

PAIF Class X - Retail (Net)

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.

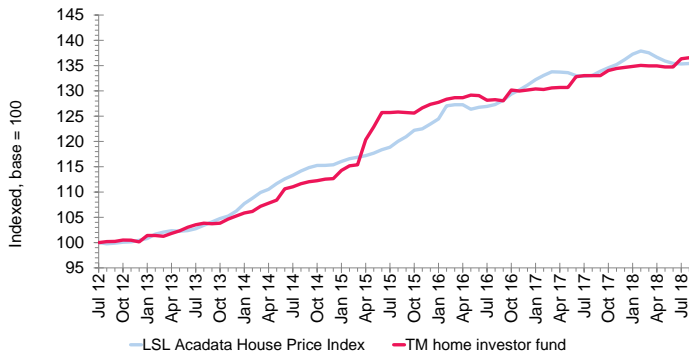
Investment Objective

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.

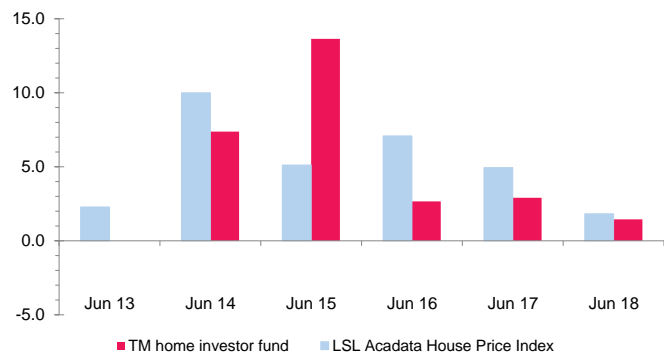
Fund v. Benchmark

Important: Simulated past performance - see footnotes

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	1.35	1.13	2.67	8.53	31.51
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	7.37	13.64	2.66	2.90	1.45
LSL Acadata House Price Index	10.00	5.12	7.08	4.94	1.82

Simulated past performance: Returns data for Class B shares (launched 26/07/2012) shown above in lieu of data for Class X, as Class X was not launched until 13/07/2018. Class X has lower annual charges than Class B (Class X OCF 1.81% p.a. and Class B OCF 2.21% p.a.); the above information has not been adjusted to account for this difference. Lower charges may result in higher returns, which may in turn result in a higher tax liability. Taxation will depend on your personal circumstances - please consult your tax/financial adviser.

Performance basis: Prevailing single price*, net of charges, in GBP with net income reinvested. Performance of other share classes may vary.

*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. Source of data: Financial Express and LSL Acadata.

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%



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Costs and charges

Entry charge:	0.00%
Exit charge:	0.00%
Annual charges ('OCF')*:	1.81%

* OCF, which may vary from year to year, is based on estimated annual expenses and includes the Annual Management Charge of 1.1%. For this share class, it also includes a product charge of 0.20% p.a., paid to WealthKernel for the service they provide for the online investment portal at <https://homeinvestor.wealthkernel.com>

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:	£100
Additional:	£100

Price and Yield at 31 August 2018

Fund price:	£ 1.351
Estimated yield:	n/a - launched 13/07/2018
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:

Direct to consumer (non-advised) platforms:

This share class is currently only available on the WealthKernel online investment portal which can be accessed via <https://homeinvestor.wealthkernel.com>

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:	13/07/2018
Fund size:	£54,590,321
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 X Shares - Retail
MiFID category:	Non-complex
Sedol:	BFZ58Z5
ISIN:	GB00BFZ58Z57
Citicode:	P9JT
MEXID:	THOSL

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.

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).