s). Among other things, the asset management team will monitor relevant data at the portfolio level (for example the current EPC rating, proportion of leases with a “green” clause) as well as progress towards specific goals (such as achievement of an EPC C by 2027 for non-exempt assets).

Executive Management Committee

The EMC will hold a delegated authority from the Board to oversee ESG performance across the group. Although the majority of the EMC's role in this regard is expected to be the management and mitigation of risks via annual reports, under certain circumstances executive decision making or escalation of certain risks to the Board may be required.



ESG Committee

The ESG Committee includes the ESG team and representatives from across the business, working together in this forum to consistently review and enhance the firm's processes, capabilities and solutions with regard to sustainability, including climate-related risks and opportunities through generation and execution of ideas. Ultimately, it allows for integration between the firm's dedicated ESG resources and other areas of the business to identify and manage solutions regarding physical and transition risks and opportunities.

Transition risk

The Group recognises that transitioning portfolios in line with UK climate legislation may represent risk to the business. There is likely to be capital expenditure required to ensure that all properties within the portfolios meet the minimum standards required by current and emerging legislation. As a result, the Group is focused on mitigating the climate-related risks presented by legislation and compliance changes, especially those that relate to the Minimum Energy Efficiency Standards (“MEES”), scheduled for 2027 and 2030, the associated costs attached to reducing emissions and improving building energy efficiency capabilities and the expected increased reporting requirements expected by key stakeholders.

Due to the FRI lease structure of many of our assets, the impact will vary by fund depending on the nature of the underlying leases. As such, the Group will be concentrating efforts on those assets that are within scope of these regulation changes.

To increase our understanding of climate-related transition risk, our transition risk assessment utilised energy consumption and carbon emission information for each fund within the Group, with the assessments based on data gathered for each fund's 2022 GRESB submission. The assessment measured the alignment of each portfolio with the decarbonisation pathways outlined by the CRREM tool.

An active asset management approach is also utilised to recognise market and reputational behaviour shifts. The Group has appointed CBRE to meet with key tenants on a regular basis to discuss asset level matters and seek out pathways for collaboration that could co-beneficially reduce climate-related risk (e.g., Solar feasibility assessments for sites). Tenant engagement paired with the CRREM analysis enables the Group to efficiently identify any assets that are at risk of potential future impairment.



Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

As outlined above, the Group has four risk committees, each with a particular focus.

Together, these committees ensure that identifying, assessing and managing climate-related risks are integrated into our overall risk management. The processes involved are as follows:

1

Investment Committee

Climate-related risks are identified and assessed at an early stage in a potential transaction, and may be linked to particular features of an asset, for example, proximity to watercourses or a weak EPC rating. As asset due diligence and Climate VaR analysis is performed, the ESG Scorecard is completed, and detailed commentary is provided by the relevant fund management teams. This analysis is recorded within the papers provided to IC, where the discussion and decision rationale are both minuted.

2

Asset management and Fund Management teams

Where there are climate-related risks identified by the IC or by the fund management teams, there may be remedial actions required in order to mitigate them. The asset management team plays a key role in this risk management process, by closely monitoring that actions agreed with tenants are executed successfully and within agreed timeframes.

3

Risk Committee

The RC's focus is on identifying, assessing and managing risks to the business strategy of the Group. Meetings are held on a monthly basis and there is a formal agenda and minutes.

To the extent that climate-related risks become material to the business strategy of the Group, they will be added to the agenda for RC meetings, but to date this has not occurred.

4

Executive Management Committee

The EMC will have overall responsibility for ESG oversight, including climate-related risk management. The EMC will oversee the risk management functions outlined above and ensure that climate-related risks are properly identified, assessed and managed. In addition, where risks are deemed to be sufficiently material to require escalation to the Board, the EMC will take responsibility for this.

Metrics and targets

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Appropriately selected metrics have been utilised to align our strategy and risk management processes concerning climate risk. In order to adequately inform our stakeholders about our performance, the Group endeavours to provide transparency across our climate-related disclosures.

Corporate: Scope 1, 2 and 3 emissions

The Group was first certified as carbon neutral in 2022 based on calendar year 2021 data. The same exercise is currently being performed based on 2022 data. It is our intention to maintain carbon neutral status in future. The Group has not set active targets to date, on the basis that the post-pandemic years of 2021 and 2022 were not representative of a normalised business environment and as such would not be representative. The Group intends to revisit this approach at the end of the current financial year (March 2024) based on calendar year 2023 data.

Portfolios: Scope 3 emissions

Scope 3 emissions are largely represented by the assets held by funds managed by the Group. We continue our efforts to gather as much actual data as possible, using proxy data provided by Climate VaR where actual data cannot be sourced. Given the nature of the long-term FRI leases governing a majority of the Group's fund assets, the funds (as landlords) have no direct authority to collect actual data and do not have control over the emissions generated by a particular asset. Instead, the funds seek to engage with tenants directly in order to reach agreement for such data to be shared, where appropriate, to discuss potential climate-related opportunities, and to understand tenants' own plans with regard to achieving net zero.

Target	Metric	Period	Plan for 2023/2024
Portfolio Energy Performance Improvements	All required assets to achieve an EPC B rating or better	2030	Identify affected assets and indicative costings
Increase data coverage across the Group's portfolios	Increase data coverage (%) year on year by floor area	2025	Investigate ways to improve data collection and analysis, using the appropriate proxy data where actual data is not available
Maintain or reduce emissions by 2030 compared to a 2023 baseline	tCO ₂ e per £M turnover	2030	Seek to identify potential opportunities to reduce market-based emissions based on 2023 baseline data
Report scope 1 and 2 emissions and seek to increasingly report scope 3 emissions	tCO ₂ e	2024	Where possible, obtain and report on scope 1, 2 and 3 emissions within 2024 annual report
Report emissions intensity metrics	tCO ₂ e/m ²	2024	Where possible, obtain and report on carbon intensity metrics for real estate funds within 2024 annual report
Renewable energy generation and GHG emissions avoided	MWh and tCO ₂ e	2023	Continue to report on annual energy generation and avoided emissions across renewable infrastructure portfolios
Implement green clauses in new tenancy contracts where possible	All new leases to target green clauses	2023	From 2023 all new leases to target a green clause where possible

Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

Year on year we have been building up the actual data coverage across our fund portfolios. This has proven to be a gradual process, and while we anticipate being able to improve the proportion of actual data over time, in line with our Targets, there is no formal obligation on tenants to provide this data, and no guarantee that provision of data in one year will automatically mean provision of data in subsequent years. Nonetheless, we anticipate being able to improve the accuracy of our Scope 3 emissions reporting over time.

For further details on our GHG inventory methodology, please refer to the Appendix I.

Greenhouse gas (GHG) emissions



Scope 1:
Direct emissions from owned or controlled sources



Scope 2:
Indirect emissions from the consumption of purchased electricity, steam and cooling

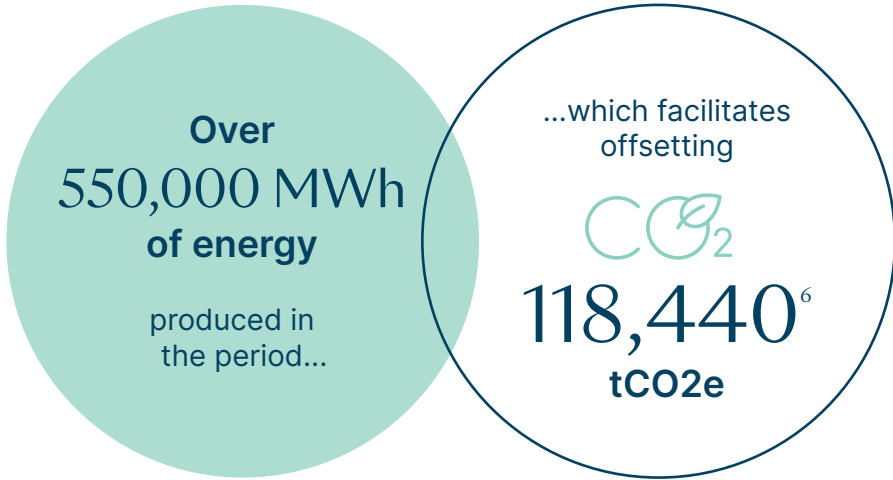


Scope 3:
All other indirect emissions that occur within the value chain

Scope	Emission type	2022 emissions (tCO ₂ e)
Scope 1	Corporate Operations – Fuel Use	2.95
	Total Scope 1	2.95
Scope 2	Corporate Operations – Location Based electricity use	25.85
	Total Scope 2	25.85
Scope 3	Corporate Business Travel	145.98
	Group Business Operations	496.44
	Investments & Downstream leased assets	55,457.28
	Total Scope 3	56,099.70



Renewable infrastructure



The Group recognises that the largest source of emissions is Scope 3. These emissions come from the operations of our tenants or the Group's own corporate supply chain. They represent emissions over which we do not have direct control and therefore pose challenges when managing and mitigating climate risk, as they require participation and collaboration from other entities, namely our tenants and suppliers. The Group continues to engage with all our tenants to obtain emissions data and support their decarbonisation plans for our assets.

Our Scope 1 and 2 emissions do not make up a significant proportion of our overall emissions, however, we remain committed to at least maintaining and where possible reducing our market-based emissions by 2030 based on a 2023 baseline. Any residual emissions that cannot be reduced without impacting business growth objectives will be offset. We aim to achieve operational carbon net zero (Scopes 1 and 2) by 2030.

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

The Group's key metrics and targets are set out above. Longer term, we anticipate that greater visibility over Scope 3 emissions resulting from a high proportion of actual data, and greater detail on tenant's own net zero pathways, will allow us to commit to an overall Net Zero strategy (Scope 1, 2 and 3) ahead of 2050. In the interim, we remain committed to achieving Net Zero by 2050 and look forward to working collaboratively with all stakeholders in the years ahead with this in mind.

⁶ Based on renewable energy generated by the Group's Renewable Infrastructure for the period April 22 - March 23. CO2e offset is based on the UK Government GHG Conversion Factors for Company Reporting 2021 - UK Electricity

Looking ahead

While this report marks an important step towards our climate ambitions, we are committed to continuously improving our climate-related disclosures over time and we look forward to sharing our progress with our stakeholders.

An important step in the process is enhancing quality and granularity of climate data, while catering for the particularities of each asset class and platforms we invest across the Group, as we get to understand more and more the challenges and opportunities lying within each area of the business. Engaging with stakeholders will be essential for achieving our ambitions, particularly given the challenges of data accessibility within private markets and the limitations we face to directly influence tenant behaviour in the case of our commercial ground rent investments.

The following outlines some of our core priorities and next steps for the short to medium-term:



Improving the quality and coverage of **data**



Implementing **internal processes** to help manage the flow of identified risks



Ensure all identified significant **physical risks** are managed



Exploring **efficiency improvements** across the portfolio such as renewable energy opportunities



Develop **strategy for managing highest risks** assets as identified through EPC and CRREM analysis



Appendix I

Reporting period

Our Greenhouse Gas (GHG) Emissions Statement is based on 2022 calendar year actual data collected in 2023.

Methodology

Our GHG statement has been produced with the support of different tools and external parties:

Corporate: For corporate emissions, we have worked with Carbon Footprint to assess our 2022 calendar year emissions, following a carbon appraisal and net zero status issued in 2022 for 2021 calendar year.

The reporting was produced in accordance with the GHG protocol corporate standard. Data provided by the Group was computed by Carbon Footprint using the appropriate 2022 conversion factors from sources such as DEFRA and BEIS. The inventory encompasses direct and indirect emissions from the firm's corporate facilities, business transport, supply chain (approximate, initial screening) and commuting & homeworking associated emissions. Location-based method has been chosen for reported emissions. Further information is available upon request.

Investments & Downstream leased assets:

We have worked with CBRE to gather actual data for each asset across the Real Estate portfolios for the calendar year of 2022. The energy data collected (electricity, natural gas, fuel oil and renewable electricity off-site and on-site consumption) were then used by MSCI Real Estate to calculate appropriate associated emissions, in accordance with MSCI's Real Estate solution methodology. Where actual data is not available, MSCI's proxy data was used. MSCI Proxies used are location and property-type specific. Further information is available upon request.

In the case of TIME: Freehold (FI AF), reported emissions represent 98% of the portfolio value, of which over 60% corresponds to emissions calculated based on actual floor area data provided. Absolute emissions were computed using MSCI's proxy data for the appropriate property type.

Our Equity funds' emissions were assessed through Refinitiv, where c.70% of funds' holdings emissions were available. Emissions data retrieved encompassed Scope 1, 2 and 3.

Specific exclusions

TIME: Aim was not assessed due to the fund size (c. 2% of the Group's AuM) and where further steps need to be taken to increase data accessibility. This is part of our ambitions for our reporting in 2024.

GHG emissions associated with our Renewable Infrastructure investments in Solar and Wind across WRIF and TIME: Advance are not accounted for in this GHG emission statement and will be included in future reporting as further data collection and analysis is required. It is important to note that the renewable energy generated by the Group's assets outweighs energy consumption at the asset level, with assets contributing to GHG emission avoidance. Similarly, TIME: CTC was not assessed in this reporting period as its investments in trading partnerships such as Solar, Wind and Lending overlap with TIME: Advance's underlying investments. Time: CTC represents <3% of the Groups AuM.

Our property lending investments through Alpha Real Trust are not included in this report. We plan to develop our understanding of the appropriate GHG emissions accounting and reporting for these underlying investments for future reports.

Contact us

AlphaReal
clientsolutions@alphareal.com
www.alphareal.com

TIME Investments
questions@time-investments.com
www.time-investments.com



Real assets. Real security.



This report and the data it contains represents the Group's view as at 31 March 2023.

This disclosure was developed using information from MSCI Real Estate or its affiliates or information providers. Although AlphaReal information providers, including without limitation, MSCI Real Estate and its affiliates (the "MSCI Real Estate Parties"), obtain information (the "information") from sources they consider reliable, none of the MSCI Real Estate Parties warrants or guarantees the originality, accuracy, and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the MSCI Real Estate Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect special punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.