



Class C Shares - Retail Gross (Unbundled)

Fund fact sheet date: 31 August 2018

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

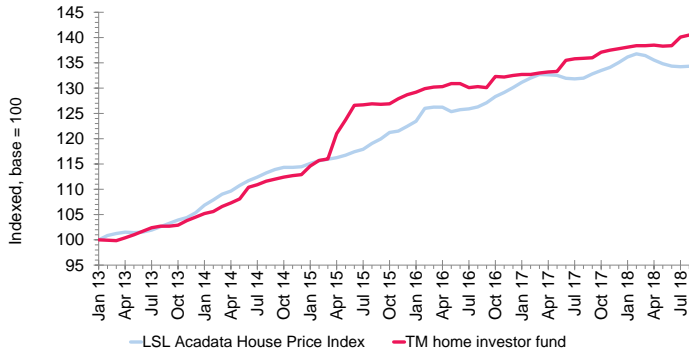
This factsheet is for information only. It is not designed to provide advice on the suitability of an investment for your personal financial situation. If you have any questions regarding the information included in this factsheet, you are recommended to speak to a financial adviser.

Investment Objective

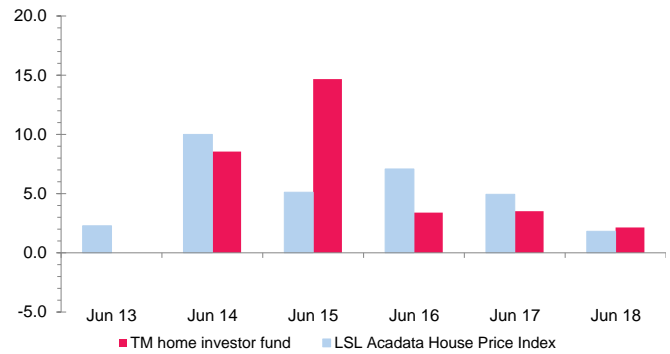
The Fund invests in private rented sector housing across the mainland UK regions and aims to capture UK house price growth plus provide an element of income return. The property investment manager, Hearthstone Asset Management Limited, uses quantitative asset allocation methods and qualitative regional 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 | 0.29 | 1.59 | 1.52 | 3.38 | 10.72 | 36.81 |
| LSL Acadata House Price Index | 0.06 | -0.36 | -1.80 | 1.78 | 12.82 | 30.93 |

Discrete total return (%) 12 months ending:

| | Jun 14 | Jun 15 | Jun 16 | Jun 17 | Jun 18 |
|-------------------------------|--------|--------|--------|--------|--------|
| TM home investor fund | 8.55 | 14.67 | 3.40 | 3.51 | 2.14 |
| LSL Acadata House Price Index | 10.00 | 5.12 | 7.08 | 4.94 | 1.82 |

Performance of Class C Shares - Retail Gross (Unbundled) Accumulation, launched 07/01/2013. Prevailing single price*, net of charges, in GBP with gross income reinvested. Performance of other classes may vary. Source of all data: Financial Express and LSL Acadata 31/08/2018

*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 the fund's assets in Northfield, Birmingham, and also on some of the Wembley units. The rest of the portfolio remained stable during the month. We have seen no falls in values reported by the Independent Valuer. During the month, the sale of one property in Magor, South Wales, was completed. Overall, the fund's carefully constructed regional portfolio of modern houses continues to outperform the national averages.

LSL Acadata reported that the annual change in house prices remains steady at 1.8%. This is below inflation of 2.3% (CPI) which means that, in real terms, house prices have become more affordable. Transactions across England and Wales are estimated to be 79,900 by LSL Acadata - a small fall of around 0.1% compared to July.

The national picture on average house prices masks differences across the regions and unitary authority areas. Some notable examples of this are West and East Midlands showing year on year growth of 2.9% and 2.7% respectively, and the North East increasing by 2.6%. London, whilst starting the year as the lowest performing region, now tops the regional performance table at 3.6% annual increase in average house price.

Rental demand remains strong with over 99% of properties occupied at the end of August, including let and reserved properties. 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 one tenancy agreed to start in September.

The RICS Survey shows that the Tenant Demand indicator has risen to a positive balance of +22% which is its highest since October 2016. Supply of rented homes, however, is negative at -18% 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 around 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 | 6.45% |
| Property - North West | 6.46% |
| Property - North East | 0.34% |
| Property - Yorks & Humber | 2.22% |
| Property - South East | 25.73% |
| Property - South West | 8.38% |
| Property - Wales | 0.00% |
| Property - Scotland | 3.24% |
| Property - East of England | 15.37% |
| Property - East Midlands | 9.33% |
| Property - West Midlands | 5.71% |
| Property - London | 16.77% |

| Top 10 property holdings | | |
|---------------------------------------|-------|------------|
| Holding | Units | Value |
| Quadrant Court, Wembley, London HA9 | 23 | £7,655,000 |
| 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 |
| Rea Road, Northfield, Birmingham. B31 | 14 | £1,900,000 |
| Henmead House, Haywards Heath, RH16 | 6 | £1,845,000 |
| 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 | 41 |
| Detached | 18 |
| Total number of properties | 206 |
| Average property value | £246,717 |
| Average tenant stay | 21 months |
| 12 month average occupancy rate (% of income) | 93.91% |



Class C Shares - Retail Gross (Unbundled)

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 August 2018

| | |
|---------------------|---|
| Fund price: | £ 1.405 |
| Estimated yield: | 0.88 % (gross) |
| 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
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: | £54,590,321 |
| Share/unit class size: | £6,513,353 |
| 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 C Shares - Retail Gross (Unbundled) |
| MiFID category: | Non-complex |
| Sedol: | B95VYK8 |
| ISIN: | GB00B95VYK84 |
| Citicode: | I3HL |
| MEXID: | 8THEAP |

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

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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.

Hearthstone Investments PLC is the parent company of the Hearthstone Investments Group. Regulated business is carried out by Hearthstone Asset Management Limited. Hearthstone Asset Management Limited is an appointed representative of Thesis Asset Management Limited which is authorised and regulated by the Financial Conduct Authority (114354). Hearthstone Investments PLC (06379066) and Hearthstone Asset Management Limited (07458920) are both registered in England and Wales. The registered office for both companies is c/o Bridgehouse Company Secretaries, 1-2 Faulkners Alley, Cowcross Street, London EC1N 6DD.

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