

TM home investor fund (“PAIF) and TM home investor feeder fund (“Feeder”) (“the Funds”)

Lifting of Suspension of dealing – Removal of Standing Independent Valuer’s (“SIV”) material uncertainty clause.

The Funds’ Authorised Fund Manager (Thesis Unit Trust Management Limited), in consultation with the Funds’ Depository are pleased to confirm that the suspension of dealing will be lifted from today, 21st July 2020 having received confirmation from the Funds’ Standing Independent Valuer, CBRE Limited, of the removal of the material valuation uncertainty clause for the residential property market. As a result, this clause will be removed from its valuation reports for the properties held by the Funds.

You will recall this suspension was imposed on 17th March when there was considerable uncertainty in markets because of the Covid-19 pandemic. It was in line with our obligation to act in the best interests of unitholders and was the only option to ensure that incoming, outgoing and remaining investors were not unduly impacted by the material uncertainty on pricing of the underlying properties. The suspension was in common with other authorised open-ended property funds as the clause was applied to all property types without distinction between sub-sectors such as residential, or commercial offices, retail or industrial.

However, since the English housing market reopened on 13th May and the rest of the UK followed shortly afterwards, there has been a swift recovery in activity in the owner-occupier and private rented markets. Activity in the market has received a further boost following the Chancellor’s introduction of a Stamp Duty Land Tax ‘holiday’ for house purchases below £500,000 in England until 31st March 2021.

House prices and rents have remained resilient through the period of the Funds’ suspension. Comparable transaction data available to the SIV in the period March to June caused it to apply some small upward or downward valuations to a limited number of the Funds’ properties, with a net result of 0.68% reduction in the Funds’ property portfolio. However, this has been partially offset by the Funds’ cash holding and, more significantly, by rents received which averaged 96.5% of rent demanded over the period.

Since the UK ‘lockdown’ was imposed shortly after the Funds’ purchase of eleven new-build homes in Smethwick, near Birmingham, the portfolio had an unusually high number of vacancies when dealing was suspended. However, interest in these properties has been strong over the past two months, and 5 of these have now been let.

We would like to thank all of the Funds’ investors for your understanding during what has been a truly exceptional period.