

Temporarily suspended. See Property Investment Manager's commentary below.

Class B Shares - Retail Net (Bundled)

Fund fact sheet date: 31 March 2020

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

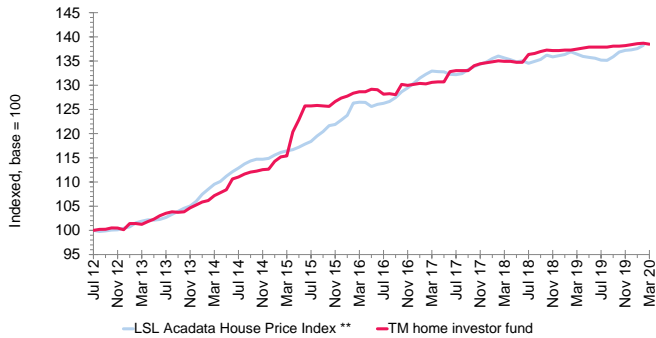
This factsheet is for information only. It is not designed to provide advice on the suitability of an investment for your personal financial situation. If you have any questions regarding the information included in this factsheet, you are recommended to speak to a financial adviser.

Investment Objective

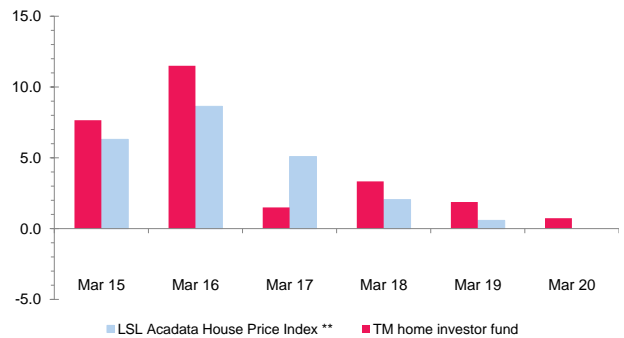
The Fund invests in private rented sector housing across the mainland UK regions and aims to capture UK house price growth plus provide an element of income return. The property investment manager, Hearthstone Asset Management Limited, uses quantitative asset allocation methods and qualitative regional 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. < Please see below regarding the current suspension of that index >

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 | -0.15 | 0.07 | 0.29 | 0.74 | 6.05 | 20.02 |
| LSL Acadata House Price Index ** | N/A | N/A | N/A | N/A | N/A | N/A |

Discrete total return (%) 12 months ending:

| | Mar 16 | Mar 17 | Mar 18 | Mar 19 | Mar 20 |
|----------------------------------|--------|--------|--------|--------|--------|
| TM home investor fund | 11.50 | 1.50 | 3.34 | 1.88 | 0.74 |
| LSL Acadata House Price Index ** | 8.64 | 5.09 | 2.04 | 0.58 | N/A |

Performance of Class B Shares - Retail Net (Bundled) Accumulation Class, launched 26/07/2012. Prevailing single price*, net of charges, in GBP with income reinvested net of basic rate income tax. Performance of other classes may vary. Source of all data: Financial Express and LSL Acadata 31/03/2020

*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. ** LSL Acadata has stated it will not publish its House Price Index for March, April or May owing to low numbers of property transactions.

Property Investment Manager's commentary

What a difference a month makes. Last month I talked about the "remarkable change in sentiment in the UK residential property market" and how house prices, enquiries and instructions reached new highs. As we all know, it is a very different world now. Measures taken to control the Covid-19 pandemic have significantly reduced the number of housing transactions in the UK, resulting in the Fund's Standing Independent Valuer expressing material uncertainty in the valuation of the Fund's properties. Dealing in the Fund has been temporarily suspended, effective 10:30pm on 17th March, until such time as the market returns to more normal transaction volumes. Furthermore, there is little data feeding through to analyse house prices, the number of transactions taking place, or the lettings market. Whilst all commentators predict a quick return to the norm once the country "re-opens", there is still no definitive timeline as to when this might happen.

The March property portfolio valuation was down 0.22% on February, driven mainly by ten flats in Colchester, each seeing a 2% reduction. We sold £805,000 of stock in March as part of ongoing asset management, including two units that completed after Lockdown commenced. The Fund's occupancy at the end of March was c.91%, but eleven of the seventeen vacant units were in the recently acquired Crocketts Lane development which we simply did not have sufficient time to let prior to the enforced Lockdown. As such, excluding these and another unit which is for sale, the occupancy of the fund stands at c.95%. Over the past 12 months, portfolio rents have increased by 1.7%, versus ONS rental index of 1.4% and CPIH 1.5%.

A point of note is that during March 2020 the Fund collected 99% of rent demanded, in line with the 12-month average. We will have to wait to see how this has been impacted by Covid-19 going forwards, but fewer than 5% of tenants have so far raised rent queries in regard to financial distress caused by the lockdown. We continue supporting our tenants proactively throughout this period, all of which are set-up with an online tenant portal and have access to a 24 hour call centre.

Portfolio Facts

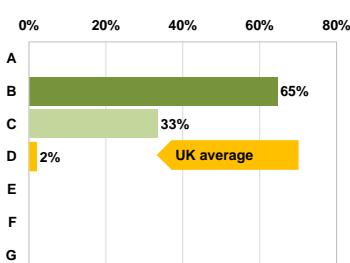
| Fund asset allocation | |
|----------------------------|--------|
| Cash or equivalent | 17.18% |
| Property - North West | 5.50% |
| Property - North East | 0.00% |
| Property - Yorks & Humber | 0.92% |
| Property - South East | 21.61% |
| Property - South West | 6.95% |
| Property - Wales | 0.00% |
| Property - Scotland | 3.18% |
| Property - East of England | 12.30% |
| Property - East Midlands | 8.44% |
| Property - West Midlands | 9.29% |
| Property - London | 14.64% |

| Top 10 property holdings | | |
|---|-------|------------|
| Holding | Units | Value |
| Quadrant Court, Wembley, London HA9 | 22 | £7,512,500 |
| Wickhurst Green, Horsham, RH12 | 14 | £4,505,000 |
| The Limes, Nottingham, NG8 | 18 | £3,780,000 |
| Spectrum, Blackfriars Road, Manchester M3 | 17 | £3,015,000 |
| Crocketts Lane, Smethwick, B66 | 11 | £2,555,000 |
| King Georges Park, Rowhedge, CO5 | 8 | £2,530,000 |
| 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 |
| Mansion House, Colchester, CO2 | 10 | £1,492,000 |

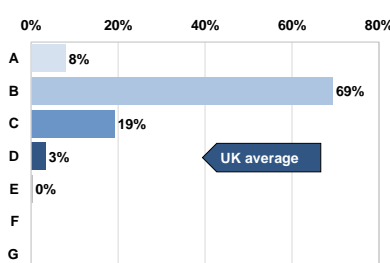
| Property portfolio metrics | |
|-------------------------------------|-----------|
| Flats | 94 |
| Terraced | 51 |
| Semi | 46 |
| Detached | 12 |
| Total number of properties | 203 |
| Average property value | £249,020 |
| Average tenant stay | 26 months |
| 1 year ave. occupancy (% of income) | 94.93% |

Environmental Profile

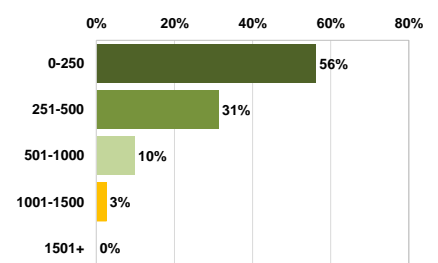
Energy efficiency rating



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.



Class B Shares - Retail Net (Bundled)

Costs and charges

Entry charge: **3.00%** *Initial charge is reduced to 0% on most platforms and for direct applications.*
Exit charge: **0.00%**
Annual charges ('OCF')*: **2.13%**

* Ongoing Charges Figure (OCF) is based on estimated annual expenses, and includes the Annual Management Charge of 1.5%. The OCF may vary from year to year.

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

CHARGES TO CAPITAL: Charges for the income share class only, insofar as possible, are taken from capital. Whilst this may increase the level of income distributed, capital may be eroded if growth is less than charges taken.

Minimum investment

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

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

Fund Price and Yield at 31 March 2020

| | <u>Accumulation Class</u> | <u>Income Class</u> |
|-----------------------|--|-------------------------------------|
| Fund price: | £ 1.367 | (N/A - Launching 20/04/2020) |
| Estimated fund yield: | 0.70 % * | |
| | * net of basic rate income tax | |
| 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: **1.21 %**
Maximum drawdown: **-0.23 %**

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 | |
| Cofunds Institutional | |
| Pershing | |
| 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: **26/07/2012 (Accumulation Class)**
20/04/2020 (Income Class)
Fund size: **£61,291,856**
Primary asset class: **UK Residential Property**
Structure: **OEIC with PAIF Tax Status**
Pricing frequency: **Daily**
Subscription frequency: **Daily**
Redemption frequency: **Daily**
Dealing time: **22:30 London, UK**
Settlement: **T+4**

Fund Codes

Class: **Class B Shares - Retail Net (Bundled)**

| | <u>Accumulation Class</u> | <u>Income Class</u> |
|-----------|---|---------------------|
| Sedol: | B44VX30 | BLHXV49 |
| ISIN: | GB00B44VX301 | GB00BLHXV493 |
| Citicode: | 112H | QZF3 |
| MEXID: | 8TESID | |
| | (Income class launches 20/04/2020) | |

MiFID category: **Non-complex**

Management & Administration

Fund Manager: **Alan Collett, FRICS**
Deputy Fund Manager: **Stuart Springham, MRICS**
Chief Investment Officer: **Andrew Smith, FRICS**

Property Investment Manager and Distributor: **Hearthstone Asset Management Limited**
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London
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020 3301 1330
info@hearthstone.co.uk
www.homeinvestor.fund

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
3

ESG ratings



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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