



Class D Shares - Retail Net (Unbundled)

Fund fact sheet date: 28 February 2019

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

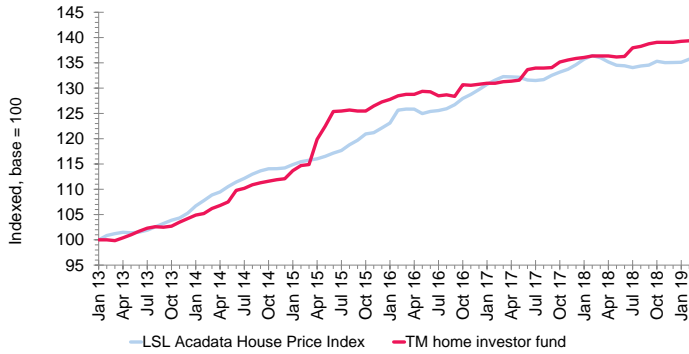
This factsheet is for information only. It is not designed to provide advice on the suitability of an investment for your personal financial situation. If you have any questions regarding the information included in this factsheet, you are recommended to speak to a financial adviser.

Investment Objective

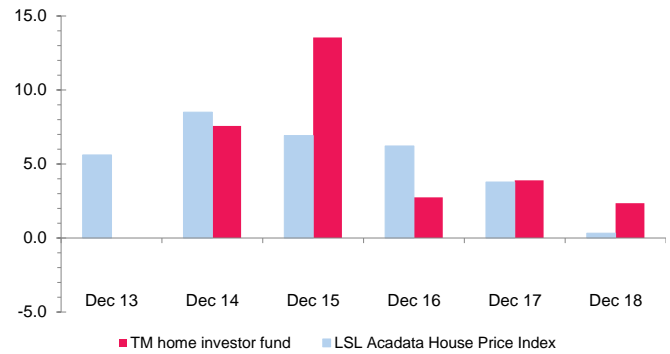
The Fund invests in private rented sector housing across the mainland UK regions and aims to capture UK house price growth plus provide an element of income return. The property investment manager, Hearthstone Asset Management Limited, uses quantitative asset allocation methods and qualitative regional stock selection to build a portfolio of assets reflecting the distribution of UK mainland housing stock. 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 | 0.07 | 0.22 | 0.79 | 2.20 | 8.48 | 32.48 |
| LSL Acadata House Price Index | 0.45 | 0.50 | 1.00 | -0.51 | 8.03 | 25.95 |

Discrete total return (%) 12 months ending:

| | Dec 14 | Dec 15 | Dec 16 | Dec 17 | Dec 18 |
|-------------------------------|--------|--------|--------|--------|--------|
| TM home investor fund | 7.57 | 13.55 | 2.75 | 3.90 | 2.35 |
| LSL Acadata House Price Index | 8.50 | 6.92 | 6.22 | 3.78 | 0.33 |

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 28/02/2019

*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 Advisor's commentary

In February the Fund again showed a positive return net of fees. Although the value of the portfolio, as reported by the Standing Independent Valuer was unchanged, net rental income contributed its customary return.

Demonstrating the resilience of demand for good quality modern housing to rent, occupancy of the portfolio was over 97% and rental growth on reviews and new lettings was between 2% and 2.5% compared with the previous year.

Brexit uncertainty has continued to impact the sales market with first time buyers driving the market, and the number of home movers remaining constrained. The estimated number of sales was just under 60,000, still a fair market, but below the level expected for this time of year.

The Housebuilders Federation reported good levels of site visits and reservations from both first-time buyers and home movers, although these were both down marginally against seasonal averages. Reservations from Buy to Let investors fell again.

The LSL Acadata Index showed prices up nationally by 0.5% over the month, although down 0.5% over the previous 12 months with significant regional variations. London and the South East showed modest falls over a three month period, and there were gains in the West and East Midlands, Wales and the North West. The Scottish Index, which is reported separately, and with a delay, showed continuing growth in the market North of the Border, with Edinburgh showing the best annual performance. This reflects the Fund's experience with the Independent Valuer lifting the values of the Edinburgh homes.

The February 2019 RICS UK Residential Survey results continue to signal the market is struggling for momentum, with key indicators on enquiries, sales and new instructions all remaining subdued. In an extra question included this month, aimed at drawing out the most significant force holding back activity at this point in time, 77% of respondents across the UK cited Brexit uncertainty as the biggest challenge facing the housing market at present. A further small reduction in the volume of sales was reported but with a modest increase in the number of rental enquiries.

Portfolio Facts

Fund asset allocation

| | |
|----------------------------|--------|
| Cash or equivalent | 8.91% |
| Property - North West | 6.40% |
| Property - North East | 0.00% |
| Property - Yorks & Humber | 1.51% |
| Property - South East | 25.11% |
| Property - South West | 8.39% |
| Property - Wales | 0.00% |
| Property - Scotland | 3.26% |
| Property - East of England | 15.42% |
| Property - East Midlands | 9.30% |
| Property - West Midlands | 5.64% |
| Property - London | 16.05% |

Top 10 property holdings

| Holding | Units | Value |
|---|-------|------------|
| Quadrant Court, Empire Way, London HA9 | 22 | £7,350,000 |
| Wickhurst Green, Horsham, RH12 | 14 | £4,515,000 |
| The Limes, Nottingham, NG8 | 18 | £3,760,000 |
| Spectrum, Blackfriars Road, Manchester M2 | 17 | £2,910,000 |
| King Georges Park, Rowhedge, CO5 | 8 | £2,530,000 |
| Mansion House, Colchester, CO2 | 16 | £2,410,000 |
| Rea Road, Northfield, Birmingham. B31 | 14 | £1,900,000 |
| Portland View, Bristol, BS2 | 6 | £1,755,000 |
| Henmead House, Renfields, Haywards Hea | 6 | £1,695,000 |
| Pandora Close, Locks Heath, SO31 | 4 | £1,300,000 |

Property portfolio metrics

| | |
|---|-----------|
| Flats | 100 |
| Terraced | 46 |
| Semi | 41 |
| Detached | 15 |
| Total number of properties | 202 |
| Average property value | £247,490 |
| Average tenant stay | 23 months |
| 12 month average occupancy rate (% of income) | 94.48% |



Class D Shares - Retail Net (Unbundled)

Costs and charges

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

* 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 28 February 2019

| | |
|---------------------|---|
| Fund price: | £ 1.395 |
| Estimated yield: | 0.74 % (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: | 1.61 % |
| Maximum drawdown: | -0.77 % |

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
Parmenion
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: | £55,156,885 |
| Share/unit class size: | £2,495,568 |
| 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 |
| 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
10

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 Waterstone Company Secretaries Ltd Third Floor, 5 St. Bride Street, London, United Kingdom, EC4A 4AS.

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