

Class D Shares - Retail Net (Unbundled)

Fund fact sheet date: 31 July 2018

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

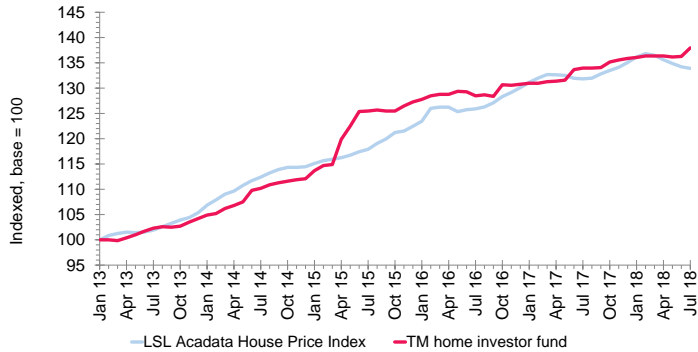
This factsheet is for information only. It is not designed to provide advice on the suitability of an investment for your personal financial situation. If you have any questions regarding the information included in this factsheet, you are recommended to speak to a financial adviser.

Investment Objective

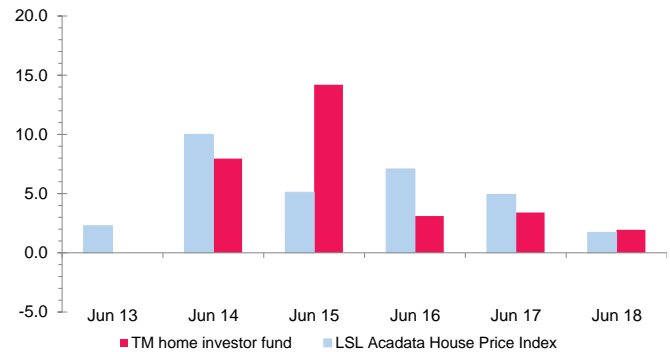
The Fund invests in private rented sector housing across the mainland UK regions and aims to capture UK house price growth plus provide an element of income return. The property investment manager, Hearthstone Asset Management Limited, uses quantitative asset allocation methods and qualitative regional 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	1.25	1.17	1.40	2.98	9.95	34.86
LSL Acadata House Price Index	-0.24	-1.27	-1.65	1.58	13.56	31.37

Discrete total return (%) 12 months ending:

	Jun 14	Jun 15	Jun 16	Jun 17	Jun 18
TM home investor fund	7.96	14.19	3.11	3.40	1.94
LSL Acadata House Price Index	10.00	5.12	7.08	4.94	1.73

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 31/07/2018

*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

The portfolio continues to perform well. The independent monthly valuation shows increases in some of the recently acquired homes, and stability elsewhere. In Greater London, where the largest holding is in the Wembley Park regeneration area around the National Stadium we have seen no falls in values reported by the Independent Valuer and recently sold a 2 bedroom flat at the valuation figure and agreed the sale of a 1 bedroom flat at just above the valuation.

Generally, the sales market is stable with lower levels of transactions than in previous years, but still with 75,000 recorded in July. This indicates continuing steady demand. The RICS monthly survey reports that the New Buyer Enquiries up by 2%, but new instructions flat.

The picture on prices is varied. On an annual basis prices are still higher in all regions than in July 2017, but there have been small month on month falls since the Spring according to LSL Acadata, which recorded a fall of 0.2% nationally in July. Within the 12 month national figure there are significant regional variations, with the West Midlands and North East doing best with gains of just over 3% and the East and South East the worst only showing 0.5% increases. The data sets do vary, however, with both the Halifax and Nationwide Indices showing stronger growth. Hearthstone continues to believe that a carefully constructed regional portfolio of modern houses and flats will give superior performance to the national averages.

Rental demand remains good with occupancy in the existing portfolio over 97%, and strong demand for new acquisitions. In Nottingham we are seeing rents 10% higher than the valuations when we agreed to buy the last 6 houses at The Limes. At Rowhedge Village, Colchester, 6 of the 8 new houses are already let, and the remaining 2 will go quickly once the builder finishes some minor snagging works.

The RICS Survey shows that the Tenant Demand indicator remains resilient with a positive balance of +11% over the previous three months. Supply of rented homes, however, is negative at -9% with a drop in instructions in virtually all parts of the country. This is put down to the changes in the tax treatment of income for individual investors. As a result, RICS project increases in rents of 2% nationally over one year and 15% over five years. With a portfolio of well located modern houses and flats, we expect the Fund will benefit from this trend.

Portfolio Facts

Fund asset allocation

Cash or equivalent	5.95%
Property - North West	6.48%
Property - North East	0.34%
Property - Yorks & Humber	2.22%
Property - South East	25.80%
Property - South West	8.40%
Property - Wales	0.41%
Property - Scotland	3.25%
Property - East of England	15.41%
Property - East Midlands	9.35%
Property - West Midlands	5.59%
Property - London	16.79%

Top 10 property holdings

Holding	Units	Value
Quadrant Court, Wembley, London HA9	23	£7,645,000
Wickhurst Green, Horsham, RH12	14	£4,550,000
The Limes, Nottingham, NG8	18	£3,730,000
Spectrum, Manchester M3	17	£2,910,000
King Georges Park, Rowhedge, CO5	8	£2,530,000
Mansion House, Colchester, CO2	16	£2,290,000
Henmead House, Haywards Heath, RH16	6	£1,845,000
Rea Road, Northfield, Birmingham. B31	14	£1,826,000
Portland View, Bristol, BS2	6	£1,755,000
Pandora Close, Locks Heath, SO31	4	£1,300,000

Property portfolio metrics

Flats	101
Terraced	46
Semi	42
Detached	18
Total number of properties	207
Average property value	£246,209
Average tenant stay	21 months
12 month average occupancy rate (% of income)	94.23%



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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 31 July 2018

Fund price:	£ 1.381
Estimated yield:	0.83 % (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:	1.64 %
Maximum drawdown:	-0.86 %

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
Parmenion
Raymond James
Transact

Direct to consumer (non-advised) platforms:

AJ Bell
Alliance Trust
Hargreaves Lansdown
Interactive Investor
Willis Owen

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:	£54,450,816
Share/unit class size:	£3,088,665
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
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

Fund ratings



FE Risk Score
14

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