

Class D Shares - Retail Net (Unbundled)

Fund fact sheet date: 31 August 2019

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

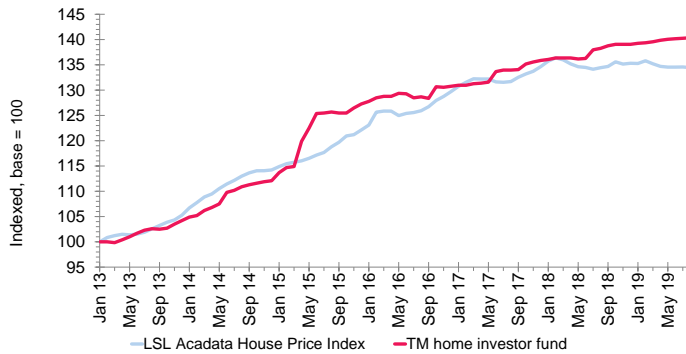
This factsheet is for information only. It is not designed to provide advice on the suitability of an investment for your personal financial situation. If you have any questions regarding the information included in this factsheet, you are recommended to speak to a financial adviser.

Investment Objective

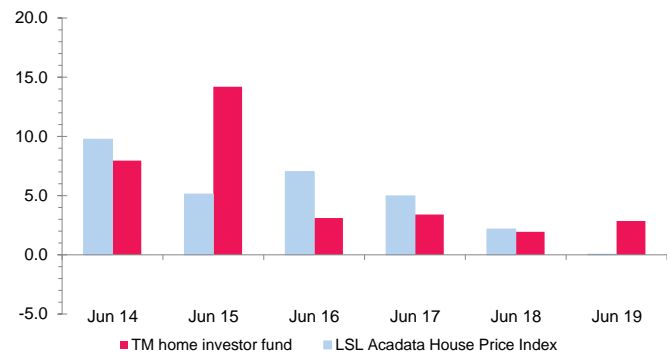
The Fund invests in private rented sector housing across the mainland UK regions and aims to capture UK house price growth plus provide an element of income return. The property investment manager, Hearthstone Asset Management Limited, uses quantitative asset allocation methods and qualitative regional 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	0.21	0.72	1.52	9.08	26.58
LSL Acadata House Price Index	-0.10	-0.08	-1.00	0.01	6.77	18.99

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	0.05

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 31/08/2019

*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

As the Brexit stalemate continues, transactions in the owner-occupier housing market remained subdued over the past month with many people who it is thought would like to move, deciding to stay put for a little longer. In contrast to the owner-occupier market, demand for good quality rented housing continues to strengthen, and rental growth continues alongside modest inflation and growth in average real earnings.

The LSL Acadata House Price Index, Hearthstone's preferred housing barometer, shows a slight drop in transactions for the month, but this is part of the 'bigger' picture that most prospective buyers are waiting for things to settle down politically before they make a decision. As for prices, these remained relatively flat across the country, with Wales, the North West and East Midlands having the highest levels of growth, but in reality the regional differences are quite small. The independent valuation of the Fund's properties showed a very slight (-0.03%) drop in August, but this was more than offset by the rental income from the portfolio.

However, as an indication of a more active future, mortgage approvals have increased slightly with new/first time buyer enquiries tickling up also. Adjusted for inflation (CPIH 2.0% at July 2019), house prices in most regions are now more affordable than they were twelve months ago. With continued wage growth, we expect a resurgence in market activity when the political climate stabilises.

The homes in the portfolio are almost fully occupied with eight being vacant at the month end (4% of the units), but with five of those having new tenancies agreed at an average 3.3% increase on previous rents, and on the point of moving in. The remaining three are being sold as part of the Fund's ongoing asset management activity. Offers have been accepted on each of them at or slightly above the current valuation, and these will progress to completed sales in the near future. Our experience of strong rental demand is echoed by the Royal Institution of Chartered Surveyors (RICS), whose latest Housing Market Survey noted "In the lettings market, the August results show tenant demand increased for an eighth month in succession, as a net balance of +23% of contributors cited a pickup (non-seasonally adjusted figures). Set against this, landlord instructions remain in decline, an ongoing trend stretching all the way back to 2016. Given the consistent imbalance between rising demand and falling supply, rents are seen being squeezed higher over the next three months. In fact, near term rental expectations are now positive, to a greater or lesser degree, across all parts of the UK."

Portfolio Facts

Fund asset allocation

Cash or equivalent	17.66%
Property - North West	5.54%
Property - North East	0.00%
Property - Yorks & Humber	0.96%
Property - South East	23.11%
Property - South West	7.65%
Property - Wales	0.00%
Property - Scotland	3.10%
Property - East of England	13.41%
Property - East Midlands	8.58%
Property - West Midlands	5.24%
Property - London	14.74%

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 M2	17	£2,970,000
King Georges Park, Rowhedge, CO5	8	£2,530,000
Mansion House, Colchester, CO2	13	£1,975,000
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	97
Terraced	46
Semi	40
Detached	14
Total number of properties	197
Average property value	£249,598
Average tenant stay	26 months
12 month average occupancy rate (% of income)	95.20%



Class D Shares - Retail Net (Unbundled)

Costs and charges

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

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

Price and Yield at 31 August 2019

Fund price:	£ 1.405
Estimated yield:	1.17 % (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:	1.51 %
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	Alliance Trust
Allfunds	Hargreaves Lansdown
Alliance Trust	Interactive Investor
Ascentric	Willis Owen
Cofunds Institutional	
Hubwise	
Parmenion	
Pershing	
Raymond James	
Transact	
Wealthtime	

Fund ratings



FE Risk Score

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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:	07/01/2013
Fund size:	£60,022,760
Share/unit class size:	£2,702,834
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
Investment Manager:	Stuart Springham, MRICS
Property Investment Manager 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

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).