



# Alpha Real Capital LLP

Our credentials  
2023

## About AlphaReal

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 commercial ground rents, renewable infrastructure, social infrastructure and secured lending, combining operational real estate expertise and fixed income skills.

AlphaReal has a 180 plus strong professional team with £4.8 billion of assets under management, including capital commitments.

## Key statistics

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£4.8<sub>bn</sub>

Assets under management

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£2.4<sub>bn</sub>

Social & renewables AUM

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£54<sub>m</sub>

Revenue

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180<sub>+</sub>

Professional team

Phillip Rose  
CEO



## Our credentials

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

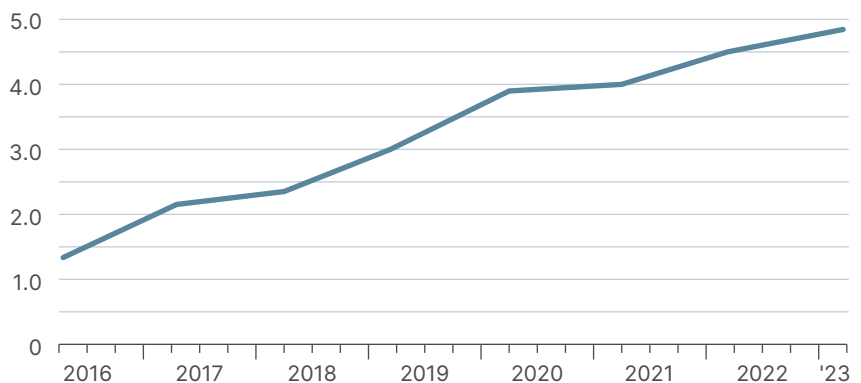
AlphaReal works with a wide range of UK, European and international investors, including pension funds and other large institutional investors as well as private investors, family offices and wealth managers through TIME Investments ([www.time-investments.com](http://www.time-investments.com)), AlphaReal's authorised wealth management investment solutions arm.

AlphaReal is a signatory to the United Nations Principles for Responsible Investment, the UN Global Compact UK and is a member of INREV and AREF.

### We offer each of our stakeholders:

- Robust investment and operating processes with financial accountability
- A strong emphasis on identifying, measuring and controlling risk
- An active-management approach that continuously seeks to add value
- A commitment to innovation
- A passion for integrity and responsibility in all we do and all we think
- A deep respect and genuine spirit of partnership with our investors, business partners and other stakeholders

Average AUM by quarter (£bn)



Signatory of:



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## Our credentials

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## Our investment style

Established in 2005 and independently owned and managed by its partners, AlphaReal thinks independently and acts responsively.

We focus on real assets that can provide income and capital security, income longevity and inflation protection, including Secure Income (SI) and Cash flow Driven Investing (CDI) strategies.

Investors benefit from our ability to bring together specialist sector knowledge, industry connectivity and pro-active management to originate, credit structure and manage real asset investments.

We integrate ESG into our investment processes and have a strong emphasis on social infrastructure and renewable energy infrastructure.

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## Communication

We strive to be leaders in transparency and provide our investment partners and stakeholders with clear, regular and relevant communication.



# Investment process

AlphaReal operates a robust investment process which integrates local market intelligence, strategic research, active management strategies with financial and risk management.

## Origination

- Focus on asset selection, valuation metrics, operational cash flow and credit
- Assess and quantify active management opportunities
- Assess asset and operational risk

## Structuring

- Detailed assessment of valuation fundamentals, rental profile and cash flows
- Forensic due diligence-physical, technical, legal, environmental
- Evaluate lease structuring options to deliver value and flexibility
- Financial and credit stress testing
- Develop risk management and monitoring strategies

## Investment Committee

- Independently review all investments based on risk return profile and strategic fit
- Sense test and stress test underwriting assumptions
- Review and test detailed due diligence including ESG factors

## Active asset management

- Detailed business plan including investment horizon
- Utilise optimum mix of in-house and closely managed service providers
- Partner-based relationships with key tenants

## Portfolio management

- Monitor portfolio and asset level characteristics, cash flows, financial covenants, projected IRRs, exit multiples and ESG factors
- Ongoing risk optimisation including rent rebalancing and/or asset substitutions

## Liquidity management

- Continually review liquidity options for investors
- Optimise cash balances

## Our business model

AlphaReal utilises its core strengths in establishing, building and managing specialist investment platforms focussed on discrete investment strategies:

Specialist platforms	Investment funds	Wealth management solutions and funds
<b>AlphaReal Long Income</b> Long-income real estate and social infrastructure	<b>Index Linked Income Fund</b> Long-income, inflation-linked commercial freehold ground rents	<b>TIME:Freehold</b> Long-income, inflation-linked freehold ground rents
<b>AlphaReal Renewables</b> Renewable energy infrastructure	<b>European Long Income Fund</b> Long-income, inflation-linked European commercial property investment	<b>TIME:Commercial Long Income</b> Long-income, inflation-linked commercial property investment
<b>AlphaReal Alternative Credit</b> Real asset lending	<b>Social Long Income Fund</b> Long-income, inflation-linked social infrastructure	<b>TIME:Social Long Income</b> Long-income, inflation-linked social infrastructure
	<b>Wind Renewable Income Fund</b> Renewable energy infrastructure	<b>TIME:Advance</b> IHT investment services focused on renewable energy infrastructure and property lending
	<b>Alpha Real Trust</b> Property lending and other asset-backed investing	<b>TIME:UK Infrastructure Income</b> Renewable energy and infrastructure securities

AlphaReal's expert platforms benefit from sector specialist teams who can draw on the wider group's resources and skill base to bring together cross-functional teams with deep experience in investment sourcing and selection, active asset management, credit and risk management, financing and structuring.

AlphaReal has specialist expertise in secure income investing including freehold ground rents, social infrastructure and renewable energy infrastructure.

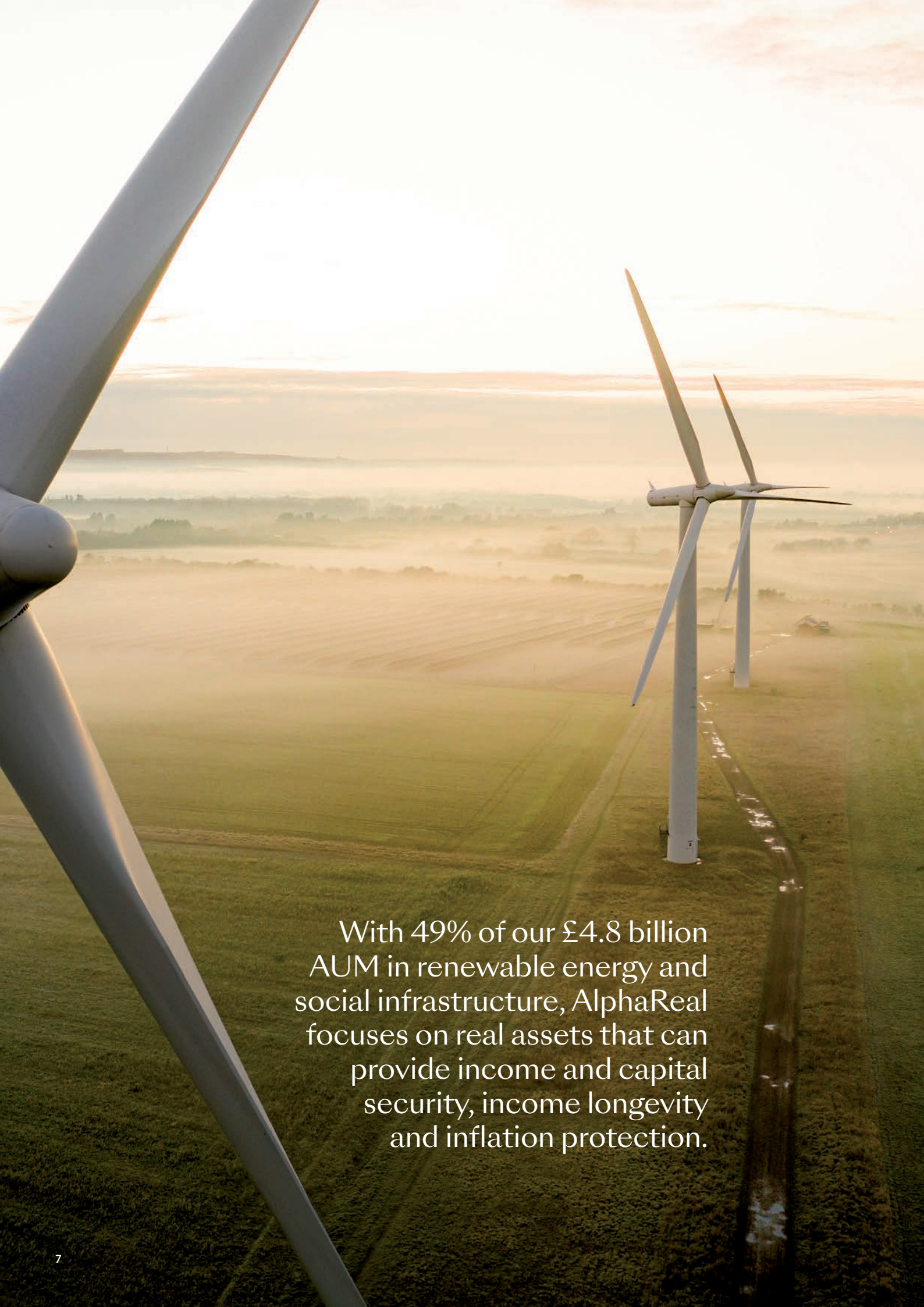
AlphaReal continues to create new funds and services that enable our investment partners to access a wider choice of secure income strategies from real assets with attractive risk-adjusted investment returns.

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## Our organisational strengths

AlphaReal's business is built on the breadth and depth of our 180 plus expert staff's collective experience, our ability to work flexibly on an inter-disciplinary basis, our expert sector-focussed investment platforms, and our disciplined investment processes.





With 49% of our £4.8 billion AUM in renewable energy and social infrastructure, AlphaReal focuses on real assets that can provide income and capital security, income longevity and inflation protection.

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## Our credentials

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## Our values

### Integrity

We do what is right, integrity is integral.

### Respect

We respect each individual: our colleagues, our investors, our business partners, all our stakeholders.

### Responsibility

We think and act responsibly, we make carefully considered decisions and we think about the long-term, about people and planet.

### Collegiality

We work together to achieve more, we know the best ideas can come from anyone, from anywhere.

### Investor centricity

The interests of our investors are at the centre of all we do.

### Originality

We value diversity of thought, encourage innovation and “thinking outside the box”.

### Rationality

We think analytically, test empirically and look from all angles. We ask more questions, and we think more deeply about the answers.

### Risk control

We identify, measure and mitigate risk. We believe two pairs of eyes are better than one and we pay attention to every detail.

### Transparency

We embrace good governance and financial accountability. We focus on clear and relevant communication with all our stakeholders.

# Our commitment to Environmental, Social and Governance ('ESG')

AlphaReal has continued to make significant progress on its sustainability journey over the past year. Key highlights include our inaugural TCFD<sup>1</sup> report (produced on a voluntary basis) and our first Group Sustainability report.



①

Our renewable infrastructure assets produced over 550,000 MWh of energy in a year...



③

to light almost 8 million 8W LED light bulbs continuously for a year...

②



enough clean energy to power over 190,000 UK households, or...

④



a CO<sub>2</sub> offset of more than 118 000 tonnes, equivalent to the CO<sub>2</sub> removed by over 5 million mature trees in a year.

This enhanced level of disclosure is part of our commitment to monitoring climate-related risks, impact investing and tenant engagement and both reports are available on our website. AlphaReal continues to participate in GRESB<sup>2</sup> which provides us with an objective assessment of progress year on year. We have made a commitment to Net Zero by 2050 both at the corporate and fund level, with the intention of accelerating that date in line with increased visibility on tenant decarbonisation plans where FRI<sup>3</sup> leases are in place (please see further information below under "Our journey to net zero").

Our real assets provide real world benefits

<sup>1</sup> Taskforce on Climate-Related Financial Disclosures

<sup>2</sup> Global Real Estate Sustainability Benchmark

<sup>3</sup> Fully Repairing and Insuring leases. Under FRI leases, the tenant controls how an asset is operated.

## Our credentials

### Our approach

Our sustainability philosophy is built around four pillars:

- 1 a quantitative approach;
- 2 rigorous analysis;
- 3 transparency; and
- 4 continuous improvement.

### Quantitative approach

We believe that sustainability characteristics should be quantified wherever possible. We believe that if a sustainability risk can be measured, it can be more easily mitigated or avoided. To this end, we selectively make use of third-party decision tools to enhance our understanding of such risks, but only once we have thoroughly reviewed the methodology to ensure it is robust and the output reliable. We are constantly seeking better ways of identifying, measuring and managing sustainability risks, and where possible, sustainability opportunities.

### Rigorous analysis

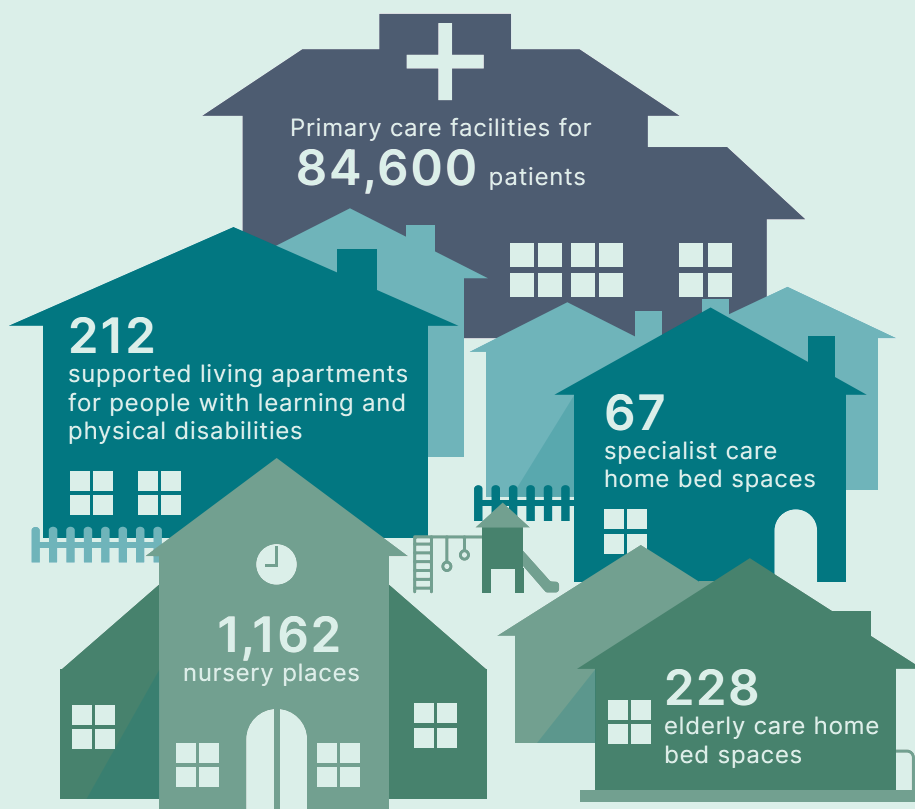
A broad and sophisticated analytical approach to investment risks is required for the long-term nature of many of the assets in which we invest. The same is true for our assessment of sustainability characteristics. As well as detailed asset-specific environmental due diligence, we also seek practical and relevant indicators, such as Ofsted ratings for education assets or CQC ratings for care assets. The UN Sustainable Development Goals (SDGs) are also a core component of our analysis, based on an outcomes-focused approach.

### Transparency

We believe in the importance of transparency for all our stakeholders and seek to present information in a way that is easy-to-understand and supported by our quantitative approach and rigorous analysis. Examples include expressing renewable energy output in terms of homes powered, or care facilities in terms of beds provided as well as transparency on carbon emissions. We also seek to be transparent about challenges we may face in meeting stakeholder expectations, for example when constraints imposed by FRI leases reduce our ability to directly influence tenant behaviour or collect data.

### Continuous improvement

We take a positive approach in our efforts to find better ways to measure the sustainability characteristics of the assets we manage.





## Working with others

AlphaReal is a signatory to the United Nations Principles for Responsible Investment, the UN Global Compact Network UK and also participates in other industry bodies such as Pensions for Purpose, the UK Sustainable Investment and Finance Association.

AlphaReal is also a member of INREV (the European Association for Investors in Non-Listed Real Estate Vehicles) and AREF (the Association of Real Estate Funds).



## People

Our culture combines an entrepreneurial and meritocratic approach with collaboration and respect for the individual. We believe that the best ideas can come from anyone, and that by working inclusively as a group we are able to leverage our collective strengths to achieve more.

We believe that sustainability and integration of ESG factors is a firmwide responsibility, not just that of one team. As such, we have incorporated ESG into key processes across the firm, from staff appraisals, through to Investment Committee (IC) and ongoing management.

We also believe that combining individuals with different backgrounds and experiences can enhance a range of business processes, from idea generation and decision making to problem solving and risk management. The Group seeks to foster a culture where differences are valued, and where all colleagues are treated with respect.

We are constantly looking for ways to nurture and protect this culture and engage with our staff regularly through engagement surveys, with most recent completion rate of over 90% across the business. Each member of staff has an ESG performance objective which is considered as part of the annual review process.

## Our credentials

### Diversity and inclusion

AlphaReal has an established Diversity and Inclusion (D&I) policy. This policy centres on six core group commitments:

- To not discriminate, and to ensure everyone should be treated equally regardless of race, sex, gender identification, sexual orientation, ethnic or national origin, nationality, religion, age, disability, marital or civil partner status, pregnancy, or any other characteristic protected by law
- To promote equality of opportunity for all staff
- To promote the Group's commitment to diversity and inclusion to all staff
- To create a working environment free of bullying, harassment or victimisation
- To adhere to the principle that promotion and compensation decisions should be based on merit, reflecting both business and individual results
- To regularly review our D&I policy and processes and take action to address any issues raised

AlphaReal also encourages staff to participate in charitable and voluntary work, through flexibility on time off and corporate donations.

### Sustainability measurement and management tools

To ensure we are appropriately measuring and managing sustainability and ESG performance, we employ a range of third-party decision tools. Impact measurement and management is constantly evolving, and we keep these tools and methodologies under continuous review.

#### Aligning with the UN SDGs

The UN's Sustainable Development Goals (SDGs) are an invaluable tool for aligning sustainability strategies. We evaluate managed assets against the SDGs, in most cases identifying a primary goal that is of core relevance to the investment, plus any secondary goals on which the investment may have an additional impact.

Across AlphaReal and TIME, our core goals are:



## Our credentials

### Assessing carbon intensity

We use MSCI Climate Value at Risk (VaR) to provide a forward-looking and valuation-based assessment of climate-related risks and opportunities within real estate investment portfolios. This model consists of two main components:

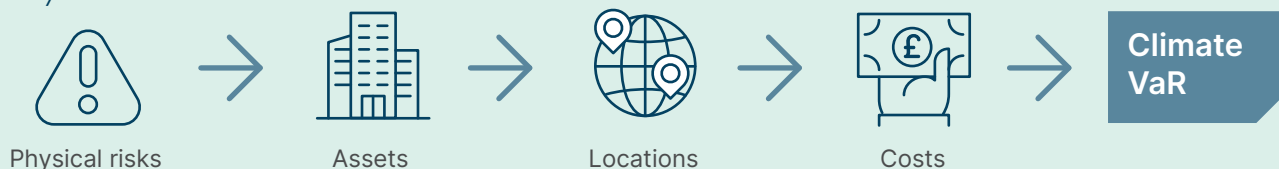
**Transition Risk** – risks of transitioning to a low-carbon economy. This includes governmental legislation, technology and policy changes which can lead to capital and operational risks to assets. We assess risks over a timeline to 2100 under temperature increase scenarios, including 3°C, 2°C and 1.5°C and under different integrated assessment models, including CRREM pathways.

**Physical Risk** – refers to impacts such as heat stress changes in flooding drought and sea level rise as well as the likelihood and intensity of extreme weather events. Physical risks are assessed using different cost functions for acute and for chronic risks. Extreme weather events are based on MSCI scenarios that seek to align with those recommended by the Network for Greening the Financial System (NGFS) and the Intergovernmental Panel on Climate Change (IPCC).

### Transition policy risk



### Physical risk



### Assessing social value

We have developed an impact framework in-house which consists of four key elements which when taken together enable assessment of impact. The elements are market return, intentionality, contribution and measurement. For measurement, we have worked with Loop since 2020 to provide an independent measurement and quantification of social value.

Independent verification and measurement constitute an area of ongoing development. As an industry stakeholder, we are actively collaborating with third party providers with the aim of moving towards achieving consensus on an industry agreed methodology.

## Our credentials

### Our ESG scorecard

ESG is fully embedded in our investment process, from initial appraisal through to Investment Committee and ongoing management. This is facilitated through the use of an ESG Scorecard, which covers a range of sustainability risks and opportunities pertinent to the transaction in question and forms

an integral part of the materials reviewed by the Investment Committee.

The scorecard takes a holistic view and includes climate value at risk, environmental due diligence as well as metrics relevant to societal benefits and governance. Risk level and mitigants (where risk is medium or higher) are identified for each of the factors across E, S and G.

The format and contents of the ESG Scorecard may vary across funds, depending on the nature of the investments and the availability of tools and data. In such cases, ESG due diligence may be evidenced using an adapted form of the ESG Scorecard or alternative methods approved by the Group's Chief Investment Officer.

E/S/G	Factor	Description
Environmental	Climate Risk	Assessment of physical & transition risks as well as the asset carbon intensity based on MSCI Real Estate Climate Value-at-risk
	Energy Efficiency	Energy efficiency rating, and proposed future improvements
	Asbestos	External assessment of asbestos-containing materials, registers, and management plans. Confirmation on lease requirements regarding tenant management of asbestos in line with regulations
	Deleterious materials	External assessment on presence of deleterious materials and confirmation of lease requirements regarding tenant management of deleterious materials in line with regulations
	Flood Risk	Environmental survey findings on likelihood of flooding from tidal/ fluvial/ reservoir/ surface water sources and analysis of mitigants and insurability. Confirmation of lease requirements regarding tenant management of flood risks in line with regulations
	Land Contamination	External assessment land contamination and confirmation of lease requirements regarding tenant management of land contamination issues in line with regulations
	Mining	Site assessment for coal mining activity and confirmation of lease requirements regarding tenant management in line with regulations
	Radon	Risk assessment of radon gas at the site area and confirmation of lease requirements regarding tenant management in line with regulations
Social	Social Value	Quantitative assessment of social value generated in the case of social assets
Governance	Compliance with Group policies	Investment compliance with the Group's Sustainable Investing Policy
	Cladding	Confirmation of lease requirements regarding tenant management of cladding in line with regulations
	Fire Risk	Asset compliance and operation in line with regulation
	Green clause	Confirmation on whether a green clause* has been included in the lease
	Independent regulator rating	Independent regulator rating received by the tenant/asset in the case of social assets
E, S and/or G	Other characteristics	Any other ESG characteristics that demonstrate tenants' alignment with responsible and sustainable practices within their strategy and/or operations
	SDGs	Asset alignment/contribution to the Sustainable Development Goals, including both core and ancillary goals where there is clear linkage between investment and the respect goal's target(s).
Summary Rating	Impact / Risk	Overall assessment of ESG risk abased on the individual assessment and attributed rating to the risk factors described above. Based on overall risk, we identify the transaction's green premium/ discount.

\* A green clause requires a tenant to consider environmental good practice, energy and water efficiency and waste reduction in providing any services and carrying out any works.

Illustrative ESG Scorecard applies for our Long Income funds. Categories will differ between asset classes.



## Our journey to net zero

We recognise the challenge posed by climate change, and the target to limit the extent of warming in line with the Paris Agreement. Our journey to net zero encompasses actions at two levels.

At the firm level, in 2021, we engaged an independent consultant to assess the company's emissions and assist us in devising a plan to make reductions from a defined baseline level over the medium term. To the extent it is not possible to reduce emissions further, we intend to offset them using an accredited programme. Our ambition is to be net zero as a firm by 2050.

At the fund level, we are equally committed to net zero by 2050, but believe we must be transparent in recognising the constraints imposed by managing real estate assets under FRI leases.

The majority of real estate assets managed by the AlphaReal and TIME have FRI lease contracts, which means the funds (as Landlord) do not have operational control of the asset, and hence are unable to directly change an asset's carbon footprint. With that being the case, our strategy is to form a partnership and work collaboratively with tenants to collect and aggregate emissions data for portfolio assets and to encourage and positively influence tenants to develop an emissions reduction strategy, particularly in cases where one does not already exist. Over time, we anticipate being able to collect a detailed picture of current and future expected emissions and from this, project a net zero pathway for individual funds.

Our data-led approach reflects our belief that a net zero commitment should be backed by robust data and an achievable reduction plan. Whilst this is an evolutionary process requiring tenants' voluntary participation, we are enhancing actual emissions data collection at asset level, and experiencing positive engagement from tenants. We will continue to keep investors and other stakeholders updated on our progress, as we look forward to being able to share greater detail over time.

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## Our credentials

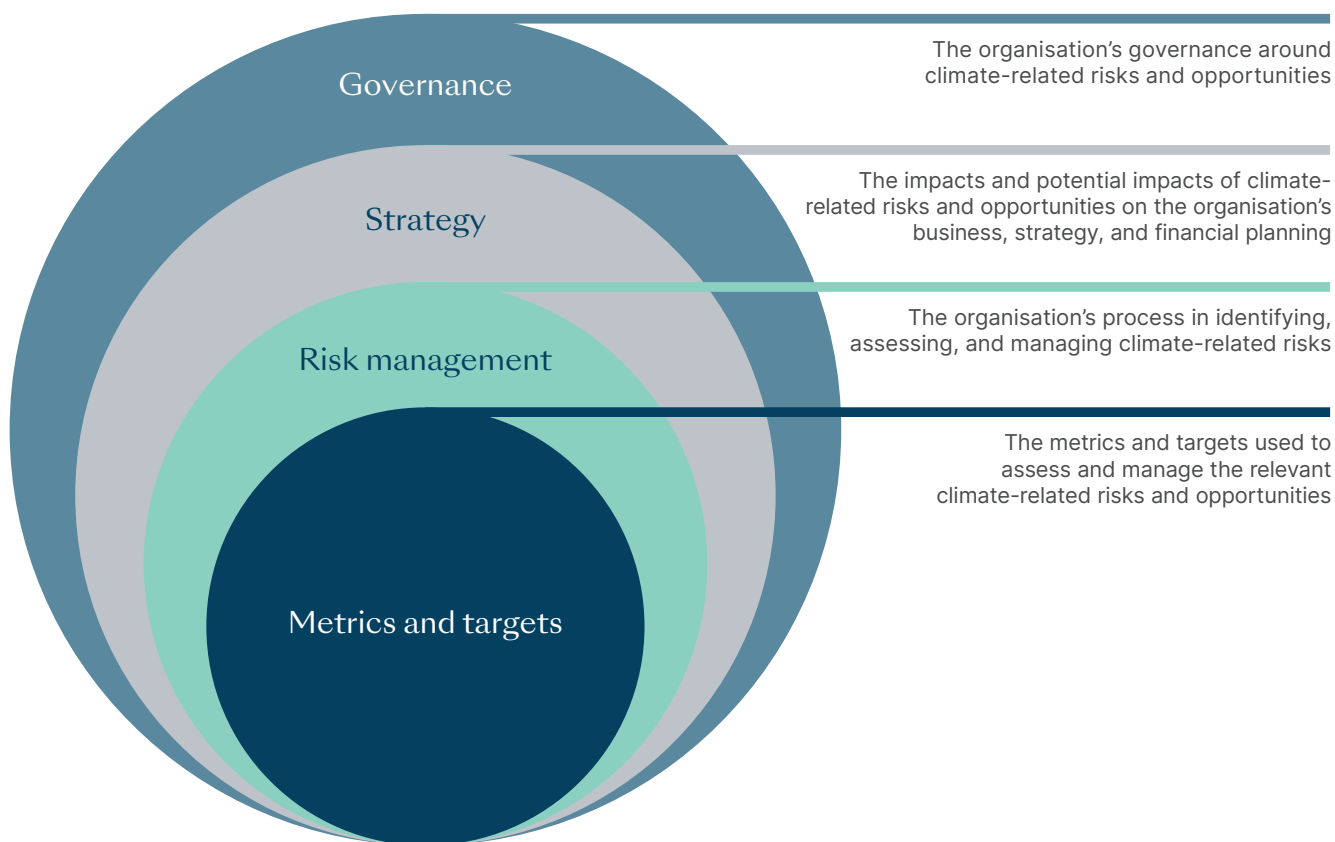
### TCFD reporting

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.

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.

For further information please, refer to the TCFD report available on our website.

### TCFD key pillars



## Our credentials



### Governance

AlphaReal puts good business governance at the centre of its risk framework. It manages this through well communicated protocols and open information flows throughout the organisation.

AlphaReal, and its subsidiary TIME Investments, are authorised and regulated by the Financial Conduct Authority to provide investment management services to professional investors and regulated financial advisers and their investors.

The group therefore adheres to an established compliance environment which is supported by a code of conduct incorporated into personnel contracts. This code covers a wide range of conduct

requirements including client confidentiality, data protection, market abuse regarding price-sensitive information, personal interests disclosure, conflicts of interest, anti-money laundering procedures, bribery act and whistleblowing processes.

AlphaReal commissions an annual Assurance Report on Internal Controls (AAF01/20) to independently review and report upon its investment management processes and internal controls.

Fundamental to its investment management operational framework AlphaReal holds **Investment Committees** to make investment / divestment and other fund critical recommendations / decisions. The committees are made up of senior personnel including the CEO.

Additionally, AlphaReal maintains monthly **Risk Committees**. This forum is made up of the CFO, COO and TIME's Operations Director. This seeks to establish an internal body independent of the investment decision environment so providing an objective view on activities. For each fund/platform there are risk matrices developed to measure any evolving risks that need further focus and attention from the AlphaReal executive.

Within its authorised fund business activities, to support its role as Authorised Corporate Director (ACD), AlphaReal has established an **ACD Board** with two Independent Directors.

AlphaReal complements its governance with a team of **Senior Advisors** who have deep industry knowledge and reach to help provide valuable insight and input into AlphaReal's business development and growth.

AlphaReal abides by the laws and values of the Equality Act 2010 and is an equal opportunity employer. AlphaReal is also committed to ensuring that all staff can work in a workplace where health and safety is provided in accordance with applicable laws and regulations.

AlphaReal is a member of INREV, the European Association for Investors in Non-Listed Real Estate Vehicles whose mission is to promote transparency, professionalism, and best practice.

Signatory of:



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# Independent Directors and Senior Advisors

### Gerald Parkes

Independent Director

Gerald has over 40 years' experience in real estate and related sectors, having started his career in London in 1977. Prior to founding Property Capital Partners Europe in 2010 he was the Managing Director and Head of Real Estate Private Equity Europe for Lehman Brothers. Prior roles include Chief Executive of Invesco Real Estate Limited, founder and CEO of Parkes and Company, Head of Investment Management Europe for Lend Lease and founding Partner and Head of Europe for The Yarmouth Group. From 1993 until 2003, Gerald had a mandate from Teachers Insurance Annuity Association, to develop and then execute its direct investment strategy in Europe.

Gerald has an MA in Land Economy from Cambridge University. He is a Governor of the Urban Land Institute and former Chair of ULI Europe. Prior to BREXIT, he was also the private sector member of the UK Government's Property Star Chamber and an independent adviser to the Government Property Unit reporting to Cabinet.

### Richard Gray

Independent Director

Richard is an investment banker with extensive international experience in equity capital markets, corporate broking and corporate finance. He works with Zeus Capital and has held senior positions at Panmure Gordon, Lazard and UBS.

He holds board positions across a wide range of public and private companies. He is also an adviser to several multinational organisations focussed on environmentally sustainable investment.

### Roger Mountford

Senior Advisor

Roger joined AlphaReal as a Senior Adviser in 2020. He has held a range of board and trustee positions across the private and public sectors and chaired several large pension schemes. He has a special interest in private assets, including infrastructure, social housing, and private equity.

Roger is currently chair of the trustee of the Lafarge UK Pension Plan, is a government-appointed director of HS2 Limited and has served on the boards of the Allied Domecq, Civil Aviation Authority and Church of England pensions boards. He has degrees in economics and management from the LSE and the Stanford Business School.

### Mark Futyan

Senior Advisor

Mark joined AlphaReal as Senior Advisor in 2023. He brings 25 years' experience in the energy sector spanning solar, energy storage, wind, nuclear, carbon capture, gas fired power generation and interconnectors.

Mark currently serves as a Non-Executive Director on the boards of Anesco and Origami Energy. He was CEO at Anesco until January 2023, where he oversaw the development and construction of over 500MW of solar PV and energy storage projects. Prior to that, he held a series of executive roles at Centrica.

Mark is a Fellow of the Institute of Directors and a Chartered Engineer. He studied Chemical Engineering at Cambridge University and received an MBA from Columbia Business School.

### Phil Redding

Senior Advisor

Phil joined AlphaReal as a Senior Adviser in 2021. Phil has held a range of positions across both business development and consulting and brings with him over 40 years of pension and investment experience. Phil is currently an Executive Director at Cardano, and prior to that, was Head of Business Development EMEA at Aviva Investors. He has also worked at Credit Suisse, Zurich, CIS and Scottish Mutual. His formative years were spent as a pensions consultant at Hogg Robinson Benefit Consultants.

### Philip Hebson

Senior Advisor

Philip joined AlphaReal as a Senior Adviser in November 2021. He has over 41 years' experience in the securities industry, having been with Charterhouse Securities (formerly Tilney & Co) for 20 years, being appointed a Director in 1992. He was a member of the UK equities sales team, responsible for marketing the firm's analytical output to a wide range of institutional clients.

In 2000 he joined Merseyside Pension Fund as Head of UK Equities, where he was responsible for research and portfolio structure decisions for the internally managed portfolio. He was also involved in the monitoring process for the Fund's external investment managers and advised on the risk profiling of the Fund, including asset allocation.

Philip was a Non-Executive Director of Aberdeen Private Equity Fund from 2009 until 2018 and has been a Senior Advisor at MJ Hudson (formerly Allenbridge) since 2011.

Philip is the Independent Investment Adviser to Worcestershire Pension Fund, the Independent Financial Adviser to Oxfordshire Pension Fund and is an External Member of West Yorkshire Pension Fund's Investment Advisory Panel. He is the alternate advisor to five other LGPS Funds.



## Key funds and platforms review

### Platform focus: AlphaReal Long Income

Established in 2014, AlphaReal Long Income is a division of AlphaReal that specialises in long income real asset investment.

AlphaReal has raised over £2 billion from UK and European pension funds and insurers for investment in long-income ground rents and social infrastructure through funds and direct mandates. These assets all have long term cash flows with substantial inflation indexation.

The AlphaReal Long Income team has deep experience in the origination and credit structuring of long income investments and has extensive knowledge of pension fund de-risking and Cash flow Driven Investing (CDI).

Occupiers benefit from AlphaReal's track record in clearly identifying the long-term needs of tenants and in delivering flexible partnership-based real estate solutions.

Over the year to 31 March 2023, the Long Income platform transacted on over £685 million of acquisitions across all of its managed funds and mandates.

## Our credentials

Key funds and platforms review | AlphaReal Long Income

### Index Linked Income Fund (ILIF)

The Index Linked Income Fund invests in a portfolio of UK commercial ground rent assets to provide a long-term secure and predictable inflation-linked income stream with associated capital growth.

ILIF's investment strategy includes:

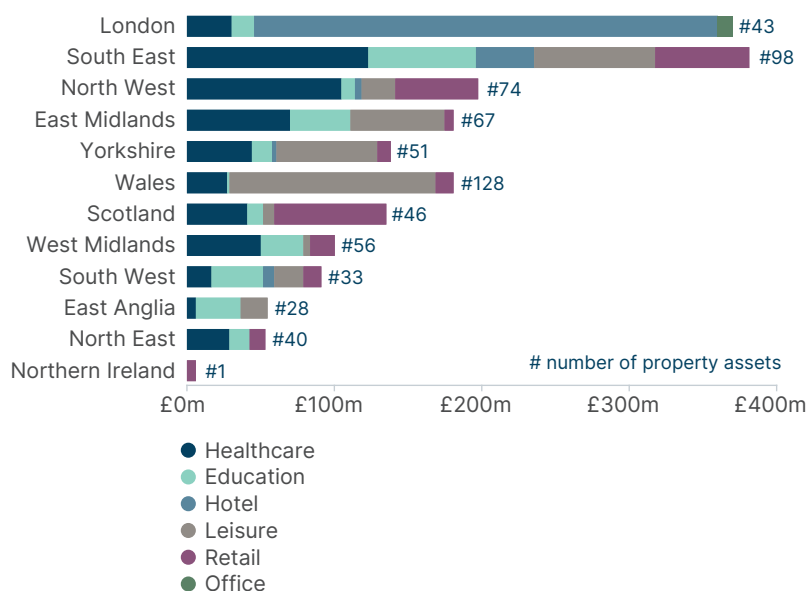
- Long-lease tenancies, typically over 100 years
- Rents indexed to inflation
- Defensive rental levels set at well below market levels
- Geographic and economic diversification

ILIF completed a number of transactions over the period, including several with existing tenants, demonstrating the strength of AlphaReal's partner relationships.

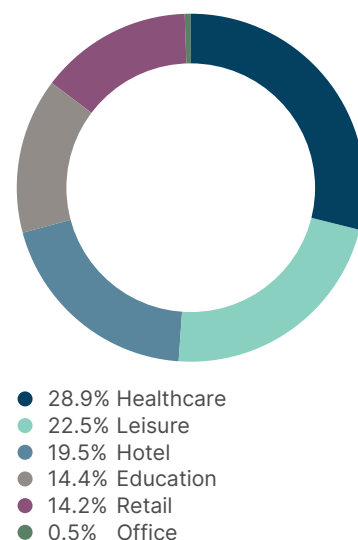
As at 31 March 2023, ILIF's annualised net performance since inception was 4.05% (2.33% income return and 1.72% capital return).

As at 31 March 2023, ILIF held 665 individual properties, with a total property portfolio valuation of £1,894 million.

### Geographical diversification



### Sector exposures (by ground rent capital value)



## Our credentials

Key funds and platforms review | AlphaReal Long Income

### Social Long Income Fund (SLIF)

The Social Long Income Fund invests in UK social infrastructure. Social infrastructure supports the delivery of essential needs-based services. By our definition, social infrastructure includes real estate assets across three core sectors – health, housing, and education – which make up the ‘pillars’ of this asset class.

Social infrastructure investments can deliver long-term, resilient, inflation-linked income streams for investors whilst also providing societal benefits and impacts which assist in building stronger, better communities. Throughout the UK, there is an overwhelming shortage in the provision of accessible, suitable, and affordable essential services in each of these pillars. AlphaReal estimates the shortage of fit-for-purpose social infrastructure assets to be more than £50 billion. Our investment strategy is underpinned by strong and long-term market drivers which collectively support a multi-billion-pound market opportunity.

Our investment strategy is characterised by:

**Future-fit assets** - We focus on new build and change of use assets, which recognises the embodied carbon, to deliver future-fit assets for 25+ years. Our long-term approach supports positive environmental and social impact outcomes.

**Income focus** - We generate market returns by investing in long-lease real estate with predominately inflation-linked leases using caps and collars to support the affordability for tenants and the delivery of income growth for investors.

**Supporting communities** - Our approach enables additional provision of essential needs-based services to assist the wellbeing of communities in the UK. We support alignment of institutional capital and public funding to alleviate capacity constraints across our three pillars of health, housing, and education.

SLIF invests across the three pillars of health, housing and, education targeting real estate assets let on long leases to providers of services as shown below:

SLIF has two Local Government Pension Scheme investors and a UK Corporate Pension fund investor and is in active discussions with several pension funds and investment consultants to deliver its pipeline of opportunities and diversify and expand its portfolio.

SLIF continued to deliver shareholders attractive, inflation-linked return in the year to 31 March 2023.

### The three pillars and sub-sectors of social impact infrastructure

Pillar 1 Health 	Pillar 2 Housing 	Pillar 3 Education 
<ul style="list-style-type: none"><li>• Elderly care</li><li>• Primary &amp; secondary care</li><li>• Treatment clinic</li><li>• Specialist care</li></ul>	<ul style="list-style-type: none"><li>• Extra care</li><li>• Homelessness &amp; supported living</li><li>• Key worker &amp; social housing</li><li>• Student (university let)</li></ul>	<ul style="list-style-type: none"><li>• Day nurseries</li><li>• Primary &amp; secondary schools</li><li>• College or university faculties</li><li>• Special educational needs</li></ul>





## Platform focus: Social Real Estate

AlphaReal, through its funds and separate account mandates, has been an active investor in UK social infrastructure (or social real estate) since 2015.

AlphaReal's socially focussed vehicles are managed by a dedicated portfolio and investment team with a wide range of investment experience across the full range of social infrastructure assets, covering health, housing, and education uses. In sectors where many opportunities are secured off-market, the AlphaReal team are experienced at origination, development and forward funding, and liaise extensively with developers and operators directly. AlphaReal manages an active pipeline of assets across the full range of social infrastructure sub-sectors for the swift deployment of committed capital.

To date, the Social Long Income Fund ("SLIF"), the Social Long Income NW Partnership and

the Social Long Income PAIF ("SLIP"), which all focus on social investments, have deployed over £168 million across a combined portfolio of 46 assets.

The investments within these portfolios provide the following:

- Primary care facilities for 84,600 patients
- 1,162 nursery places\*
- 212 supported living apartments for people with learning and physical disabilities
- 67 specialist care home bed spaces
- 228 elderly care home bed spaces

\* Includes assets under development

In addition to these social-specific investment platforms, AlphaReal has further invested in the health, housing, and education sectors through commercial ground rents and investments into Irish social housing. AlphaReal's combined social investment totals circa £1.25 billion, across over 754 social assets.

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## Our credentials

Key funds and platforms review | Social Real Estate

### Place-based Impact Investing

Investor appetite for social infrastructure investments made with the intention to generate positive, measurable, social, and environmental impact alongside a financial return is expected to continue to grow. For clients such as Local Government Pension Schemes ("LGPS") investment in social infrastructure can generate the dual focus of positive impact to communities without compromising their fiduciary duty to members. The UK Government has encouraged institutional investors to support its levelling up ambitions. In setting out its levelling up plan, the Government specifically mentioned the circa £320 billion LGPS.

The UK Government's levelling up white paper identified 12 key missions to be achieved by 2030, with the collective objective to facilitate equal opportunity within communities geographically dispersed across the UK.

AlphaReal's investment in social infrastructure could directly contribute towards three of the 12 missions in the focus areas of health, housing and education and indirectly contributes to the delivery of missions in the focus areas of living standards, well-being, and pride of place. Private market capital, especially from institutional investors, will be vital in plugging the gap between public funding allocations and delivering the concept of levelling up.

**"...the Prime Minister and Chancellor have called on the UK's institutional investors to seize the moment for an "Investment Big Bang" to boost Britain's long-term growth. The UK Government will go further and work with Local Government Pension Funds to publish plans for increasing local investment, including settling an ambition of up to 5% of assets invested in projects which support local areas".**

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### United Nations Sustainable Development Goals (UN SDGs)

Investors are increasingly viewing the impact of their investment through the lens of SDGs. Investment in social infrastructure is closely aligned to supporting UN SDGs. Many investors identify multiple SDGs with which their products are aligned. However, at AlphaReal, we feel what is more useful for investors is for managers to differentiate between the core and ancillary SDGs towards which their product contributes. For example, investing in health, such as elderly care, most obviously aligns with SDG3: Good health and wellbeing. This would be the core SDG. Here the focus is to ensure healthy lives and promote well-being for all at all ages. Two ancillary SDGs could be SDG 8: Decent work and economic growth; and SDG 10: Reduced inequalities.

Across AlphaReal's social infrastructure platform, the portfolio is currently aligned to two core SDGs those being, SDG3: Health and wellbeing, and SDG4: Education. Additionally, the portfolio aligns with five secondary/ancillary SDGs covering SDG5: Gender equality, SDG7: Access to energy, SDG8: Employment and economic growth, SDG10: Inequality and SDG11: Safe settlements.





## Platform focus: AlphaReal Renewables

AlphaReal Renewables continues to grow its presence in the UK renewable energy sector. Over the last 12 months the platform added a further 11 assets (42.2MW) in the onshore wind and solar PV sectors.

This has grown the platform to 406MW of installed capacity across 174 operating schemes, together with 30MW of assets under construction, all situated throughout the UK, including Northern Ireland.

The portfolio is managed by a dedicated portfolio and investment team of 16 with a track record of over 69 completed transactions, having invested over £900 million in equity to date. The team has experience in funding projects through the planning, design, build and operational phases, and has successfully commissioned 16 schemes spanning onshore wind, solar PV, and hydro generation.

Through its proactive, direct origination efforts AlphaReal Renewables has successfully completed deployment of Wind Renewables Income Fund (WRIF) in December 2022 and continues to support its ongoing investment mandates for Time:Advance (Elm Trading) in UK onshore wind and solar.

WRIF was established in May 2018 as a closed ended institutional investment fund dedicated to UK renewable infrastructure (sub 5MW onshore wind). WRIF has now deployed £180 million into 81 operating turbines (46.5MW) with an average remaining economic life of 18 years benefiting from 70% long term inflation linked revenues.

## Our credentials

Key funds and platforms review | AlphaReal Renewables

### Good availability continues to be achieved across the portfolio with a 96% portfolio availability over the last 3 years.

The total achieved output of 576 GWh is equivalent to the annual electricity consumption of over 198,444 average UK households, providing a CO2 reduction of over 122,193 tonnes equivalent.

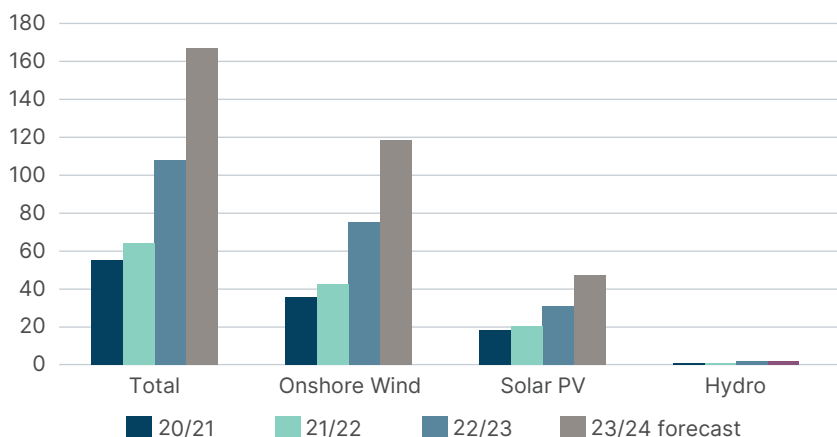
Including projects under development, the expanded renewables portfolio will be capable of producing 669 GWh per annum, equivalent to the annual consumption of over 231,018 average UK households, and a CO2 reduction of over 142,866 tonnes equivalent. In addition, 31 schemes make annual contributions to community benefit funds.

The portfolio's geographical spread offers excellent resource diversification, together with income quality comprising 20% Feed in Tariff (FIT) and 72% Renewables Obligation (ROC) accredited assets (by generation) with a weighted average remaining economic life of circa 28 years.

AlphaReal is actively pursuing further value enhancement through asset life extension, which is anticipated to improve long term value by £30 million to £40 million from the current programme. Extensions are in place at four sites with the rolling implementation programme over the next 12 to 18 months targeting a further 45 schemes. Further asset optimisation is being implemented through performance improvement at both wind and solar sites, together with competitive procurement at portfolio level of power generation revenues, all risk insurance, O&M and asset management services.

Consistent with AlphaReal's aims to provide investors with predictable cash flows, forecast portfolio revenues of £167 million for the next 12 months are 90% price fixed, with power price exposure hedged at an average price of £170/MWh.

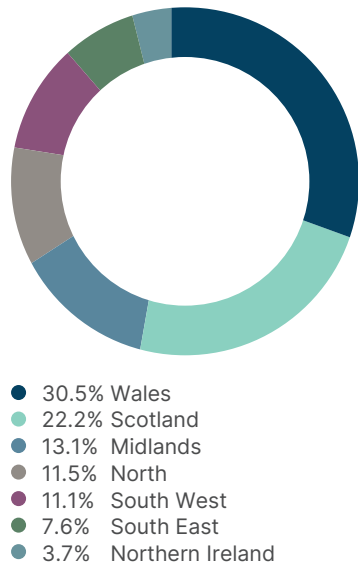
### Portfolio revenues



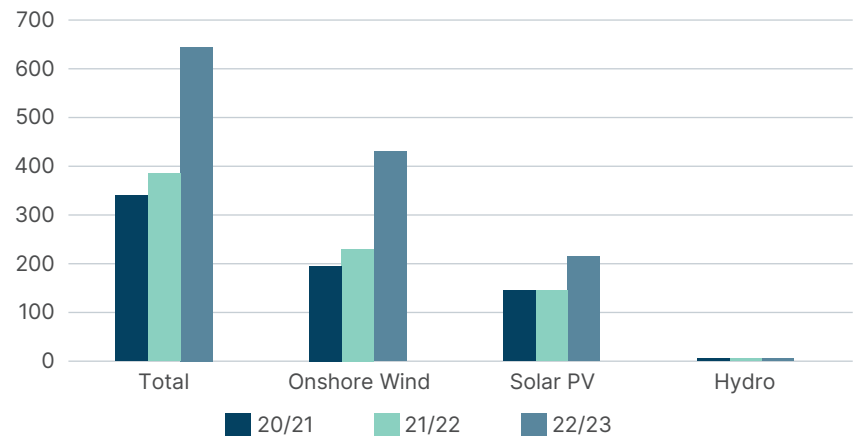
## Our credentials

Key funds and platforms review | AlphaReal Renewables

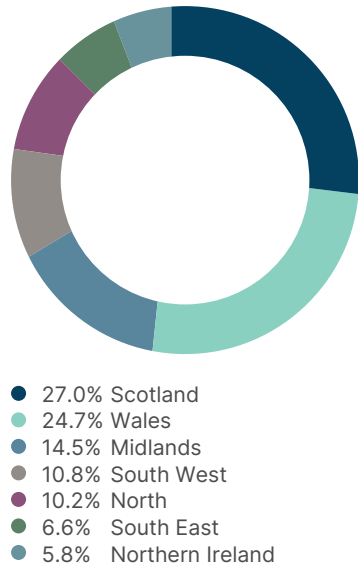
Regional holdings (% generation)



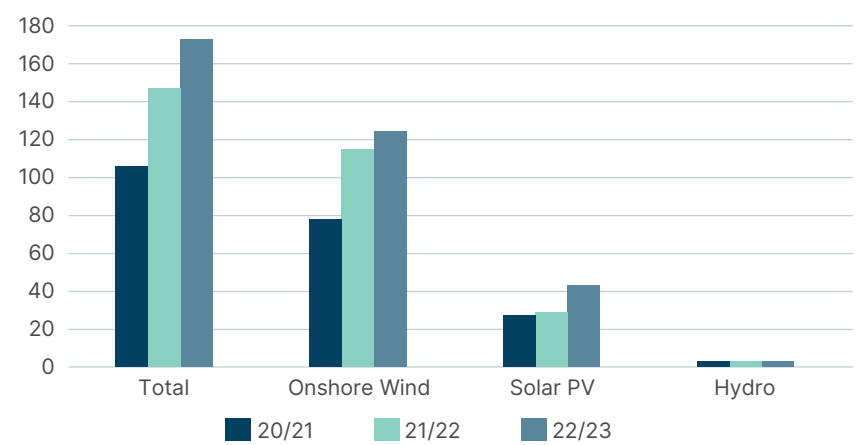
Generation mix



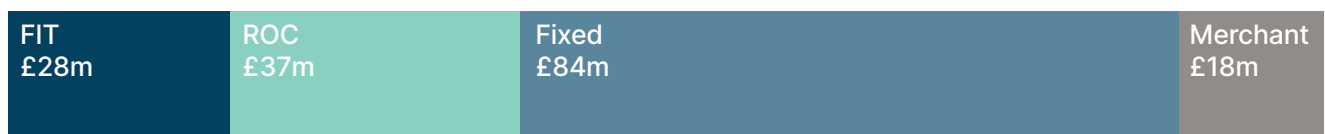
Regional holdings (% revenue)



Number of sites



Revenue mix (£167 million revenue forecast)



## Our credentials

Key funds and platforms review | AlphaReal Renewables

### New acquisitions



#### Project Merlin

A 1.1MW solar farm located in Merseyside.  
Acquired by Elm Trading Ltd in Q3 2022.



The Project contributes 1,250 MWh worth of renewable energy per year to a UK army training base, with a lifetime value of around 29,366 MWh



#### Project Stellar

A 1.1MW solar farm located in Merseyside.  
Acquired by Elm Trading Ltd in Q3 2022.



6,283 average UK households powered



#### Project Airfield

A 3 × 2.85MW General Electric turbines located in Bedfordshire,  
acquired by Wind Renewable Income Fund Q4 2022.



6,728 average UK households powered

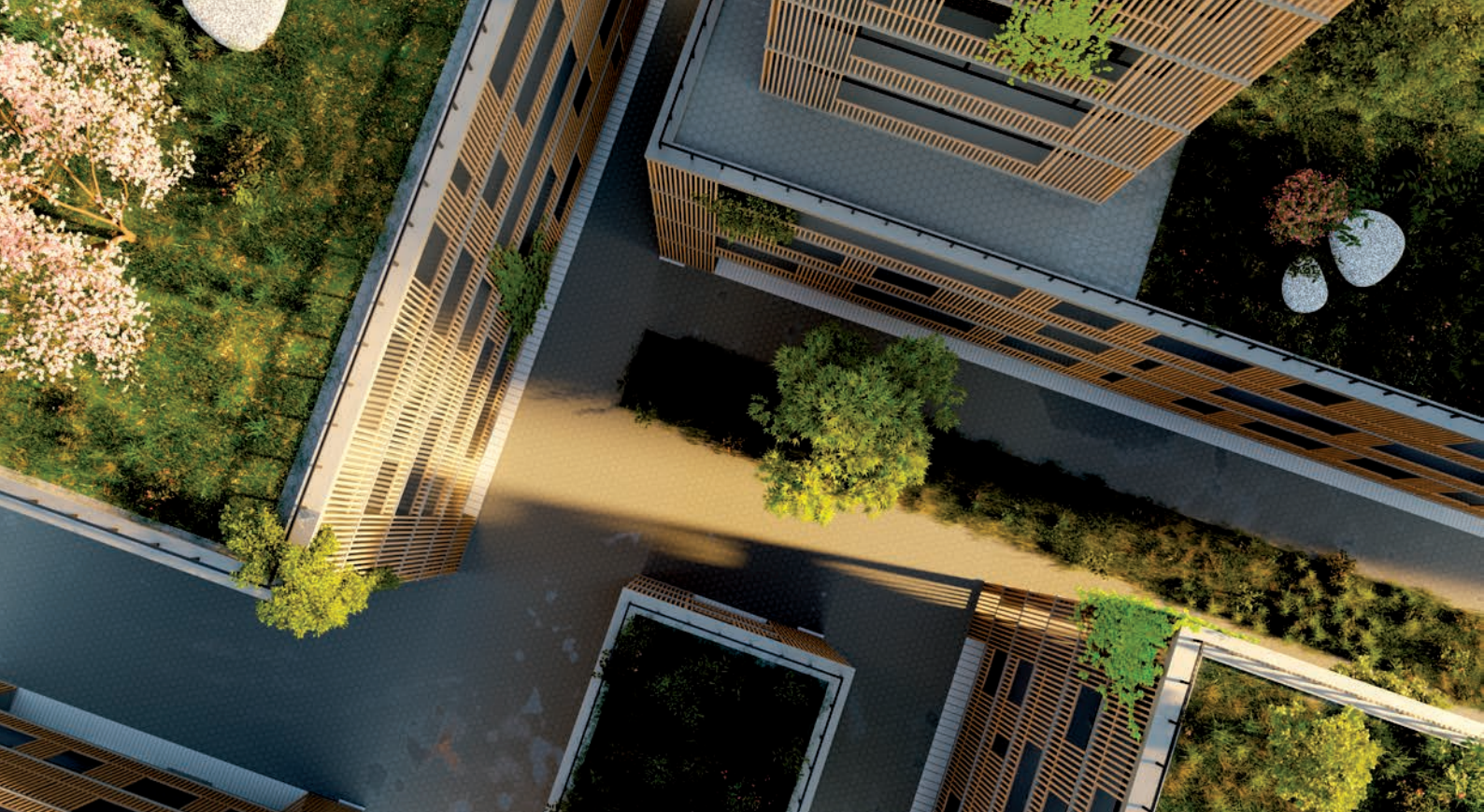


#### WindFX

A 500kW EWT wind turbine located in Appleby acquired by  
Elm Wind Holdings Ltd in Q4 2022.



Annual forecast generation is equivalent to offsetting 326 tonnes of CO<sub>2</sub>



## Platform focus: AlphaReal Alternative Credit

- AlphaReal Alternative Credit has invested in excess of £800 million in to asset backed lending to date, in a wide range of sectors and structures, delivering consistent returns over relevant credit benchmark rates that typically includes a material illiquidity premium.
- AlphaReal's current alternative credit portfolio stands at over £420 million, managed by a dedicated portfolio and investment team of 8 people with a track record of over 190 completed transactions, and is supported by an 8 person investment committee comprising of 5 internal members and 3 external independent members with deep market experience.
- AlphaReal has supported the creation of over 2,800 new homes, provided social infrastructure financing for over 2,175 beds across care homes and student accommodation, as well as funded over 1.75 million sq ft of commercial space.
- AlphaReal has the ability to provide integrated credit solutions across the capital stack with the ability to combine senior and junior debt with commercial ground rents, where AlphaReal is a market leader in the UK.

## Our credentials

Key funds and platforms review | AlphaReal Alternative Credit



### Case study 1

#### Premium care home senior development loan

Provision of a £40.1 million senior facility to assist with the development of a new build 44 suite premium care home in Belgravia. The scheme is being delivered by a joint venture between Amazon Properties, an experienced high end residential developer, and an experienced care operator.



### Case study 2

#### Residential senior development loan

Provision of a £28 million senior facility to assist with the regeneration of a derelict site in Birmingham into a residential development which will provide 438 new dwellings. The scheme is being delivered by a joint venture between Galliard Homes and local development partners.



### Case study 3

#### Care home portfolio senior investment loan

Provision of a £65 million stabilisation/investment facility secured against a recently completed purpose-built care home portfolio consisting of six homes. The homes were developed and currently being operated by Care UK, one of the largest independent providers of health and social care in the UK.

## Our credentials

Key funds and platforms review

## Other key funds



### European Long Income Fund (ELIF)

The European Long Income Fund invests in European ground rent and other long-income commercial property assets to provide a long-term secure and predictable inflation-linked income stream with associated capital growth. ELIF seeks to invest in opportunities to create new ground leases as well as existing assets and portfolios. ELIF's investment strategy includes:

- Long-lease tenancies
- Rents indexed to inflation
- Defensive rental levels set at well below market levels
- Geographic and economic diversification

During the year, ELIF completed its first commercial ground rent transaction, via the acquisition of a €75 million newly developed serviced apartment block in Dublin, Ireland occupied by a leading international operator. ELIF's acquisition is understood to be the first major institutional inflation-linked commercial ground rent used as part of a financing structure to complete in Ireland. As at 31 March 2023, ELIF's portfolio includes the above ground rent investment and a portfolio of 44 houses located in Dublin and Cork, Ireland's two largest cities, leased to the respective local authorities on 25-year lease contracts.



### Alpha Real Trust (ART)

ART currently focusses on asset-backed lending, debt investments and high return property investments in Western Europe that are capable of delivering strong risk adjusted cash flows. ART is a closed-ended Guernsey registered investment company listed on the Specialist Fund Segment of the London Stock Exchange.



### TIME:Freehold (Freehold Income Authorised Fund)

TIME:Freehold is the UK's largest authorised freehold ground rent fund with over £200 million of Net Assets. TIME:Freehold seeks to provide a secure and stable investment with an attractive income stream and capital growth prospects from a portfolio of over 50,000 ground rents. For over two decades, TIME:Freehold has consistently produced long-term, inflation-beating returns, with regular income and relatively low volatility. The investors in TIME:Freehold include individuals, charities, trusts and pension funds. TIME:Freehold has provided the best risk-adjusted return of any fund in the IMA unit trust and OEIC universe over a 10-year period, according to FE Trustnet research.

## Our credentials

Key funds and platforms review



### TIME: Commercial Long Income (CLIP)

TIME: Commercial Long Income invests in UK commercial property with long dated income streams that falls into two categories:

- Commercial freeholds with ground rents
- Commercial freeholds which benefit from long leases

The income streams, security of the underlying investments and associated risk differs between these two asset types. By investing in both, CLIP provides diversification and is able to spread risk.

CLIP is traded daily, is accessible via ISA, SIPP, offshore and SSASs, and aims to deliver:

- Consistent income returns
- Inflation mitigation
- Income security
- Potential for capital growth

CLIP has continued to deliver an attractive income return in each year since inception.



### TIME: Social Long Income (SLIP)

TIME: Social Long Income invests in UK social infrastructure with long dated income streams including specialist social housing, care homes, primary care facilities, medical care facilities and childcare.

SLIP has continued to deliver an attractive income return in each year since inception.



### TIME:Advance

TIME:Advance provides a streamlined service that invests in asset backed operating businesses that produce a steady and consistent annual return, with a target return of between 3% and 4.5% net of costs and also mitigates inheritance tax (IHT) liability after a two year qualifying period through the use of Business Relief (BR). TIME:Advance focuses on renewable energy infrastructure, property lending, forestry and self-storage.

Over a period of 26 years, TIME's BR services: have achieved 100% BR from IHT for all of its qualifying investors and an inflation beating return over that period.

TIME:Advance has raised over £1 billion from investors to date.

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## Our credentials

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## Our team

AlphaReal is headquartered in London with an international network of offices with experienced management teams, deep local market knowledge and an extensive investment sourcing, credit structuring, asset management and realisation track record.

### Phillip Rose

CEO, Partner,  
AlphaReal

Phillip founded AlphaReal in 2005 and is Chief Executive Officer. He has over 40 years' experience in the real estate, fund management and banking industries in Europe, the USA and Australasia. Prior to founding AlphaReal, he was Head of Real Estate for ABN AMRO Bank.

Phillip has served as an independent member of the management committee of Hermes Property Unit Trust and as a non-executive director of Great Portland Estates plc.

### Brad Bauman

Partner,  
AlphaReal

Brad has been a Partner of AlphaReal since its inception in 2005. He is Head of Debt and Joint-Fund Manager of Alpha Real Trust. He oversees business development opportunities for the group, including AlphaReal's asset-backed lending growth.

Brad has over 25 years' experience across the real estate and finance industries, working within investment banks, property companies and institutions in both Australasia and Europe. Prior to joining AlphaReal, Brad was Executive Director, Real Estate Investment Banking at Lehman Brothers and Managing Director of CBRE Financial Services.

### Mark Rattigan

COO, Partner,  
AlphaReal

Mark is Chief Operating Officer and Joint-Deputy Chief Executive Officer. He is also Fund Manager for the Index Linked Income Fund.

Mark has over 35 years' experience in real estate, fund management and investment banking. Mark has previously been Chief Operating Officer and Director of Finance and Operations at RREEF (Deutsche Bank's real estate funds management group) and has held investment banking roles at HSBC and Macquarie Bank.

### Karl Devon-Lowe

CFO, Partner,  
AlphaReal

Karl is Chief Financial Officer. He is responsible for financial control across the firm and its funds including structuring, debt finance and financial reporting. He also oversees regulatory compliance and IT.

Karl has over 20 years' experience in finance across the real estate and leisure sectors. Prior to joining AlphaReal, he worked in group finance at Hammerson plc and at Heron International.

Karl is a Chartered Accountant and an Associate Member of the Corporate Treasurers.

### Patrick Grant

Head of Real Estate Origination,  
Partner, AlphaReal

Patrick is Head of Long Income and leads the AlphaReal origination team. His primary focus is growing the business's institutional commercial ground rents and other long income strategies in the UK and Europe.

Patrick has over 20 years' experience in the property market, the majority of which has been spent in alternative asset sectors such as hotels, healthcare and leisure. Prior to joining AlphaReal, he was at CBRE, Gerald Eve, Christie & Co and St Martins Property Corporation.

### Edward Palmer

Partner, CIO, Head of Sustainability,  
AlphaReal

Edward is Chief Investment Officer and Head of Sustainability. He is also Joint-Deputy Chief Executive Officer. He chairs the Investment Committee, oversees the investment process and fund performance, and leads ESG integration across the group.

Edward has over 25 years' financial services experience covering investment management, insurance and investment banking. Prior to joining AlphaReal, he spent 14 years at MetLife as Chief Investment Officer, EMEA, overseeing approximately £10 billion equivalent of AUM. Edward holds a BA in European Studies from the University of Manchester.

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## Our credentials

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## Our team (continued)

### Nigel Ashfield

Partner, AlphaReal;  
Managing Director, TIME Investments

Nigel joined AlphaReal as a Partner in 2011 and is a founder and Managing Director of TIME Investments. He is also the fund manager of TIME:Freehold and TIME:Commercial Freehold.

Nigel has over 25 years' experience in fund management and finance, having previously been employed by Close Brothers as Managing Director of its Tax Efficient and Property Funds Management business. Nigel qualified as a chartered accountant with PwC in their London SME business assurance division.

### Stephen Daniels

Head of Investments,  
Partner, TIME Investments

Stephen has worked in the business since 2007 and is one of the founding Partners of TIME Investments. Stephen is responsible for TIME:Advance and TIME:UK Infrastructure Income, looking after more than £700 million of investments.

Stephen has over 15 years' experience in finance, fund management and investing UK Smaller Companies. Previously, Stephen was a Divisional Director at Close Brothers Group's tax efficient and property funds division.

### Anthony Buckley

Operations Director,  
Partner, TIME Investments

Anthony is a founding Partner of TIME and has been responsible for finance and operations at TIME since 2011, having previously worked as Director of Operations at Close Brothers' Property Division.

Anthony is a chartered accountant by profession. In New Zealand Anthony spent seven years in public practice, specialising in business advisory and taxation advice for SMEs and high net worth individuals across a wide variety of business sectors.

## Members and information

### Members

P Rose \*

B J Bauman \*

Rockmount ARC Limited \*  
(Termination of appointment  
31 March 2023)

K Devon-Lowe \*

M Rattigan \*

N Ashfield

P Grant

S Gardner

T Pissarro

E Palmer

Alpha Real Capital Holdings Limited\*  
(Appointed 31 March 2023)

\* Designated members

### Registered office

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London NW1 3BG

### Registered number

OC312705

### Auditor

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55 Baker Street  
London W1U 7EU

### Lawyers

Reed Smith LLP  
The Broadgate Tower  
20 Primrose Street  
London EC2A 2RS

### Bankers

Royal Bank of Scotland Plc

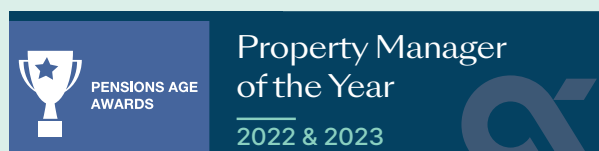
Barclays PLC

HSBC Bank Plc

Santander UK PLC

## Industry recognition

### AlphaReal



### TIME Investments





Real assets. Real security.

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