

Class F Shares - Institutional Net - 31 July 2023

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. Investors should read the Key Investor Information Document or Prospectus which are available on www.homeinvestor.fund or by contacting info@hearthstone.co.uk.

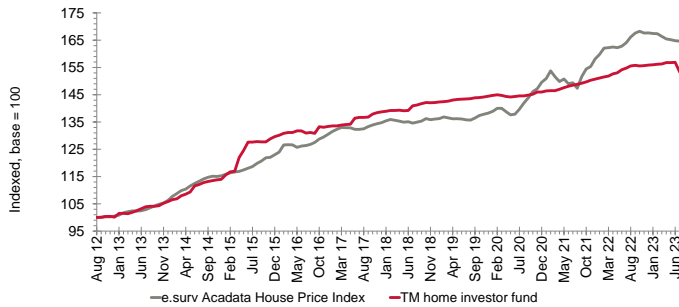
Investment Objective Summary

The Fund invests in private rented sector housing across mainland UK regions and aims to capture UK house price growth and provide an element of income return. The property investment manager, Hearthstone Asset Management Limited, uses quantitative asset allocation and qualitative regional stock selection to build a portfolio of assets reflecting the distribution of UK mainland housing stock which are let under assured shorthold tenancies (AST's) and corporate lets. Investment returns comprise capital growth and rental income. The e.surv Acadata House Price Index is used for performance comparisons only. It is not a target benchmark and the fund is not constrained by it. This index has been chosen as a comparator benchmark as it is based upon actual sales completed and is mix-adjusted.

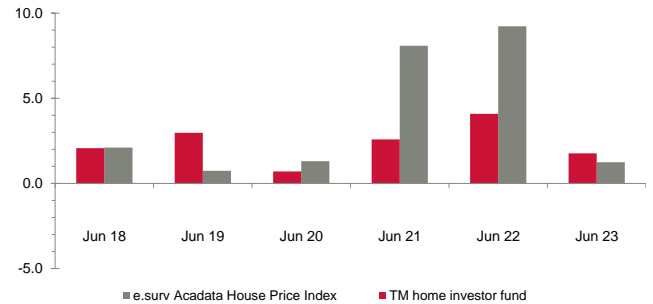
Please see the Key Investor Information Document or Prospectus for the full Investment Objective and Policy wording, and on the choice of performance comparator.

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 | -2.25 | -2.19 | -1.68 | -0.91 | 6.07 | 8.80 |
| e.surv Acadata House Price Index | -0.10 | -0.50 | -1.68 | 0.35 | 17.84 | 22.31 |

Discrete total return (%) 12 months ending:

| | Jun 19 | Jun 20 | Jun 21 | Jun 22 | Jun 23 |
|----------------------------------|--------|--------|--------|--------|--------|
| TM home investor fund | 2.97 | 0.70 | 2.59 | 4.09 | 1.77 |
| e.surv Acadata House Price Index | 0.74 | 1.31 | 8.08 | 9.23 | 1.24 |

Performance of Class F Shares - Institutional Net Accumulation Class, launched 03/08/2012. 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 31/07/2023 and e.surv 31/07/2023 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. Tax treatment depends on the individual circumstances of each investor and may be subject to change in future.

Property Investment Manager's commentary

Thesis Unit Trust Management Limited (Tutman) as the authorised fund manager (AFM) of the Funds has, as of Monday 31st July 2023, obtained the agreement of the Funds' Depository, NatWest Trustee and Depository Services Limited, to suspend dealing in the Funds, effective from 10:30pm on 31st July 2023 until further notice. The investor notice and Q&A document can be downloaded from www.homeinvestor.fund, and further updates will be posted there as they become available.

CBRE Limited, the fund's Standing Independent Valuer, reduced valuations on 7 of the fund's properties in July by a total of £45,000 but rental income more than offset this reduction. Property valuations are still positive over 12 months at 0.42% (the e.surv Acadata index shows a fall of -1.68% in house prices over the same period) and the portfolio is generating a potential gross yield of 5.05%. However, the fund swung approximately -2.5% to a bid-pricing basis on 3rd July which resulted in a negative month-on-month return for all share classes. With the fund marketing vacant units to raise cash, this step was taken to protect remaining investors from the costs of property disposals.

Rental growth remains strong at an average of 5.9% over the 12 months to the end of July, which is above the latest ONS rental index of 5.1%. Rent reviews of the fund's existing tenancies have been broadly in line with the ONS at an average 4.9% but vacated properties have been relet at 8.4% above previous rents. Our pragmatic approach to reviewing existing tenancies in the current economic climate has kept arrears low and rent collection has averaged 99.4% over the year.

* The Standing Independent Valuer (SIV) attached a material valuation uncertainty clause to the Spectrum flats in Manchester in April 2021 following a failed EWS1 (external wall safety) assessment. These assessments were introduced by the government to improve fire safety of high-rise buildings including external cladding. As of the end of February there was no clarity as to potential cost and timing of any remedial works, or whether this may require funding from leaseholders, the clause remains in place. Consequently, the SIV states less certainty and a higher degree of caution should be attached to its valuation of these units, and that it may take longer than the usual 3-6 month marketing period should a decision be made to sell them individually. However, the original developer of the flats has recently signed the Government's Buildings Safety Repairs pledge and stated its intent to work with the site's Residents Management Company to agree a schedule of remediation works. All residents are aware of the situation and additional fire safety measures have been implemented. The 17 flats held by the fund, of which 12 are in a building below 18 metres, are part of a larger development of c. 600 apartments. Since a Material Valuation Uncertainty clause has been attached to these properties, the 30th June 2022 financial statements were qualified.

Portfolio Facts

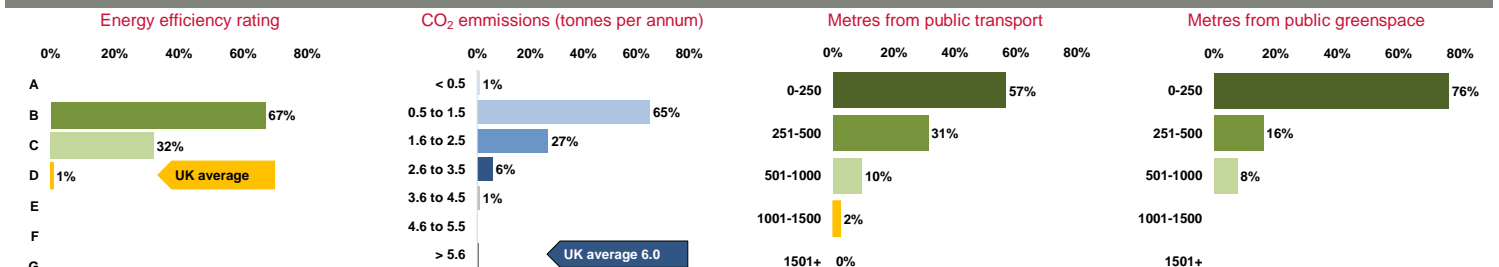
| Fund asset allocation | |
|----------------------------|--------|
| Cash or equivalent | 7.15% |
| Property - North West | 9.82% |
| Property - North East | 0.00% |
| Property - Yorks & Humber | 3.66% |
| Property - South East | 22.01% |
| Property - South West | 9.74% |
| Property - Wales | 0.00% |
| Property - Scotland | 2.99% |
| Property - East of England | 11.31% |
| Property - East Midlands | 9.45% |
| Property - West Midlands | 10.13% |
| Property - London | 13.73% |

| Top 10 property holdings | | |
|---------------------------------------------|-------|------------|
| Holding | Units | Valuation |
| Quadrant Court, Wembley, London HA9 | 22 | £7,385,000 |
| Wickhurst Green, Horsham, RH12 | 14 | £4,840,000 |
| The Limes, Nottingham, NG8 | 18 | £4,280,000 |
| Crocketts Lane, Smethwick, B66 | 13 | £3,285,000 |
| Whittingham Place, Preston, PR3 | 13 | £2,998,000 |
| * Spectrum, Blackfriars Road, Manchester M3 | 17 | £2,865,000 |
| King Georges Park, Rowhedge, CO5 | 8 | £2,705,000 |
| Rea Road, Northfield, Birmingham. B31 | 14 | £1,905,000 |
| Portland View, Bristol, BS2 | 6 | £1,750,000 |
| Willow Grange, Doncaster, DN4 | 8 | £1,670,000 |

* See commentary above.

| Property portfolio metrics | |
|-------------------------------------|-----------|
| Flats | 87 |
| Terraced | 67 |
| Semi | 58 |
| Detached | 12 |
| Total number of properties | 224 |
| Average property valuation | £264,732 |
| Average tenant stay | 35 months |
| 1 year ave. occupancy (% of income) | 96.40% |

Environmental and Social Profile



All charts show the property portfolio by percentage of property units. Values may not total 100% due to rounding. Sources: Hearthstone and Department for Levelling Up, Housing and Communities, 31 July 2023

Class F Shares - Institutional Net - 31 July 2023

Costs and charges

| | | |
|--------------------------|--------------|--------------------------------------------------------------------------------------------|
| Entry charge: | 1.00% | Please contact <i>Hearthstone</i> for current terms and discounts on institutional classes |
| Exit charge: | 0.00% | |
| Annual charges ('OCF')*: | 1.32% | |

* Ongoing Charges Figure (OCF) is based on estimated annual expenses, and includes the Annual Management Charge of 0.75%. The OCF may vary from year to year.

Portfolio transaction costs: **0.03%** of average fund value for the year to 30/06/2023.

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: | £100,000 |
| Additional: | £100,000 |
| Monthly: | n/a |

Fund Price and Yield at 31 July 2023

| | <u>Accumulation Class</u> | <u>Income Class</u> |
|---------------------------------|---------------------------|---------------------|
| Fund price (Bid-pricing basis): | £ 1.520 | £1.520 |
| Yield: * | 1.06 % | 1.06 % |

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

Past five years distributions (pence per share):

| | 0.44 | 0.00 |
|------|-------------|-------------|
| 2023 | | |
| 2022 | 1.48 | 0.00 |
| 2021 | 0.86 | 0.00 |
| 2020 | 1.17 | 0.00 |
| 2019 | 1.86 | 0.00 |

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): | 1.57 % |
| Maximum drawdown (Accumulation class): | -2.25 % |

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 | |
| Pershing | |
| Raymond James | |
| Wealthtime | |

Key fund information

| | |
|--------------------------------|----------------------------------------------------------------------------|
| Fund name: | TM home investor fund (a subfund of the TM Hearthstone ICVC) |
| Performance comparator: | e.surv Acadata House Price Index |
| Fund launch date: | 25/07/2012 |
| Share class launch date: | 03/08/2012 (Accumulation Class) 20/04/2020 (Income Class) |
| Fund size (Bid-pricing basis): | £62.55 million |
| Primary asset class: | UK Residential Property |
| Structure: | OEIC with PAIF Tax Status |
| Pricing frequency: | Daily |
| Subscription frequency: | Daily |
| Redemption frequency: | 1st business day of calendar quarter (3 months prior notice) |
| Dealing time: | 22:30 London, UK |
| Settlement: | T+4 |

Fund Codes

| | | |
|-----------|-------------------------------------------|----------------------------|
| Class: | Class F Shares - Institutional Net | |
| | <u>Accumulation Class</u> | <u>Income Class</u> |
| Sedol: | B54N2C5 | BLHXV83 |
| ISIN: | GB00B54N2C52 | GB00BLHXV832 |
| Citicode: | 112J | QZF7 |
| MEXID: | 8TIDEN | |

MiFID category: **Non-complex**

Management & Administration

| | |
|---------------------------|-------------------------------------------------------------------------------------------------------------|
| Fund Manager: | Stuart Springham, MRICS |
| Chief Investment Officer: | Andrew Smith, FRICS |
| Investment Committee: | Cedric Bucher Andrew Smith, FRICS Stuart Springham, MRICS Darren Stent |

Property Investment Manager and Distributor: **Hearthstone Asset Management Limited**
29 Throgmorton Street
London
EC2N 2AT
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
www.tutman.co.uk

Dealing and administration: **TM Hearthstone ICVC**
Thesis Unit Trust Management Limited
Sunderland
SR43 4AZ
0333 300 0375

Depository: **NatWest Trustee & Depository Services Limited**

Independent valuer: **CBRE Limited**

Auditor: **Grant Thornton UK LLP**

Environmental, Social, Governance (ESG)

Signatory of:



Fund ratings

FE Risk Score

18

FE Risk Scores define risk as a measure of volatility relative to that of the UK leading 100 shares which has a risk rating of 100, and cash having a rating of zero.

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. Tax treatment depends on the individual circumstances of each investor and may be subject to change in future.

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 Suite LG:03, Bridge House, 181 Queen Victoria Street, London, EC4V 4EG.

Thesis Unit Trust Management Limited is the Authorised Corporate Director. Authorised and regulated by the Financial Conduct Authority (186882).