



Class D Shares - Retail Net (Unbundled)

Fund fact sheet date: 30 September 2019

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

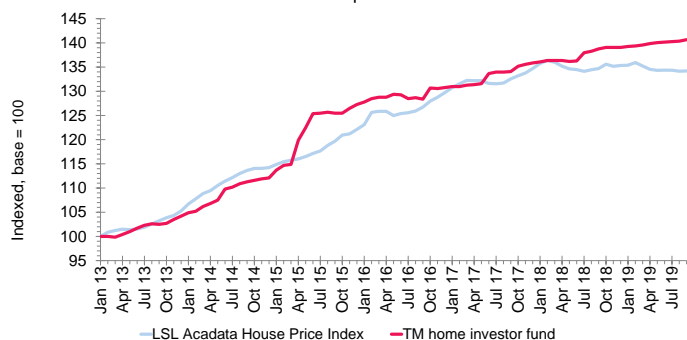
This factsheet is for information only. It is not designed to provide advice on the suitability of an investment for your personal financial situation. If you have any questions regarding the information included in this factsheet, you are recommended to speak to a financial adviser.

Investment Objective

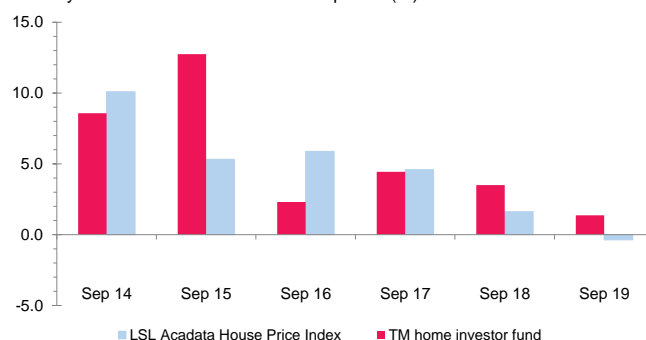
The Fund invests in private rented sector housing across the mainland UK regions and aims to capture UK house price growth plus provide an element of income return. The property investment manager, Hearthstone Asset Management Limited, uses quantitative asset allocation methods and qualitative regional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

Fund v. Performance Comparator

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	0.21	0.36	0.79	1.37	9.57	26.39
LSL Acadata House Price Index	0.04	-0.12	-0.76	-0.36	5.90	18.09

Discrete total return (%) 12 months ending:

	Sep 15	Sep 16	Sep 17	Sep 18	Sep 19
TM home investor fund	12.75	2.31	4.44	3.50	1.37
LSL Acadata House Price Index	5.32	5.88	4.59	1.62	-0.36

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 30/09/2019

*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 Manager's commentary

As the Brexit saga drags on, transactions in the owner-occupier housing market continue to falter with Land Registry estimating that there were c.70,500 transactions in England & Wales in September.

The LSL Acadata House Price Index, Hearthstone's preferred housing barometer, shows prices remained relatively flat across the country, with Wales, the North West and North East having the highest levels of growth, but in reality, the regional differences are quite small. The independent valuation of the Fund's properties showed a 0.16% increase in September, whereas LSL's House Price index fell -0.4%. The Bank of England noted that household net mortgage borrowing weakened, but that this was in line with the average since 2016. Mortgage approvals, an indicator of future lending, also fell but again in line with averages. LSL noted that "the underlying fundamentals of the market remain strong and there is growing expectation that the medium-term outlook is quite positive with the market gaining some of its lost momentum".

Demand for good quality rented housing continues to strengthen, with Hometrack stating that annual rental growth is 2%, up from 1.3% a year ago as supply tightens. The RICS Housing Survey predicts continued rental growth of 2% over the next year, with imbalance in supply and demand pushing this to 3% over the subsequent 5 years. Although rents are rising at the fastest pace for 3 years, they are still lagging earnings growth of 4%. The homes in the portfolio are almost fully occupied with four being vacant at the month end - three of which are being sold as part of the ongoing asset management activity. Offers have been accepted on each of them at or slightly above the current valuation, and these will progress to completed sales in the near future. Rentals of the homes within the Fund continue to roll on, providing good rental growth and income into the fund.

Portfolio Facts

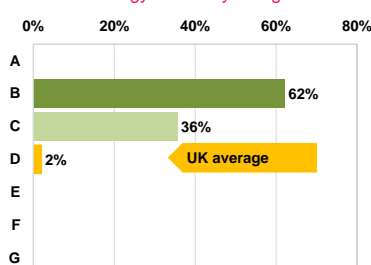
Fund asset allocation	
Cash or equivalent	18.23%
Property - North West	5.50%
Property - North East	0.00%
Property - Yorks & Humber	0.95%
Property - South East	22.90%
Property - South West	7.58%
Property - Wales	0.00%
Property - Scotland	3.22%
Property - East of England	13.30%
Property - East Midlands	8.51%
Property - West Midlands	5.19%
Property - London	14.62%

Top 10 property holdings		
Holding	Units	Value
Quadrant Court, Wembley, London HA9	22	£7,350,000
Wickhurst Green, Horsham, RH12	14	£4,505,000
The Limes, Nottingham, NG8	18	£3,780,000
Spectrum, Blackfriars Road, Manchester M3	17	£2,970,000
King Georges Park, Rowhedge, CO5	8	£2,530,000
Mansion House, Colchester, CO2	13	£1,975,000
Rea Road, Northfield, Birmingham. B31	14	£1,900,000
Portland View, Bristol, BS2	6	£1,725,000
Henmead House, Haywards Heath, RH16	6	£1,695,000
Pandora Close, Locks Heath, SO31	4	£1,300,000

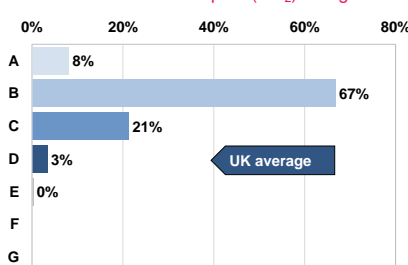
Property portfolio metrics	
Flats	97
Terraced	46
Semi	40
Detached	14
Total number of properties	197
Average property value	£250,003
Average tenant stay	27 months
1 year ave. occupancy (%) of income)	95.42%

Environmental Profile

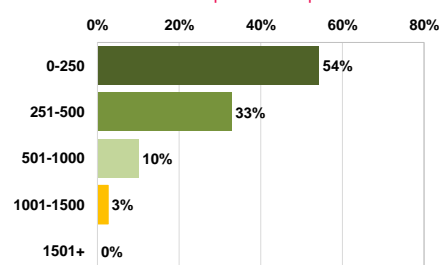
Energy efficiency rating



Environmental impact (CO₂) rating



Metres from public transport



All charts show the property portfolio by percentage of property units. Sources: Hearthstone and Ministry of Housing, Communities & Local Government.



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Costs and charges

Entry charge:	0.00%
Exit charge:	0.00%
Annual charges ('OCF')*:	1.57%

* Ongoing Charges Figure (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 September 2019

Fund price:	£ 1.408
Estimated yield:	1.17 % (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:	1.49 %
Maximum drawdown:	-0.15 %

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:

Direct to consumer (non-advised) platforms:

7IM	AJ Bell
AJ Bell	Alliance Trust
Allfunds	Hargreaves Lansdown
Alliance Trust	Interactive Investor
Ascentric	Willis Owen
Cofunds Institutional	
Hubwise	
Parmenion	
Pershing	
Raymond James	
Transact	
Wealthtime	

Key fund information

Fund name:	TM home investor fund (a subfund of the TM Hearthstone ICVC)
Performance comparator:	LSL Acadata House Price Index
Fund launch date:	25/07/2012
Share class launch date:	07/01/2013
Fund size:	£60,508,987
Share/unit class size:	£2,690,892
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
Investment Manager:	Stuart Springham, MRICS
Property Investment Manager 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
Depositary:	NatWest Trustee & Depositary Services
Independent valuer:	CBRE
Auditor:	Grant Thornton UK LLP

Fund ratings



FE Risk Score
8

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).