

Class D Shares - Retail Net (Unbundled)

Fund fact sheet date: 30 November 2018

TM home investor fund is the UK's first Financial Conduct Authority regulated residential Property Authorised Investment Fund (PAIF)

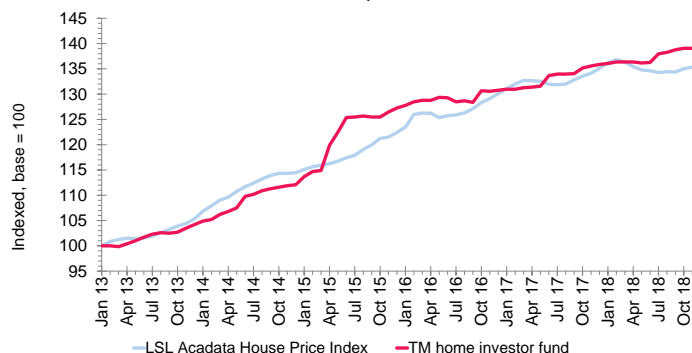
This factsheet is for information only. It is not designed to provide advice on the suitability of an investment for your personal financial situation. If you have any questions regarding the information included in this factsheet, you are recommended to speak to a financial adviser.

Investment Objective

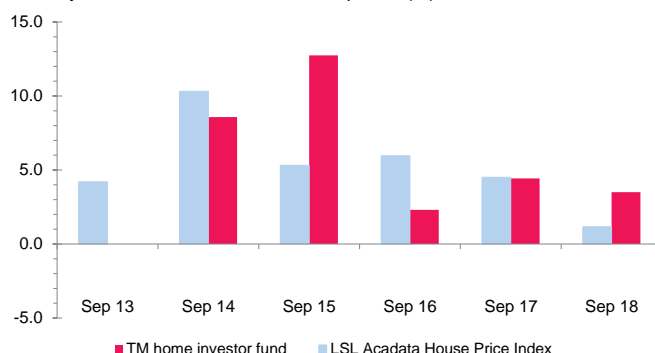
The Fund invests in private rented sector housing across the mainland UK regions and aims to capture UK house price growth plus provide an element of income return. The property investment manager, Hearthstone Asset Management Limited, uses quantitative asset allocation methods and qualitative regional stock selection to build a portfolio of assets reflecting the distribution of UK mainland housing stock. These properties are let under assured shorthold tenancy agreements (AST's) and corporate lets. Investment returns comprise capital growth and rental income.

Fund v. Benchmark

Cumulative total return since share class inception



Discrete year until end of latest calendar quarter (%)



Cumulative total return (%) over period:

	1m	3m	6m	1y	3y	5y
TM home investor fund	0.00	0.58	2.13	2.58	9.95	34.36
LSL Acadata House Price Index	0.24	0.68	0.40	0.90	11.39	29.65

Discrete total return (%) 12 months ending:

	Sep 14	Sep 15	Sep 16	Sep 17	Sep 18
TM home investor fund	8.58	12.75	2.31	4.44	3.50
LSL Acadata House Price Index	10.31	5.31	5.96	4.51	1.16

Performance of Class D Shares - Retail Net (Unbundled) Accumulation, launched 07/01/2013. Prevailing single price*, net of charges, in GBP with net income reinvested. Performance of other classes may vary. Source of all data: Financial Express and LSL Acadata 30/11/2018

*On 09-04-2015, the fund switched to a swinging single pricing basis with the prevailing single price used for performance calculation. Prior to that date, the fund was dual priced, with performance calculated on a bid-to-bid basis.

Important: You may get back less than the amount invested. Past performance is not necessarily a guide to future performance and future returns are not guaranteed.

Property Investment Advisor's commentary

In November the trends in the UK Housing Market established during the year have continued. The volume of sales is a little subdued and price movements both up and down are, for the most part, measured in tenths of 1%. Unsurprisingly, in the face of political uncertainty over Brexit on one hand and continued high employment and above inflation growth in average earnings, rental and capital values remain resilient across much of the country.

As LSL Acadata put it in their November Report the market is "Biding its Time". Nationally house prices were up by 0.2% for the month and 0.9% for the year, although if London and the South East are excluded this rises to 1.5%.

Even within the larger regions there are significant variations. The East of England as a whole is down by 1% over the year, While Southend-on-Sea and Thurrock still show good growth (4.1% annually for both, with the latter recording a new peak), that's more than offset by falls in Suffolk (down 0.8%), Luton (down 1.0%), Bedfordshire (1.3%) and, most significantly, Cambridgeshire (with prices down 4.6%). The Fund's properties in Colchester remain popular with sales of two flats being agreed, one just above and the other just below the Independent Valuer's reported values.

The East and West Midlands continue to give good performance and the situation in Scotland remains in positive territory. Edinburgh, where the Fund's investments are located, is maintaining its position at the top of the league table.

The NHBC reported in November that new home starts and completions remain solid at around 10,000 per month, but this is still well below the Government's required figures. The housing shortage is definitely not going away. Housebuilders reported growth in reservations from owner occupiers but a further fall in demand from Buy to Let Investors. These conditions suit the forward purchase strategy of the Fund.

The RICS monthly survey shows a continuing reduction in new supply from private landlords and as a result of these dynamics, rents are expected to rise modestly over both the three and twelve month horizons. Further out, rental growth is expected to outpace that of prices; on average, rents are expected to rise by 3.1% per annum over the next five years.

Portfolio Facts

Fund asset allocation	
Cash or equivalent	10.42%
Property - North West	6.24%
Property - North East	0.33%
Property - Yorks & Humber	2.17%
Property - South East	24.52%
Property - South West	8.16%
Property - Wales	0.00%
Property - Scotland	3.12%
Property - East of England	14.92%
Property - East Midlands	9.03%
Property - West Midlands	5.49%
Property - London	15.60%

Top 10 property holdings		
Holding	Units	Value
Quadrant Court, Wembley, London HA9	22	£7,350,000
Wickhurst Green, Horsham, RH12	14	£4,515,000
The Limes, Nottingham, NG8	18	£3,760,000
Spectrum, Blackfriars Road, Manchester M1	17	£2,910,000
King Georges Park, Rowhedge, CO5	8	£2,530,000
Mansion House, Colchester, CO2	16	£2,370,000
Rea Road, Northfield, Birmingham. B31	14	£1,900,000
Henmead House, Haywards Heath, RH16	6	£1,755,000
Portland View, Bristol, BS2	6	£1,755,000
Pandora Close, Locks Heath, SO31	4	£1,300,000

Property portfolio metrics	
Flats	100
Terraced	46
Semi	41
Detached	18
Total number of properties	205
Average property value	£246,682
Average tenant stay	21 months
12 month average occupancy rate (% of income)	93.72%

Costs and charges

Entry charge:	0.00%
Exit charge:	0.00%
Annual charges ('OCF')*:	1.61%

* OCF is based on estimated annual expenses, and includes the Annual Management Charge of 0.9%. The OCF may vary from year to year.

Please note that past performance on the first page is shown after charges

Minimum investment

(May not apply for investment via online platforms or wraps)

Initial:	£1,000
Additional:	£500
Monthly:	£50

Price and Yield at 30 November 2018

Fund price:	£ 1.392
Estimated yield:	0.74 % (net)
Distribution dates:	Annual: 31 Oct Interim: 28 Feb, 31 May, 30 Nov

Investment ratios

Annualised over last 36 monthly prices.
Source: Financial Express Analytics.

Volatility:	1.62 %
Maximum drawdown:	-0.77 %

How to invest

This share/unit class is available on the platforms listed below. Other classes may be available on different platforms.

Adviser/Wealth Manager platforms:

AJ Bell
Allfunds
Alliance Trust
Ascentric
Cofunds Institutional
Hubwise
Pershing
Parmenton
Raymond James
Transact

Direct to consumer (non-advised) platforms:

AJ Bell
Alliance Trust
Hargreaves Lansdown
Interactive Investor
Willis Owen

Fund ratings



FE Risk Score
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Key fund information

Fund name:	TM home investor fund (a subfund of the TM Hearthstone ICVC)
Benchmark:	LSL Acadata House Price Index
Fund launch date:	25/07/2012
Share class launch date:	07/01/2013
Fund size:	£56,728,296
Share/unit class size:	£2,577,804
Primary asset class:	UK Residential Property
Structure:	OEIC with PAIF Tax Status
Distribution type:	Accumulation
Pricing frequency:	Daily
Subscription frequency:	Daily
Redemption frequency:	Daily
Dealing time:	22:30 London, UK
Settlement:	T+4

Fund Codes

Class:	Class D Shares - Retail Net (Unbundled)
MiFID category:	Non-complex
Sedol:	B960879
ISIN:	GB00B9608795
Citicode:	I3HM
MEXID:	8TCLEA

Management & Administration

Fund Manager:	Alan Collett, FRICS
Chief Investment Officer:	Andrew Smith, FRICS
Property Investment Adviser and Distributor:	Hearthstone Asset Management Limited 23 Austin Friars London EC2N 2QP 020 3301 1330 info@hearthstone.co.uk
Authorised Corporate Director:	Thesis Unit Trust Management Limited Exchange Building, St Johns Street, Chichester, West Sussex, PO19 1UP 01243 531234
Dealing and administration:	TM Hearthstone ICVC PO Box 3733 Royal Wootton Bassett, Swindon, SN4 4BG 0333 300 0375
Depository:	NatWest Trustee & Depository Services
Independent valuer:	CBRE
Auditor:	Grant Thornton UK LLP

Important information

This financial promotion has been approved under Section 21 of the Financial Services and Markets Act 2000 by Thesis Asset Management Limited. Residential property values are affected by factors such as interest rates, economic growth, fluctuations in property yields and tenant default. Property investments are relatively illiquid compared to bonds and equities, and can take a significant amount of time to trade.

Hearthstone Investments PLC is the parent company of the Hearthstone Investments Group. Regulated business is carried out by Hearthstone Asset Management Limited. Hearthstone Asset Management Limited is an appointed representative of Thesis Asset Management Limited which is authorised and regulated by the Financial Conduct Authority (114354). Hearthstone Investments PLC (06379066) and Hearthstone Asset Management Limited (07458920) are both registered in England and Wales. The registered office for both companies is c/o Bridgehouse Company Secretaries, 1-2 Faulkners Alley, Cowcross Street, London EC1N 6DD.

Thesis Unit Trust Management Limited is the Authorised Corporate Director. Authorised and regulated by the Financial Conduct Authority (186882).