

Class X Shares - Retail

Fund fact sheet date: 31 January 2021

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

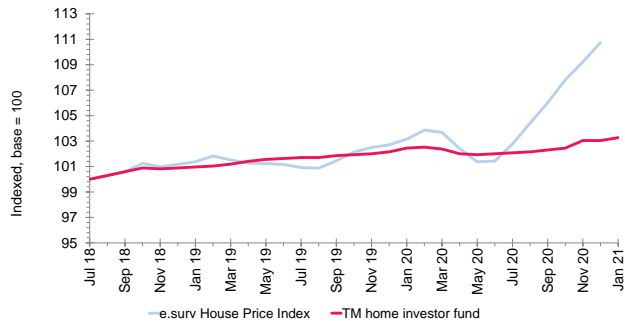
This factsheet is for information only. It is not designed to provide advice on the suitability of an investment for your personal financial situation. If you have any questions regarding the information included in this factsheet, you are recommended to speak to a financial adviser.

Investment Objective

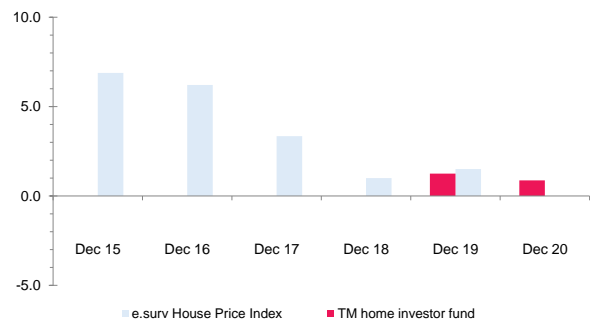
The Fund invests in private rented sector housing across the mainland UK regions and aims to capture UK house price growth plus provide an element of income return. The property investment manager, Hearthstone Asset Management Limited, uses quantitative asset allocation methods and qualitative regional 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 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 | 0.22 | 0.80 | 1.16 | 0.80 | - | - |
| e.surv House Price Index | 1.40 | 4.47 | 9.19 | 7.83 | 10.56 | 21.35 |

Discrete total return (%) 12 months ending:

| | Dec 16 | Dec 17 | Dec 18 | Dec 19 | Dec 20 |
|--------------------------|--------|--------|--------|--------|--------|
| TM home investor fund | - | - | - | 1.25 | 0.87 |
| e.surv House Price Index | 6.21 | 3.35 | 1.00 | 1.51 | 7.83 |

Performance of Class X Shares - Retail Accumulation Class, launched 13/07/2018. 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 31/01/2021 and e.surv 31/12/2020 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

On January 4th the Prime Minister announced a national lockdown but unlike during the first lockdown in Spring 2020, the housing market remains open and housebuilders, estate agents, valuers and removal companies can carry on their activities following strict Covid-19 protocols.

The Fund recorded a positive return in January. Income resilience of the residential sector was demonstrated again with rent collection at 99% in January. We are also seeing occupancy in the portfolio hold steady at percentages in the upper 90's, and arrears continue to fall as tenants pay down their debt through agreed payment plans and increased financial optimism.

Property valuations increased by 0.33% at property level, once again being driven by houses within commuting distance of cities. It is important to note that the Fund's capital performance is driven by valuations of the properties it holds - not by reference to any house price index. As much of the recent transaction volumes impacting various house price indices has occurred at the premium end of the housing market, and less so in the 'mid-market' stock held by the Fund, we are currently seeing a certain disconnect between mainstream house prices and reported indices. Furthermore, the TM home investor fund relies on direct comparable sales evidence for valuation adjustment. The significant strain on various participants in housing transactions is still leading to some delays for the Standing Independent Valuer CBRE who can only adjust values in the portfolio once the sale of comparable properties have exchanged.

The Fund completed on the sale of one property in the month as part of our ongoing asset management programme, and we have now started conversations with a small number of housebuilders in relation to a potential acquisition in the North West or Yorkshire and hope to be able to update further over the coming quarter.

Portfolio Facts

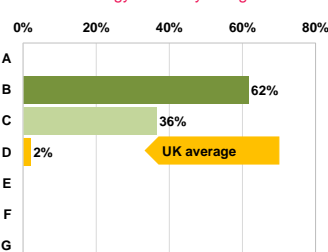
| Fund asset allocation | |
|----------------------------|--------|
| Cash or equivalent | 17.51% |
| Property - North West | 5.63% |
| Property - North East | 0.00% |
| Property - Yorks & Humber | 0.92% |
| Property - South East | 21.88% |
| Property - South West | 6.20% |
| Property - Wales | 0.00% |
| Property - Scotland | 3.15% |
| Property - East of England | 11.95% |
| Property - East Midlands | 8.45% |
| Property - West Midlands | 9.90% |
| Property - London | 14.39% |

| Top 10 property holdings | | |
|---|-------|------------|
| Holding | Units | Value |
| Quadrant Court, Empire Way, London HA9 | 22 | £7,442,500 |
| Wickhurst Green, Horsham, RH12 | 14 | £4,665,000 |
| The Limes, Nottingham, NG8 | 18 | £3,820,000 |
| Spectrum, Blackfriars Road, Manchester M3 | 17 | £3,115,000 |
| Crocketts Lane, Smethwick, B66 | 13 | £3,025,000 |
| 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, Renfields, Haywards Heath, | 6 | £1,695,000 |
| Pandora Close, Locks Heath, SO31 | 4 | £1,360,000 |

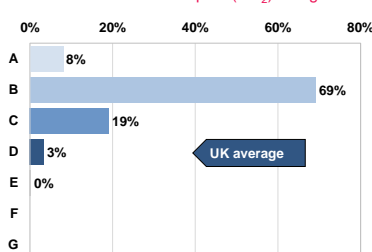
| Property portfolio metrics | |
|-------------------------------------|-----------|
| Flats | 93 |
| Terraced | 51 |
| Semi | 48 |
| Detached | 11 |
| Total number of properties | 203 |
| Average property value | £250,252 |
| Average tenant stay | 28 months |
| 1 year ave. occupancy (% of income) | 91.63% |

Environmental Profile

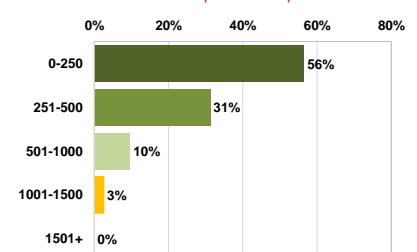
Energy efficiency rating



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 X Shares - Retail

Costs and charges

| | | |
|--------------------------|--------------|--|
| Entry charge: | 0.00% | OCF includes 0.20% product charge for WealthKernel portal. |
| Exit charge: | 0.00% | |
| Annual charges ('OCF')*: | 1.74% | |

* Ongoing Charges Figure (OCF) is based on estimated annual expenses, and includes the Annual Management Charge of 1.1%. 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: | £100 |
| Additional: | £100 |
| Monthly: | £100 |

Fund Price and Yield at 31 January 2021

| | <u>Accumulation Class</u> | <u>Income Class</u> |
|---|--|---------------------|
| Fund price: | £ 1.391 | £1.391 |
| Yield: * | 0.44 % | 1.94 % |
| * 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): | 0.00 % |
| Maximum drawdown (Accumulation class): | 0.00 % |

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:

This share class is currently only available on the WealthKernel online investment portal which can be accessed via www.homeinvestor.fund

Fund ratings

FE Risk Score
3

ESG ratings



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: | 13/07/2018 (Accumulation Class) 20/04/2020 (Income Class) |
| Fund size: | £61,889,986 |
| 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 X Shares - Retail | |
| | <u>Accumulation Class</u> | <u>Income Class</u> |
| Sedol: | BFZ58Z5 | BLHXV94 |
| ISIN: | GB00BFZ58Z57 | GB00BLHXV949 |
| Citicode: | P9JT | QZF9 |
| MEXID: | THOSL | |

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).