

## Class D Shares - Retail Net (Unbundled)

Fund fact sheet date: 31 July 2019

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

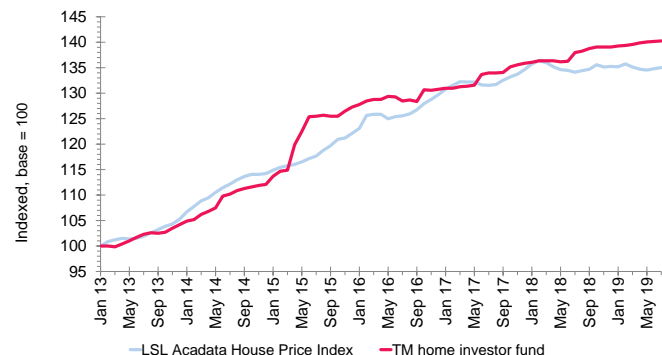
This factsheet is for information only. It is not designed to provide advice on the suitability of an investment for your personal financial situation. If you have any questions regarding the information included in this factsheet, you are recommended to speak to a financial adviser.

### Investment Objective

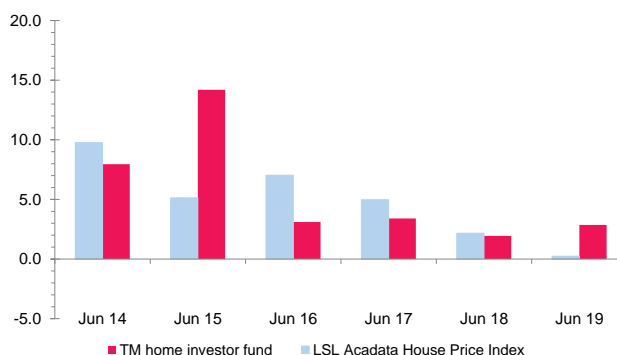
The Fund invests in private rented sector housing across the mainland UK regions and aims to capture UK house price growth plus provide an element of income return. The property investment manager, Hearthstone Asset Management Limited, uses quantitative asset allocation methods and qualitative regional 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	0.07	0.29	0.72	1.67	9.18	27.29
LSL Acadata House Price Index	0.17	0.24	-0.11	0.68	7.54	20.39

Discrete total return (%) 12 months ending:

	Jun 15	Jun 16	Jun 17	Jun 18	Jun 19
TM home investor fund	14.19	3.11	3.40	1.94	2.86
LSL Acadata House Price Index	5.13	7.03	4.97	2.17	0.24

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 31/07/2019

\*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

If the summer is the silly season for newspapers and politicians, it is being the stable season for the housing market. In reality not much has changed since last month. Demand for good quality rented housing remains consistently high, and rental growth continues alongside modest inflation and growth in average real earnings.

Political uncertainties have kept a lid on demand, as many people who it is thought would like to move decide to stay put for a little longer. Debates inside the new Government on the level of Stamp Duty Land Tax and the potential impact on the housing market and wider economy if they were reduced may also be keeping some people on the side-lines.

The LSL Acadata House Price Index, Hearthstone's preferred housing barometer, shows an increasing level of activity and prices in Greater London, and in the Midlands and North West, but in reality the regional differences are quite small. The independent valuation of the Fund's properties showed no change in July.

The homes in the portfolio are almost fully occupied with 5 being vacant at the month end (2.5% of the units), but with four of those having new tenants lined up and on the point of moving in. Our experience is echoed by the RICS, who's July Housing Market Survey noted "In the lettings market, the headline tenant demand indicator (quarterly seasonally adjusted data) picked-up to post the strongest reading since the closing stages of 2016. At the same time, landlord instructions fell once again, extending a run of continuous decline stretching back over the past thirteen quarters. Given the current imbalance between supply and demand, near term rental growth expectations were driven higher.

### Portfolio Facts

Fund asset allocation	
Cash or equivalent	13.79%
Property - North West	5.81%
Property - North East	0.00%
Property - Yorks & Humber	1.00%
Property - South East	24.16%
Property - South West	7.98%
Property - Wales	0.00%
Property - Scotland	3.23%
Property - East of England	14.25%
Property - East Midlands	8.96%
Property - West Midlands	5.43%
Property - London	15.39%

Top 10 property holdings		
Holding	Units	Value
Quadrant Court, Wembley, London HA9	22	£7,350,000
Wickhurst Green, Horsham, RH12	14	£4,515,000
The Limes, Nottingham, NG8	18	£3,780,000
Spectrum, Blackfriars Road, Manchester M1	17	£2,970,000
King Georges Park, Rowhedge, CO5	8	£2,530,000
Mansion House, Colchester, CO2	14	£2,121,000
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
Pandora Close, Locks Heath, SO31	4	£1,300,000

Property portfolio metrics	
Flats	98
Terraced	46
Semi	40
Detached	14
Total number of properties	198
Average property value	£249,153
Average tenant stay	24 months
12 month average occupancy rate (% of income)	94.98%

### Costs and charges

Entry charge:	<b>0.00%</b>
Exit charge:	<b>0.00%</b>
Annual charges ('OCF')*:	<b>1.57%</b>

\* Ongoing Charges Figure (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:	<b>£1,000</b>
Additional:	<b>£500</b>
Monthly:	<b>£50</b>

### Price and Yield at 31 July 2019

Fund price:	<b>£ 1.404</b>
Estimated yield:	<b>1.17 % (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>1.51 %</b>
Maximum drawdown:	<b>-0.23 %</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:

7IM  
AJ Bell  
Allfunds  
Alliance Trust  
Ascentric  
Cofunds Institutional  
Hubwise  
Parmenion  
Pershing  
Raymond James  
Transact  
Wealthtime

#### Direct to consumer (non-advised) platforms:

AJ Bell  
Alliance Trust  
Hargreaves Lansdown  
Interactive Investor  
Willis Owen

### Fund ratings



**FE Risk Score**

**9**

### 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>07/01/2013</b>
Fund size:	<b>£57,511,642</b>
Share/unit class size:	<b>£2,570,654</b>
Primary asset class:	<b>UK Residential Property</b>
Structure:	<b>OEIC with PAIF Tax Status</b>
Distribution type:	<b>Accumulation</b>
Pricing frequency:	<b>Daily</b>
Subscription frequency:	<b>Daily</b>
Redemption frequency:	<b>Daily</b>
Dealing time:	<b>22:30 London, UK</b>
Settlement:	<b>T+4</b>

### Fund Codes

Class:	<b>Class D Shares - Retail Net (Unbundled)</b>
MiFID category:	<b>Non-complex</b>
Sedol:	<b>B960879</b>
ISIN:	<b>GB00B9608795</b>
Citicode:	<b>I3HM</b>
MEXID:	<b>8TCLEA</b>

### Management & Administration

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

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).