

## Class G Shares - Institutional Net Income

Fund fact sheet date: 31 October 2019

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

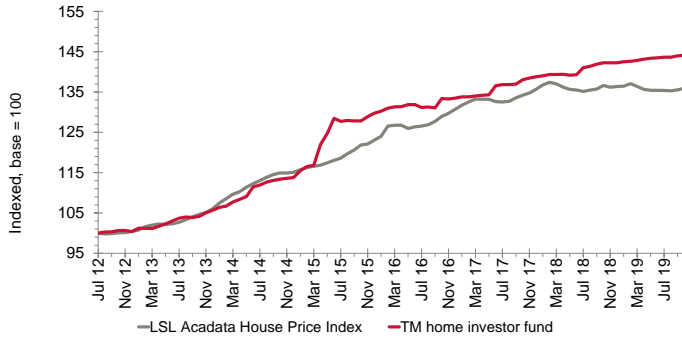
This factsheet is for information only. It is not designed to provide advice on the suitability of an investment for your personal financial situation. If you have any questions regarding the information included in this factsheet, you are recommended to speak to a financial adviser.

### Investment Objective

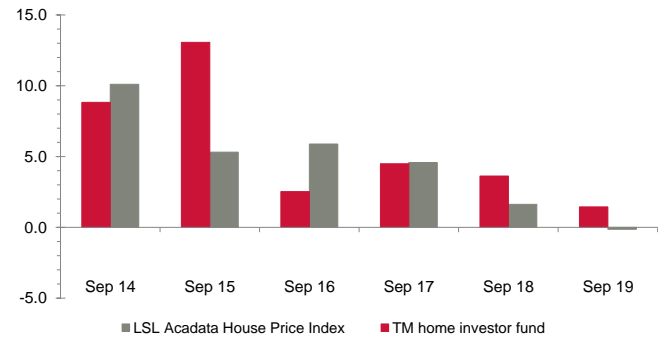
The Fund invests in private rented sector housing across the mainland UK regions and aims to capture UK house price growth plus provide an element of income return. The property investment manager, Hearthstone Asset Management Limited, uses quantitative asset allocation methods and qualitative regional 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	0.11	0.34	0.69	1.32	8.05	27.11
LSL Acadata House Price Index	0.27	0.38	0.18	-0.53	5.40	18.25

Discrete total return (%) 12 months ending:

	Sep 15	Sep 16	Sep 17	Sep 18	Sep 19
TM home investor fund	13.06	2.52	4.49	3.62	1.45
LSL Acadata House Price Index	5.31	5.89	4.58	1.62	-0.13

Performance of Class G Shares - Institutional Net Income Income, launched 25/07/2012. 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 31/10/2019

\*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 UK heads to the polls for the third time three and a half years and Brexit uncertainty continues, one might be forgiven for thinking that the housing market will have stalled as vendors and purchasers wait for clarity. However, HM Land Registry shows an estimated 77,500 housing transactions in October 2019, up 4.2% on September. Although c.2.0% down on a seasonally adjusted basis, it shows how resilient the housing market is, and the perpetual need for homes. LSL Acadata shows house prices remained relatively flat, with the South West, North West and North East having the highest growth, although the regional differences are quite small. The independent valuation of the Fund's properties showed a negligible 0.01% decrease in October, whereas LSL's House Price index rose 0.3%. Recent figures suggest that there has been steady growth in the number of first-time buyer mortgages, and gross mortgage lending in the market has held up, with September 2019 up 4% on 2018. The Bank of England's latest inflation report echoes this sentiment, noting that UK house price inflation has stabilised around 0%. This has fed through to housebuilding, with housing starts lower than a year ago, which in turn increases the demand on a falling supply.

Demand for good quality rented housing continues to strengthen with the RICS Housing Survey stating that quarterly figures on tenant demand signalled another acceleration in growth in the three months to October 2019. Indeed, demand increased to +22%, the highest level since Q4 2016, yet landlord instructions decreased again with the pace of decline seeming to gather momentum. Hence rental growth expectations in the near term have further improved, with every UK region projected to see an increase over the coming months. ONS rental data shows rents have increased by 1.3% YTD, with rents in the fund increasing by 1.8% over the same period. The homes in the portfolio are almost fully occupied with five being vacant at the month end - two of which are being sold as part of the on-going asset management activity. Of the three void properties, one was under offer leading to a 98.97% occupancy rate.

### Portfolio Facts

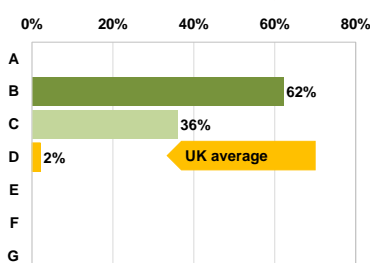
Fund asset allocation	
Cash or equivalent	17.55%
Property - North West	5.60%
Property - North East	0.00%
Property - Yorks & Humber	0.95%
Property - South East	23.32%
Property - South West	7.17%
Property - Wales	0.00%
Property - Scotland	3.28%
Property - East of England	13.26%
Property - East Midlands	8.69%
Property - West Midlands	5.29%
Property - London	14.89%

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
Rea Road, Northfield, Birmingham. B31	14	£1,900,000
Mansion House, Colchester, CO2	12	£1,820,000
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

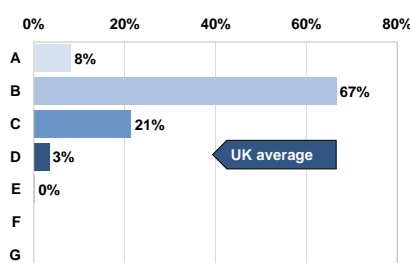
Property portfolio metrics	
Flats	96
Terraced	46
Semi	40
Detached	13
Total number of properties	195
Average property value	£250,079
Average tenant stay	28 months
1 year ave. occupancy (%) of income)	95.68%

### Environmental Profile

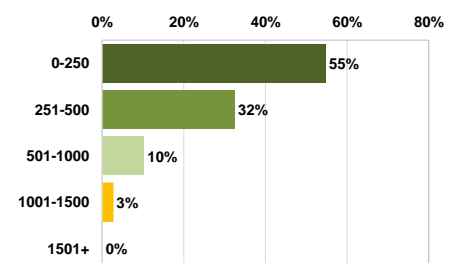
#### Energy efficiency rating



#### Environmental impact (CO<sub>2</sub>) 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.

## Class G Shares - Institutional Net Income

### Costs and charges

Entry charge:	<b>0.50%</b>	Please contact <i>Hearthstone</i> for current terms and discounts on institutional classes
Exit charge:	<b>0.00%</b>	
Annual charges ('OCF')*:	<b>1.42%</b>	

\* Ongoing Charges Figure (OCF) is based on estimated annual expenses, and includes the Annual Management Charge of 0.75%. 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:	<b>£100,000</b>
Additional:	<b>£100,000</b>
Monthly:	<b>n/a</b>

### Price and Yield at 31 October 2019

Fund price:	<b>£ 1.299</b>
Estimated yield:	<b>1.31 % (net)</b>
Distribution dates:	<b>Annual: 31 Oct</b>
	<b>Interim: 28 Feb, 31 May, 30 Nov</b>

### Investment ratios

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

Volatility:	<b>1.21 %</b>
Maximum drawdown:	<b>-0.16 %</b>

### 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	
Allfunds	
Pershing	
Raymond James	
Transact	
Wealthtime	

### Fund ratings



FE Risk Score

**8**

### Key fund information

Fund name:	<b>TM home investor fund (a subfund of the TM Hearthstone ICVC)</b>
Performance comparator:	<b>LSL Acadata House Price Index</b>
Fund launch date:	<b>25/07/2012</b>
Share class launch date:	<b>25/07/2012</b>
Fund size:	<b>£59,449,417</b>
Share/unit class size:	<b>£309,693</b>
Primary asset class:	<b>UK Residential Property</b>
Structure:	<b>OEIC with PAIF Tax Status</b>
Distribution type:	<b>Income</b>
Pricing frequency:	<b>Daily</b>
Subscription frequency:	<b>Daily</b>
Redemption frequency:	<b>1st</b>
Dealing time:	<b>22:30 London, UK</b>
Settlement:	<b>T+4</b>

### Fund Codes

Class:	<b>Class G Shares - Institutional Net Income</b>
MiFID category:	<b>Complex</b>
Sedol:	<b>B76WFY7</b>
ISIN:	<b>GB00B76WFY75</b>
Citicode:	<b>112K</b>
MEXID:	<b>8TDENT</b>

### Management & Administration

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

### 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).