



Class D Shares - Retail Net (Unbundled)

Fund fact sheet date: 31 July 2020

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

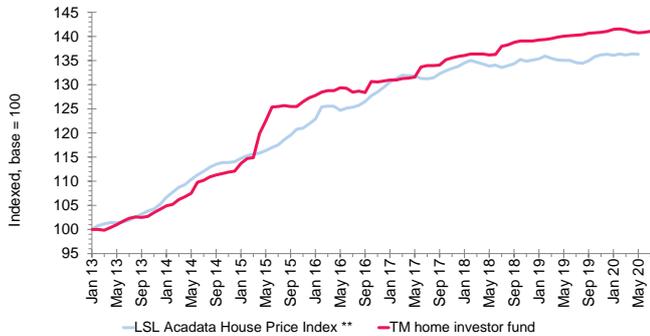
This factsheet is for information only. It is not designed to provide advice on the suitability of an investment for your personal financial situation. If you have any questions regarding the information included in this factsheet, you are recommended to speak to a financial adviser.

Investment Objective

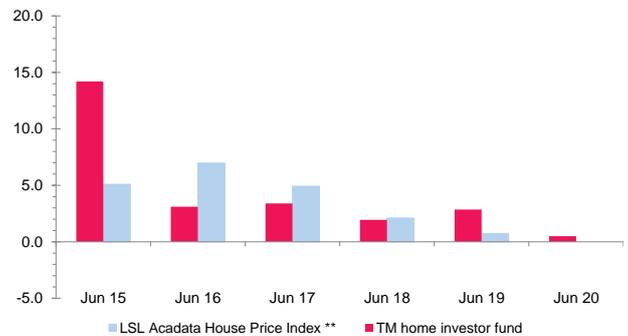
The Fund invests in private rented sector housing across the mainland UK regions and aims to capture UK house price growth plus provide an element of income return. The property investment manager, Hearthstone Asset Management Limited, uses quantitative asset allocation methods and qualitative regional 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. < Please see below regarding the delayed publication of that index >

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	0.14	0.07	-0.28	0.57	5.29	12.42
LSL Acadata House Price Index **	N/A	N/A	N/A	N/A	N/A	N/A

Discrete total return (%) 12 months ending:

	Jun 16	Jun 17	Jun 18	Jun 19	Jun 20
TM home investor fund	3.11	3.40	1.94	2.86	0.50
LSL Acadata House Price Index **	6.97	4.92	2.11	0.74	N/A

Performance of Class D Shares - Retail Net (Unbundled) Accumulation Class, launched 07/01/2013. Prevailing single price*, net of charges, in GBP with income reinvested net of basic rate income tax. Performance of other classes may vary. Source of all data: Financial Express and LSL Acadata 31/07/2020

*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. ** The publication of LSL Acadata's House Price Index has been delayed during the Covid-19 pandemic. Latest data for that index is only to May 2020.

Property Investment Manager's commentary

As per the 19th July, triggered by a confirmation from CBRE in line with RICS guidance that the Material Valuation Uncertainty Clause for UK residential property can be removed, the Fund re-opened for dealing. Last month I talked about how the re-opening of estate agencies has led to increased demand - this has now been translated into actual deals, with agreed house sales 32% ahead of last year (according to Zoopla), and transactional data seemingly being boosted further by the recent SDLT holiday announcement by The Chancellor on 8th July 2020. Furthermore, Rightmove's research indicates that average asking prices of property coming to market in Britain hit a record, 2.4% higher than in March pre-lockdown, whilst the 3.7% annual rate of increase is the highest since December 2016. In a further sign of a return to normality, HM Land Registry started publishing transaction figures for the period of March to June. Based on that still limited dataset, LSL Acadata reported an annual house price change of + 0.9% to May 2020.

The Fund's July property valuation was up 0.21% on June's following more transactional evidence being available to the valuer, and the inclusion of the final two purchases at Smethwick contributing 0.04% of this uplift (the purchase of these and the previous eleven units have provided a total uplift of 0.06% due to the discounts we negotiated with the developer). The Fund's occupancy at the end of July was slightly down at c.89%, a net decrease in the number of occupied units of 7 due to a number of tenancies expiring at the end of the month and two new purchases. We expect these empty units to let quickly with the renewed activity and demand within the market. The Fund collected 102% of rent demanded in July, bringing the average rent collected over the period of the Fund's suspension to c.97.5%. We are continuing working very hard alongside our property managers Touchstone to help any tenants that have been impacted by Covid-19, setting up payment plans, deferring rent reviews and agreeing rent holidays where appropriate. It is encouraging that Tenants are starting to pay off their arrears, which we believe is a sign of confidence in the economy going forwards and their job stability. This really does demonstrate the resilience of residential property as an asset class.

Portfolio Facts

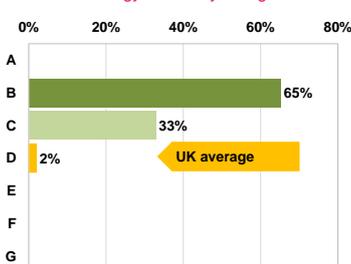
Fund asset allocation	
Cash or equivalent	15.86%
Property - North West	5.59%
Property - North East	0.00%
Property - Yorks & Humber	0.93%
Property - South East	21.89%
Property - South West	7.03%
Property - Wales	0.00%
Property - Scotland	3.22%
Property - East of England	12.14%
Property - East Midlands	8.57%
Property - West Midlands	10.06%
Property - London	14.71%

Top 10 property holdings		
Holding	Units	Value
Quadrant Court, Wembley, London HA9	22	£7,442,500
Wickhurst Green, Horsham, RH12	14	£4,505,000
The Limes, Nottingham, NG8	18	£3,780,000
Crocketts Lane, Smethwick, B66	13	£3,015,000
Spectrum, Blackfriars Road, Manchester M3	17	£3,015,000
King Georges Park, Rowhedge, CO5	8	£2,425,000
Rea Road, Northfield, Birmingham. B31	14	£1,835,000
Portland View, Bristol, BS2	6	£1,715,000
Henmead House, Haywards Heath, RH16	6	£1,695,000
Mansion House, Colchester, CO2	9	£1,339,500

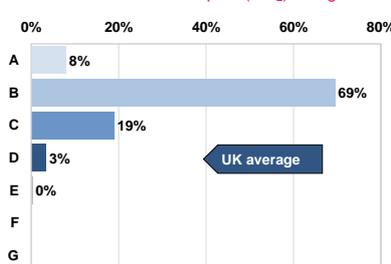
Property portfolio metrics	
Flats	93
Terraced	51
Semi	48
Detached	12
Total number of properties	204
Average property value	£248,573
Average tenant stay	27 months
1 year ave. occupancy (% of income)	93.41%

Environmental Profile

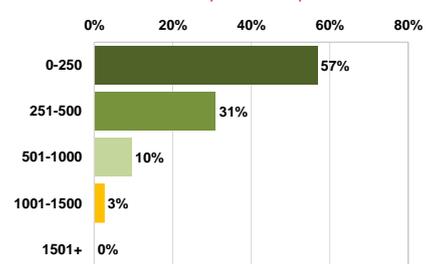
Energy efficiency rating



Environmental impact (CO₂) rating



Metres from public transport



All charts show the property portfolio by percentage of property units. Sources: Hearthstone and Ministry of Housing, Communities & Local Government.



Class D Shares - Retail Net (Unbundled)

Costs and charges

Entry charge:	0.00%
Exit charge:	0.00%
Annual charges ('OCF')*:	1.53%

* 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

CHARGES TO CAPITAL: Charges for the income share class only, insofar as possible, are taken from capital. Whilst this may increase the level of income distributed, capital may be eroded if growth is less than charges taken.

Minimum investment

(May not apply for investment via online platforms or wraps)

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

Fund Price and Yield at 31 July 2020

	<u>Accumulation Class</u>	<u>Income Class</u>
Fund price:	£ 1.412	£1.412
Yield: *	0.75 %	2.19 %

* net of basic rate income tax. Income class yield is estimated, based on historical yield of the Accumulation class.

Distribution dates:	Annual: 31 Oct Interim: 28 Feb, 31 May, 30 Nov
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Investment ratios

Annualised over last 36 monthly prices. Source: Financial Express Analytics.

Volatility (Accumulation class):	0.90 %
Maximum drawdown (Accumulation class):	-0.56 %

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
Alliance Trust	Hargreaves Lansdown
Ascentric	Interactive Investor
Cofunds Institutional	Willis Owen
Hubwise	
Parmenion	
Pershing	
Raymond James	
Transact	
Wealthtime	

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 (Accumulation Class) 20/04/2020 (Income Class)
Fund size:	£60,559,508
Primary asset class:	UK Residential Property
Structure:	OEIC with PAIF Tax Status
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)	
	<u>Accumulation Class</u>	<u>Income Class</u>
Sedol:	B960879	BLHXV61
ISIN:	GB00B9608795	GB00BLHXV618
Citicode:	I3HM	QZF5
MEXID:	8TCLEA	

MiFID category: **Non-complex**

Management & Administration

Fund Manager:	Alan Collett, FRICS
Deputy Fund Manager:	Stuart Springham, MRICS
Chief Investment Officer:	Andrew Smith, FRICS

Property Investment Manager and Distributor: **Hearthstone Asset Management Limited**
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EC2N 2QP
020 3301 1330
info@hearthstone.co.uk
www.homeinvestor.fund

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
3

ESG ratings



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 Ltd 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 Ltd (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).