

Fund fact sheet date: 31 October 2020

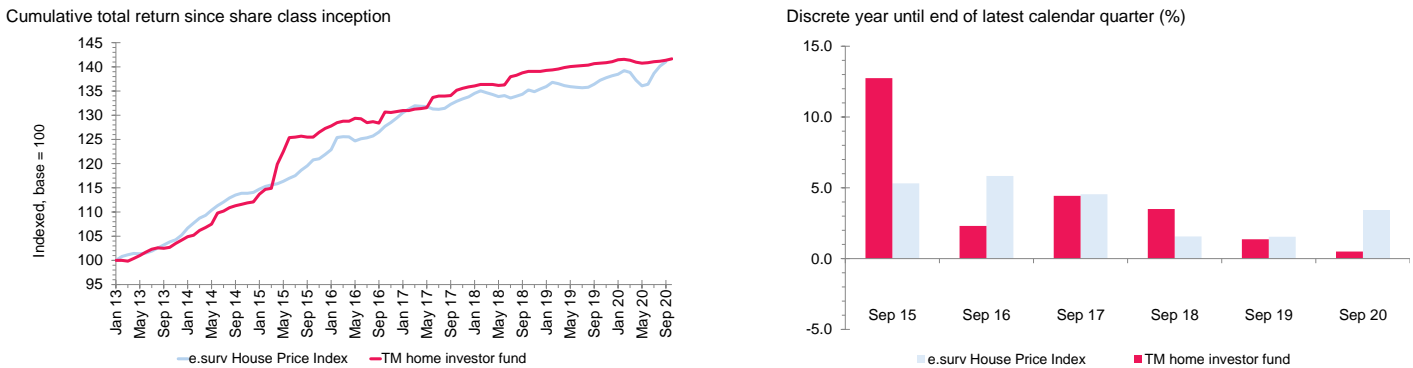
TM home investor fund is the UK's first Financial Conduct Authority regulated residential Property Authorised Investment Fund (PAIF)

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 e.surv House Price Index (previously known as LSL Acadata) is used for the purpose of performance comparisons.

Fund v. Performance Comparator



Cumulative total return (%) over period:

	1m	3m	6m	1y	3y	5y
TM home investor fund	0.21	0.42	0.50	0.64	4.80	12.90
e.surv House Price Index	0.66	3.43	1.59	3.41	6.65	18.01

Discrete total return (%) 12 months ending:

	Sep 16	Sep 17	Sep 18	Sep 19	Sep 20
TM home investor fund	2.31	4.44	3.50	1.37	0.50
e.surv House Price Index	5.83	4.55	1.57	1.54	3.41

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 31/10/2020 and e.surv 30/09/2020 unless stated otherwise.

*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

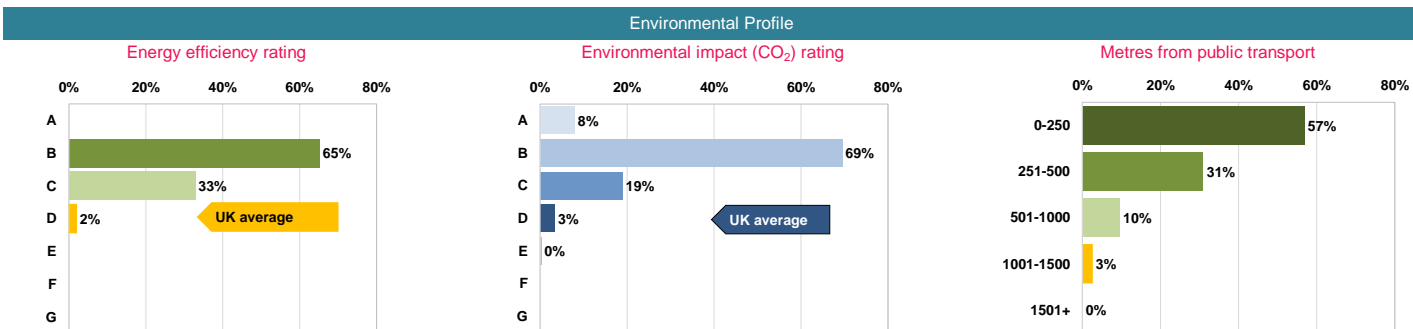
The housing market continued to flourish in October, with Zoopla reporting annual house price growth at a two-year high of +3%, up from 1.1% in 2019, and e.surv (formerly LSL Acadata) reporting a 3.4% increase. Zoopla also stated that the sales pipeline is up 50% year-on-year and 44% above pre-Covid levels. This increased activity has again been reflected in the Fund's property portfolio which increased in value for the fifth consecutive month - up 0.12% for October, giving a cumulative increase of 0.48% over the last five months.

Some of the current headline house price index figures are driven by the premium end of the market which will be less relevant to the mainstream homes held in the TM home investor fund. The Standing Independent Valuer, CBRE, is keeping a close watch on the fast-changing picture of the UK housing market and the implications on the Fund's portfolio, but it is worth noting that the RICS Red Book guidelines stipulate that, when valuing a property, transaction prices of comparable properties are only relevant if contracts have exchanged on those sales. Current high transaction levels are causing some delays in the transaction process so, even if there are indications of rising prices from agreed sales in the market, these can't be factored into the Fund's valuations until sales of comparable properties reach exchange of contracts.

The resilience of the residential sector was demonstrated again in October with the Fund collecting 98.25% of rent demanded, taking the average monthly collection to 97.6% since the start of the Covid crisis, and in significant contrast to the commercial property funds. We are also seeing the number of vacancies within the portfolio continue to fall, with occupancy, excluding a small number of properties for sale, now back up to 98% (from a low of 90% at the height of the pandemic) resulting in the highest monetary rent collection for 2020. In short, valuation up, rent collection up: a positive start to Q4. Importantly, despite England entering a second 'lockdown' from 5th November, the housing market remains open for house building, sales, lettings, and associated services - unlike the situation in March this year.

Portfolio Facts

Fund asset allocation		Top 10 property holdings		Property portfolio metrics	
Cash or equivalent	14.99%	Holding	Units	Flats	93
Property - North West	5.63%	Quadrant Court, Wembley, London HA9	22	Terraced	51
Property - North East	0.00%	Wickhurst Green, Horsham, RH12	14	Semi	48
Property - Yorks & Humber	0.94%	The Limes, Nottingham, NG8	18	Detached	12
Property - South East	22.19%	Spectrum, Blackfriars Road, Manchester M3	17	Total number of properties	204
Property - South West	7.08%	Crocketts Lane, Smethwick, B66	13		
Property - Wales	0.00%	King Georges Park, Rowhedge, CO5	8	Average property value	£249,076
Property - Scotland	3.25%	Rea Road, Northfield, Birmingham. B31	14	Average tenant stay	27 months
Property - East of England	12.27%	Portland View, Bristol, BS2	6	1 year ave. occupancy (% of income)	92.26%
Property - East Midlands	8.64%	Henmead House, Haywards Heath, RH16	6		
Property - West Midlands	10.17%	Pandora Close, Locks Heath, SO31	4		
Property - London	14.83%				



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

Costs and charges

Entry charge: **0.00%**
Exit charge: **0.00%**
Annual charges ('OCF')*: **1.54%**

** 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 October 2020

	<u>Accumulation Class</u>	<u>Income Class</u>
Fund price:	£ 1.418	£1.418
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

Investment ratios

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

Volatility (Accumulation class): **0.81 %**
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:

- 7IM
- AJ Bell
- Alliance Trust
- Ascentric
- Aviva
- Cofunds Institutional
- Hubwise
- Parmenton
- 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
2

Key fund information

Fund name: **TM home investor fund (a subfund of the TM Hearthstone ICVC)**

Performance comparator: **e.surv 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: **£59,345,481**

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: **Stuart Springham, MRICS**

Chief Investment Officer: **Andrew Smith, FRICS**

Investment Committee: **Cedric Bucher**
Alan Collett, FRICS
Andrew Smith, FRICS
Stuart Springham, MRICS
Darren Stent

Property Investment Manager and Distributor: **Hearthstone Asset Management Limited**
23 Austin Friars
London
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**

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).