

PAIF Class D Shares - Retail Unbundled (Net)

Fund Fact Sheet : 31 May 2018

The 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

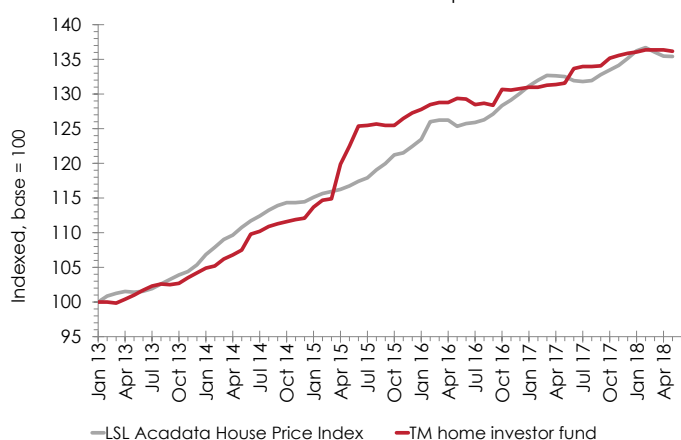
The Fund invests in private rented sector housing across the mainland UK regions and aims to capture UK house price growth plus provide an element of income return. The property investment manager, Hearthstone Asset Management, uses quantitative asset allocation methods and qualitative regional stock 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.

Whilst the fund will naturally be compared to others in the FE UT Property Sector, that peer group is comprised mainly of funds which invest in commercial property and property securities. For this reason, the LSL Acadata House Price Index (shown in grey in the charts and tables below) is considered to be a more relevant benchmark for the fund's performance.

Fund v. Benchmark

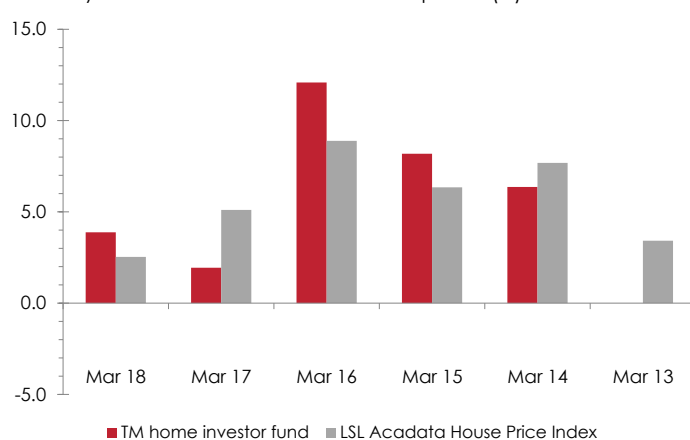
Cumulative

Cumulative total return since share class inception



Discrete

Discrete year until end of latest calendar quarter (%)



Cumulative total return (%) over period:

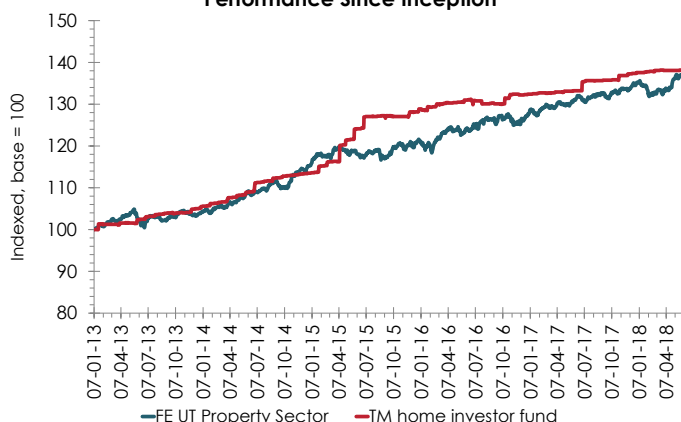
	1m	3m	6m	1y	3y	5y
TM home investor fund	-0.15	-0.15	0.44	3.49	11.17	34.82
LSL Acadata House Price Index	-0.04	-0.94	0.95	2.19	15.99	33.51

Discrete total return (%) 12 months ending:

	Mar 18	Mar 17	Mar 16	Mar 15	Mar 14
TM home investor fund	3.88	1.94	12.09	8.18	6.36
LSL Acadata House Price Index	2.53	5.10	8.89	6.34	7.68

Fund v. Peer Group

Performance Since Inception



* Indicates fund performance is only part-year, but peer group covers the full period.

Cumulative (%)	1m	3m	6m	1y	3y	5y
TM home investor fund	-0.15	-0.15	0.44	3.49	11.17	34.82
FE UT Property Sector	1.00	3.48	2.72	4.86	15.28	33.42

Discrete (%)	From launch	Year to end of				
		May 18	May 17	May 16	May 15	May 14
TM home investor fund	37.87	3.49	1.70	5.63	13.94	6.43
FE UT Property Sector	37.13	4.86	6.12	3.60	9.73	5.47

Calendar year (%)	2017	2016	2015	2014	2013	2012
TM home investor fund	3.90	2.75	13.55	7.57	* 5.50	-
FE UT Property Sector	5.89	5.04	5.39	10.75	4.69	6.74

Performance shown for PAIF Class D Shares - Retail Unbundled (Net) Accumulation, launched 07/01/2013. Bid to bid, inclusive of charges and in GBP with net income reinvested. The performance of other share/unit classes may vary.

Source of all data: Financial Express and LSL Acadata 31/05/2018

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.

PAIF Class D Shares - Retail Unbundled (Net)

Asset Allocation

	Target	Current
Physical Property	85%	83.1%
Cash	10%	7.26%
Liquid Instruments	5%	9.65%

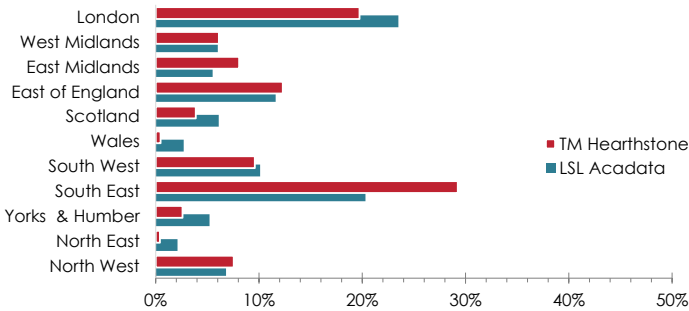
The fund currently has a 83.1% allocation to physical property with a target of 85%.

Acquisitions are ongoing with a further 5.90% currently held in cash allocated to property that has exchanged contracts and is awaiting completion.

Liquid instruments comprise cash liquidity funds (BlackRock and Prime Rate).

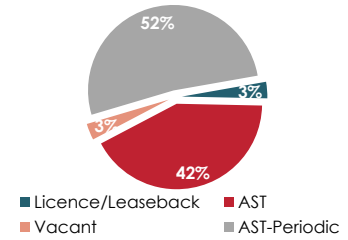
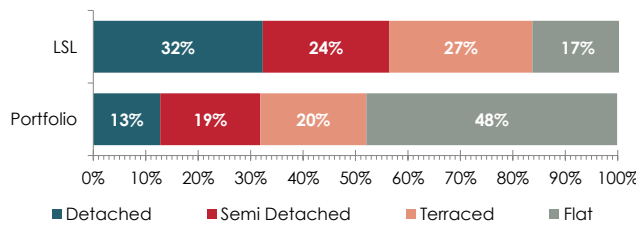
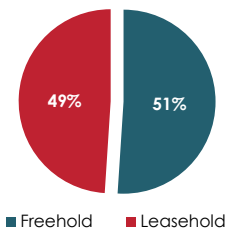
Property Portfolio Characteristics

Fund v LSL Acadata Regional Weightings



The regional weightings of the portfolio in terms of current investment value are shown in the chart alongside the regional allocations of property by the LSL Acadata House Price Index. The portfolio regions are largely in line with the index, with the exception of the South East where the portfolio has an investment value weighting of 29.3% against the index of 20.3%.

29.3% of the portfolio is situated in the South East in locations including Haywards Heath, Horsham & Eastbourne. 19.7% of the portfolio is located in London. 12.3% is located in East of England in locations including Colchester. 9.6% is located in the South West in locations including Bristol & Swindon. 7.6% of the portfolio is located in the North West which includes Manchester.



Since launch in 2012, the fund has acquired 211 properties and 1 set of parking spaces. The properties that have been acquired are a mixture of new build properties from housebuilders and developers such as Bovis Homes, Barratt, Bellway & Crest Nicholson, as well as standing stock investments.

The portfolio as at the end of May 2018 has 193 properties and 1 set of parking spaces as 18 properties have been sold since launch with the sale proceeds reinvested into subsequent acquisitions. The sales include one flat in Wembley that exchanged and completed early May.

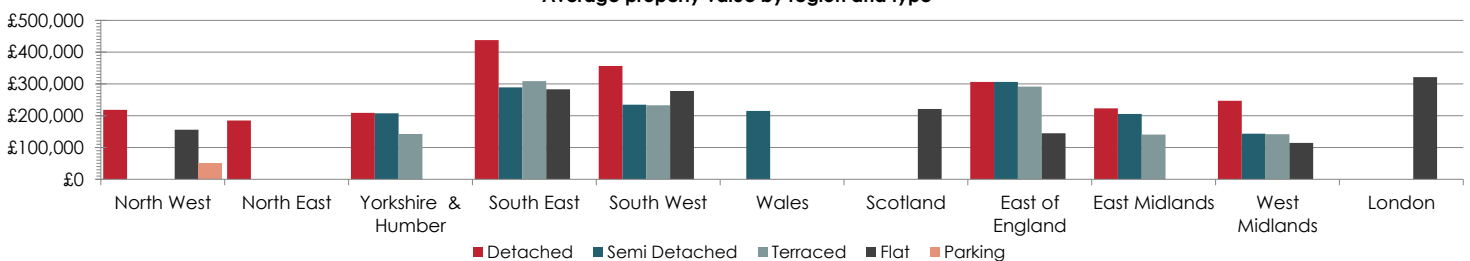
181 of the properties are let to the private rented sector on AST agreements, with a further 6 let on licence to developers as they were purchased on a sale and leaseback basis.

Average completed tenancy term (months)	22.0
Average unexpired tenancy term (months)	3.1
Average rent (p.a.)	£11,944
Average property value	£235,137
Number of properties	193
Vacancy rate (income)	3.50%
Potential Gross Yield	5.05%

As at the end of May 2018, 6 properties were vacant with half referenced and move in dates arranged early June 2018.

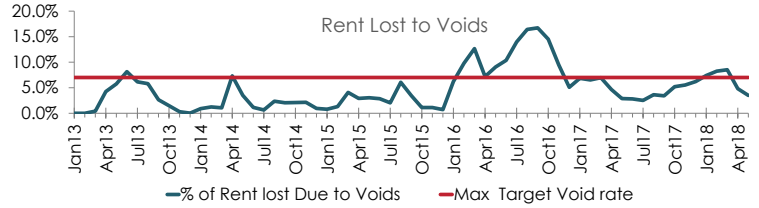
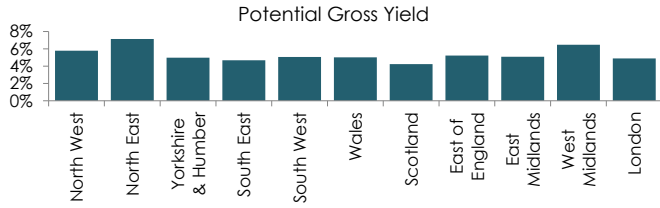
The property types held by the fund are delineated using the Land Registry Property categories of Detached, Semi Detached, Flats & Terraced.

Average property value by region and type

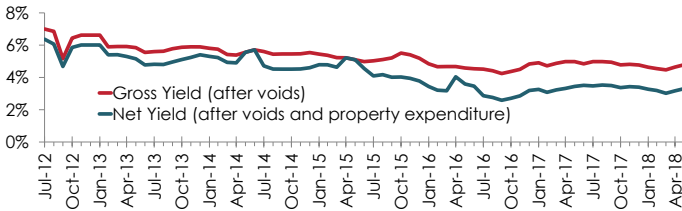


PAIF Class D Shares - Retail Unbundled (Net)

Property Portfolio Performance

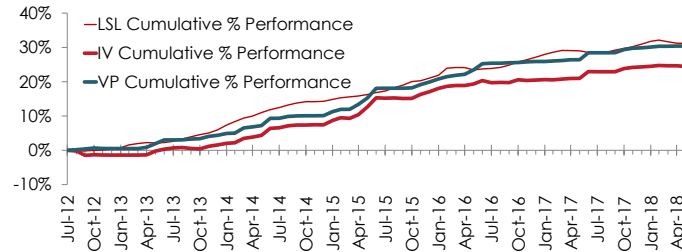


The potential gross yield of the property portfolio as at 31st May 2018 is 5.05%. Rental income lost due to vacant properties was 3.50% of the potential gross rent for the month. Over 12 months to the 31st May rent loss as a percentage of potential gross rent stands at 5.17%. The void loss is partly owing to the properties for sale and new acquisitions pending first lets.



On an accrual basis the gross yield adjusted for voids as at 31st May is 4.79%, and after all accrued property related costs the net yield of the property portfolio is 3.31%.

The Standing Independent Valuer values the property portfolio on a desktop basis each month, and by physical inspection each June. In May 2018, the portfolio increased by 0.02% in terms of Vacant Possession Value "VP" and decreased by 0.19% in terms of Investment Value "IV".



LSL this month reported a 2.2% annual increase in average house prices (2.1% increase excluding London & the South East). Over the same twelve month period, the performance of the fund's property portfolio is 4.0% (VP) and 3.5% (IV).

Since launch of the fund, this brings the increase in IV to 24.46%, and to 30.41% on a VP basis. By way of comparison, the LSL Acadata House Price Index (which includes the effect of prime central London) reported a change in house prices of 31.18% over the same period.

Property Investment Adviser's Update

It is hard to reconcile some of the media headlines and stories about the UK Housing Market with our own experience. Demand for the fund's homes from tenants remains high and, with one or two small exceptions, the independent valuations have shown little change, with a small number falling marginally but a larger number rising slightly.

As mentioned last month rents have been under pressure in some locations, but these small reductions are counterbalanced by growth in rents elsewhere.

The 8 new houses in Rowhedge, near Colchester, have now completed, and will feature in the June report. We are confident of strong demand from tenants with the first house being reserved within 48 hours of marketing beginning.

The fund will reduce its holding in Wembley a little further and reinvest sale proceeds in Yorkshire. Now that our new houses outside Colchester have completed we have also decided to reduce our holding of flats in Colchester, and again reinvest in Yorkshire.

The May valuation was the last by Cushman and Wakefield as Standing Independent Valuer. The property team thank them for all the work that they have done for the Fund in recent years. This role has now been assumed by CBRE who will report on 30th June. Their Valuation and Advisory Services team comprises over 300 people in 11 offices across the UK.

Property Market Update

The market in general remains subdued in volume, but resilient in pricing, with relatively low numbers of homeowners looking to sell and buy new properties. The first-time buyer market, supported by the Help to Buy scheme continues to keep house builders reasonably busy, but not so busy that some of them do not appreciate an investment buyer wishing to take a position on a particular scheme. This suits investment buyers by giving the fund a good choice of new build opportunities.

As private vendors stay at home, those people seeking to move also find themselves with restricted choice in the second-hand market. As an example, we decided to sell a modern house in South Wales and put it on the market in early June, and had a buyer at our asking price, significantly higher than the investment value, within a week.

LSL Acadata reported in June that "the UK housing market remained resilient showing a very slight rise in the annual house price rate in May (from 2.1% to 2.2%) following 11 months of falls. The positive performance in May means the market has narrowly avoided a full year of slowing house price growth. On a monthly basis prices were flat with no change on April. The average house price in England and Wales is recorded at £305,654, up more than £6,000 on a year ago, when prices remained below the symbolic £300,000 mark. Transactions are down on the levels of last year, however, by 6% in the first five months compared to 2017."

Within the regional variations there are also local variations between different towns and suburbs. A well structured diversified portfolio can still match or exceed these average figures, even allowing for the cash drag caused by the Fund's liquidity reserves.

PAIF Class D Shares - Retail Unbundled (Net)

Detailed Fund Information

Fund Name:	TM home investor fund
Sector:	IA Property
Fund launch date:	25 July 2012
Share class launch date:	07 January 2013
Underlying FUM	GBP 54,896,599
Primary asset class:	UK Residential Property
Structure:	OEIC with PAIF Tax Status

Fund Risk Profile



Awarded a DT3 rating by the independent risk rating company Distribution Technology.

Price and Yield at 31 May 2018

Fund Price	£ 1.363
Estimated Yield	1.11 % (net)

Additional Fund Information

Charges		
	Standard Prospectus terms	Current terms
Initial Charge	0.00%	0.00%
Ongoing Charges Figure (OCF)*	1.61%	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.*

Dates	
Distribution pay dates:	Annual: 31/10 Interim: 28/2, 31/5, 30/11
Distribution Type:	Accumulation
Subscription Frequency	Daily
Pricing Frequency	Daily
Redemption Frequency	Daily

Investment Minima		
	Standard Prospectus terms	Current terms
Minimum Initial Investment	GBP 1,000	GBP 1,000
Minimum Additional Investment	GBP 500	GBP 500
Monthly Investment	GBP 50	GBP 50

Minimums may not apply when investing via an online platform or wrap.

Fund Codes			
PAIF Class D Shares - Retail Unbundled (Net)			
Sedol:	ISIN:	Citicode:	MEXID:
B960879	GB00B9608795	I3HM	8TCLEA

Availability (Platforms, SIPP, Offshore Bond)
This share class is available on the following platforms:
7IM Nominees, AJ Bell, Allfunds Bank, Alliance Trust, Ascentric, Hubwise, Interactive Investor, Raymond James, Transact, Willis Owen,

Management & Administration	
Fund Manager:	Hearthstone - Alan Collett
Property Investment	Hearthstone Asset Management Limited
Adviser:	
Authorised Corporate Director:	Thesis Unit Trust Management Limited
Investment Adviser (non-property assets):	Thesis Asset Management Limited
Administrator:	Northern Trust Global Services Limited
Depository:	NatWest Trustee & Depository Services
UK Legal Adviser:	Eversheds Sutherland
Independent Valuer:	Cushman Wakefield
Auditor:	Grant Thornton UK LLP

Platforms
(Different share/unit classes may be available on other platforms)



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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.

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