

TM Hearthstone ICVC

Interim Report & Accounts
(unaudited) for the period ended 31st December 2020



THESIS UNIT TRUST MANAGEMENT LIMITED
Authorised and regulated by the Financial Conduct Authority

TM Hearthstone ICVC

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* These collectively comprise the Report of the Authorised Corporate Director.

TM Hearthstone ICVC

Management and Professional Service Providers' Details

Authorised Corporate Director:

Thesis Unit Trust Management Limited
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St John's Street
Chichester
West Sussex PO19 1UP
Tel: 01243 531 234

*Authorised and regulated by
the Financial Conduct Authority*

Investment Manager:

Thesis Asset Management Limited
Exchange Building
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West Sussex PO19 1UP

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the Financial Conduct Authority*

Dealing & Registration:

Northern Trust Global Services SE UK Branch
PO Box 3733
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*Authorised by the Prudential Regulation Authority and
regulated by the Financial Conduct Authority and the
Prudential Regulation Authority.*

Depositary:

NatWest Trustee and Depositary Services Limited
Drummond House, Second Floor
1 Redheughs Avenue
Edinburgh EH12 1HQ

*Authorised by the Prudential Regulation Authority and
regulated by the Financial Conduct Authority and the
Prudential Regulation Authority*

Auditor:

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Directors:

S. R. Mugford - Finance Director
D. W. Tyerman - Chief Executive Officer
S. E. Noone - Client Services Director
D. K. Mytnik - Non-Executive Director
V. R. Smith - Non-Executive Director
W. D. Prew - Independent Non-Executive Director
C. J. Willson - Independent Non-Executive Director
N. C. Palios - Non-Executive Chair

D.W. Tyerman and S.R. Mugford also hold directorships of other companies within the Thesis group and perform senior management roles within these companies, particularly Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the Manager.

D.K. Mytnik, V.R. Smith and N.C. Palios also hold non-executive directorships of other companies within the Thesis group. They are not engaged in other business activities that are of significance to the Trust. W. D. Prew is a Director of Indos Financial Limited, the primary business of which is the provision of Alternative Investment Fund Managers Directive independent depositary services to Alternative Investment Funds. Indos Financial Limited is not appointed as depositary on any alternative investment funds managed by the Manager.

Property Investment Adviser:

Hearthstone Asset Management Limited
23 Austin Friars
London EC2N 2QP

*An appointed representative of
Thesis Asset Management Limited.*

Standing Independent Valuer:

CBRE Limited
St Martin's Court
10 Paternoster Row
London EC4M 7HP

Property Manager:

Touchstone Corporate Property Services Limited
2 Crescent Office Park
Clarks Way
Bath BA2 2AF

TM Hearthstone ICVC

Report of the Authorised Corporate Director (“ACD”)

(unaudited) for the period ended 31st December 2020

Thesis Unit Trust Management Limited (the “ACD”) is pleased to present the ACD’s interim report for TM Hearthstone ICVC (the “Company”) for the period ended 31 December 2020.

This Company is an umbrella fund with only one sub-fund, namely TM home investor fund. The sub-fund was rebranded as the TM home investor fund in July 2018. It was previously named TM Hearthstone UK Residential Property Fund.

Investment Objective and Policy

It is intended that the TM home investor fund (the “sub-fund”) be a PAIF at all times, and, as such, its investment objective is to carry on Property Investment Business and to manage cash raised from investors for investment in the Property Investment Business as further described below. HM Revenue & Customs has provided confirmation to the ACD that the sub-fund meets the requirements to qualify as a PAIF under Regulation 69O of the Authorised Investment Funds (Tax) Regulations 2006 (as amended).

The objective of the sub-fund is to establish a residential property fund which provides investors with exposure to the United Kingdom housing market. Returns will derive principally from capital performance, with lettings of fund properties intended to cover costs and provide some additional return. As it is intended that the sub-fund follows the performance of the underlying housing market it will be ungeared apart from occasional borrowings used to support liquidity.

The key investment objective is to maintain a let property portfolio which is diversified according to the geographic distribution of housing stock in England, Scotland and Wales. As far as suitable opportunities allow, the sub-fund will allocate investments to each region on the basis of that region’s market size compared to the United Kingdom as a whole (excluding Northern Ireland). Attention will also be given to maintaining a balance between property types which appropriately reflects the wider market.

There is no explicit income target for the sub-fund but the properties will be selected and managed in such a way as to provide income appropriate to their location while minimising the loss in rental yields due to management and maintenance costs.

The sub-fund will invest primarily in United Kingdom residential Property. Consistent with the sub-fund’s objective to invest in a portfolio which is diversified according to the distribution of housing stock in the United Kingdom mainland, it will aim to identify properties which are in established rental locations within each area and that have exhibited long term house price growth characteristics that are average or above average for the region. Where appropriate, discounts will be sought on purchases that mitigate or eliminate the transactional costs of investment or provide an element of additional performance.

Properties will generally be let on an assured shorthold (“AST”) basis apart from units let to specialist operators for use as serviced apartments or units obtained from residential developers on a sale and leaseback basis. Properties subject to non-AST leases will be managed to ensure that the sub-fund is not unduly exposed to counter-party risk.

The sub-fund will invest a small proportion of its assets in liquid instruments and cash in order to obtain appropriate levels of liquidity. To maintain exposure to the United Kingdom residential market, instruments used for this purpose may include property related equities, regulated or unregulated investment funds, and derivatives.

Performance Comparator

The sub-fund uses the LSL Acadata Index for performance comparison purposes only. The benchmark is not a target benchmark and the sub-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. There is a detailed comparison of the various indices on the LSL Arcadata website but, put simply, it is the result of taking the average of the price at which every residential transaction in England & Wales took place, smoothed over rolling 3 month periods, mixadjusted to eliminate the effect of monthly changes in the types of properties sold, and seasonally adjusted to account for times in the year when house buying activity traditionally experiences peaks or troughs.

Thesis Unit Trust Management Limited
Authorised Corporate Director
26th February 2021

TM Hearthstone ICVC

Report of the Investment Manager

(unaudited) for the period ended 31st December 2020

Investment Report - Hearthstone Asset Management Limited

1. Residential Market

The year kicked off positively, buoyed by the confidence instilled by the election of a majority government, and house prices increased by 1% during January and February 2020. The market was then stopped in its tracks by the COVID-19 pandemic in March 2020. The nationwide lockdown effectively closed the housing market, resulting in the Royal Institution of Chartered Surveyors (RICS) inserting a Material Uncertainty clause into all residential and commercial property valuations, subsequently causing the Fund to suspend dealing. As lockdown restrictions began to ease and activity returned to the housing market, this clause was removed on 20th July and the fund was re-opened for dealing. However, during this time, according to e.surv, the housing market had fallen 2.4%.

Once open again, the housing market kicked on with aplomb, initially due to the pent-up demand and lack of supply from the 3-month lockdown, and increased by 3% over July and August 2020 thereby nullifying the previous losses. This pent-up demand was further exacerbated by the announcement on 8th July 2020 that no Stamp Duty Land Tax (SDLT) would be payable in England for purchases of residential properties below £500,000 until March 2021. The other devolved governments of the UK introduced similar 'Stamp Duty Holidays'. We have also seen a surge of people reassessing their living situation in recent months due to the COVID-19 pandemic, looking to purchase larger properties with outside space further away from city centres highlighting the current lack of commuting and working from home that will inevitably continue in the future. These buyers have tended to be cash rich, job secure and at the upper end of the market. This has resulted in the e.surv England and Wales House Price Index increasing by 9.19% from July 2020 to December 2020, but mainly driven by the upper end of the market in the £500,000 plus price bracket.

You will note below that the Fund's valuation growth has not mirrored this market uplift and that is mainly due to the fact that the average value of its properties is c.£250,000 – materially below the segment of the market that is driving headline UK house price growth. Having said that, the Fund did benefit from upward valuations each month July 2020 to November 2020 totalling 1%. Furthermore, it should be noted that the fund valuer cannot adjust valuation on properties in the Fund until comparable properties to those held by the Fund have exchanged; the surge in housing activity over the past 6 months led to significant delays in the home purchasing process.

Rental demand continued to grow, and with some Buy to Let landlords exiting the market, demand for good quality modern homes, such as those owned by the Fund, continued. Rents across the Fund's property portfolio has grown by 1.9% year to date, despite our suspension of rent reviews due to COVID-19, and the market as a whole has continued averaging 1.4% year to date according to the Office for National Statistics (ONS).

2. Fund Performance

The Fund invests in private rented sector (PRS) housing across mainland UK and aims to capture UK house price growth plus provide an element of income return. The Fund uses the e.surv England and Wales House Price Index (previously known as LSL Acadata) for performance comparison purposes only. It is not a target benchmark and the Fund is not constrained by it.

The Property Investment Manager, Hearthstone, uses quantitative asset allocation methods and qualitative regional stock selection to build a portfolio of assets reflecting the distribution of mainland UK housing stock.

These properties are let under assured shorthold tenancy agreements (AST), corporate lets and a small number of leaseback agreements to housebuilders. Returns comprise both capital growth and rental income.

The Hearthstone will continue to deploy capital in the UK regions as appropriate, identifying locations which are likely to outperform the average for the country as a whole. Although no new property acquisitions were made in this reporting period, the Fund has received net inflows over recent months giving it a healthy cash position, and potential acquisitions are currently being sought to deploy this into.

Hearthstone continually reviews the performance of all of the existing property portfolio and has identified a small number of homes which are considered likely to underperform or which should be sold in order to rebalance its regional exposure. This programme will continue through 2021 with a small number of further sales, the objective of further improving performance.

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Report of the Investment Manager

(unaudited) for the period ended 31st December 2020 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

Close attention was also paid to asset management with overall occupancy increased significantly, with COVID-19 initially stifling the letting of properties in John Brookes Close, Smethwick (known as the ‘Crocketts Lane’ development) where the Fund acquired 13 houses between February and July 2020. Occupancy of the Fund’s property portfolio on 1st July 2020 was c. 93.5% but that increased to 98% by 31st December 2020. Following a review of the Fund’s Property Management contract, Connells Group was appointed as Property Manager to replace Touchstone on 1st November 2020. This appointment was made under an innovative fee structure to replace the previous fixed 8% fee for rent collected. Under the new contract, the Property Manager receives a flat rate of 7% of rent collected, with a 1% success fee based on tenant satisfaction surveys, and a 0.5% penalty fee should minimum health and safety standards not be met.

The Standing Independent Valuer, CBRE Limited has continued its role, with a review of the inspection process being undertaken currently to catch up those which could not be completed during 2020 because of the impact of COVID-19 restrictions.

The Fund’s performance as at 31st December 2020 is detailed below in Tables 1a and 1b and charted in Figure 1. Performance is on a bid-to-bid price basis, net of charges, and with income reinvested for each share class. Source: Financial Express Analytics.

Note 1: The Fund changed to single pricing from a dual pricing basis on 10th April 2015.

Table 1a and 1b: Fund Performance to 31/12/2020 by Share Class

1a. Accumulation Classes

	Class A	Class B	Class C	Class D	Class E	Class F	Class H	Class X	Feeder
1 month	-0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%	0.07%
3 months	0.58%	0.66%	0.76%	0.78%	0.75%	0.77%	1.03%	0.73%	0.73%
6 months	0.80%	0.88%	1.11%	1.13%	1.10%	1.12%	1.60%	1.02%	1.09%
1 year	0.43%	0.44%	1.04%	0.99%	1.10%	1.05%	2.02%	0.87%	0.87%
3 years	3.43%	3.24%	5.52	4.85%	5.80%	5.24%			4.44%
Launch	40.23%	38.87%	47.26%	44.24%	49.43%	46.46%	6.47%	3.50%	38.25%

1b. Income Classes

	Class A	Class B	Class C	Class D	Class E	Class F	Class G	Class H	Class X
1 month	-0.07%	0.00%	0.07%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%
3 months	0.58%	0.66%	0.76%	0.78%	0.75%	0.77%	0.70%	1.03%	0.73%
6 months	0.80%	0.88%	1.11%	1.13%	1.16%	1.12%	1.11%	1.60%	1.02%
1 year							1.06%		
3 years							5.18%		
Launch *	0.29%	0.37%	0.76%	0.71%	0.68%	0.84%	45.83%	1.38%	0.65%

TM Hearthstone ICVC

Report of the Investment Manager

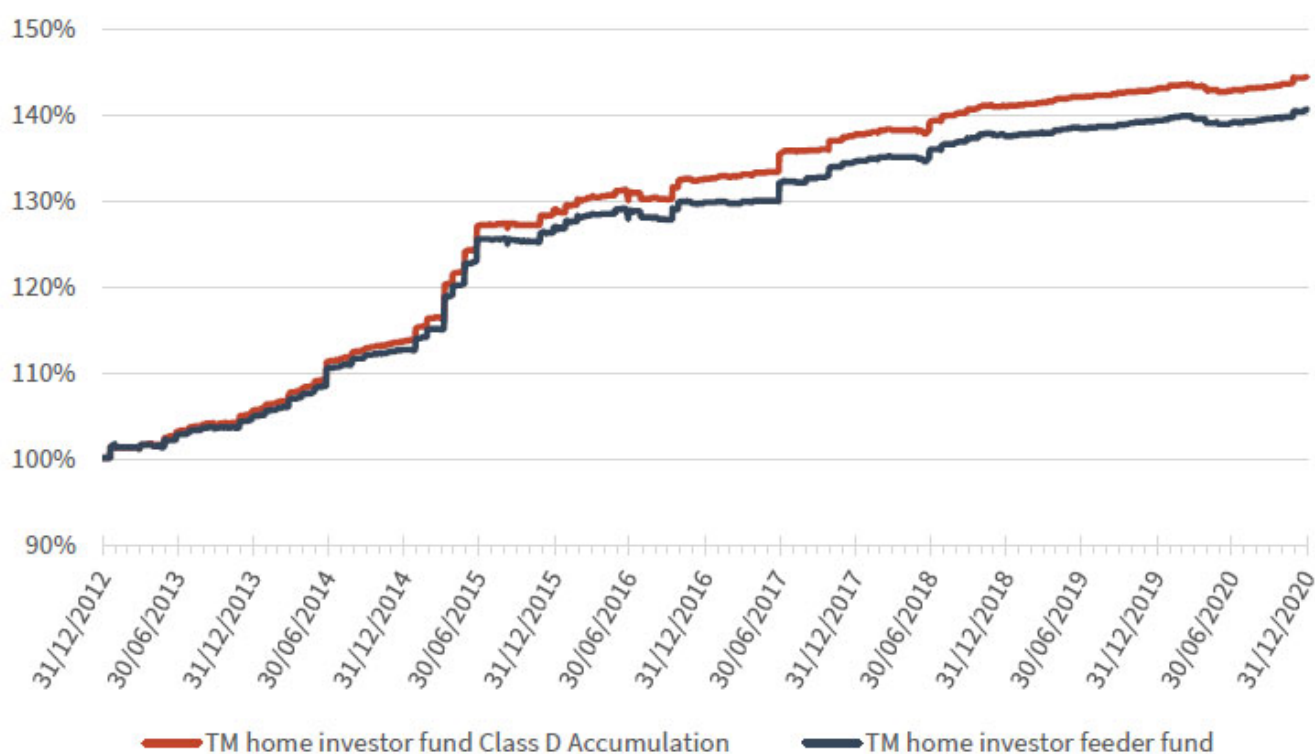
(unaudited) for the period ended 31st December 2020 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

* Launch dates of each share/unit class:

	Accumulation	Income
Class A Bundled Retail Gross	29/08/2012	20/04/2020
Class B Bundled Retail Net	26/07/2012	20/04/2020
Class C Unbundled Retail Gross	07/01/2013	20/04/2020
Class D Unbundled Retail Net	07/01/2013	20/04/2020
Class E Institutional Gross	13/08/2012	16/03/2020
Class F Institutional Net	03/08/2012	20/04/2020
Class G Institutional Net	-	25/07/2012
Class H Gross	13/07/2018	20/04/2020
Class X Net	13/07/2018	20/04/2020
Feeder	29/04/2013	-

Figure 1: Fund Performance, Class D and Feeder Fund – Launch to 31st December 2020



Note 3: Basis = 100% at share class launch date. For simplicity, only Class D Accumulation and Feeder performance are plotted on the chart as these are the most widely available classes across investment platforms and product wrappers.

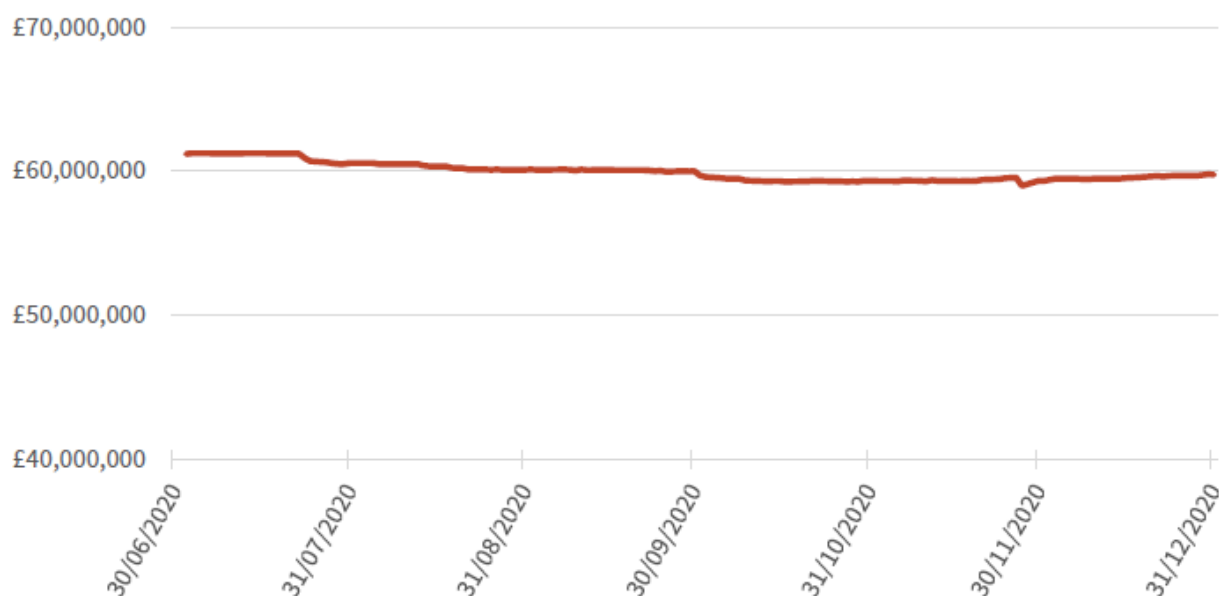
TM Hearthstone ICVC

Report of the Investment Manager

(unaudited) for the period ended 31st December 2020 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

Figure 2: Asset under Management (AUM) 1st July 2020– 31st December 2020



As at 31st December 2020 the Fund AUM was £59,755,587, down 2.4% from £61,204,600 on 1st July 2020.

3. Contribution to Fund performance

The Fund's investment returns comprise capital growth and rental income.

Table 2: Key Portfolio Statistics at 31st December 2020

Portfolio Purchase Price	£42,242,703
Investment Value (IV) (subject to tenancies in existence)	£51,341,500
Vacant Possession Value (VP) (assuming vacant possession)	£51,341,500
Number of Properties	205*
Average Unit Value VP	£250,446
Potential Gross Annual Rental Income	£2,494,882
Average Annual Rent	£12,230
Potential Gross Property Yield – Potential gross income (annualised)	4.91%
Current Gross Property Yield – After voids i.e. Let properties only (annualised)	4.37%
Net Property Yield - After voids & actual property expenditure (annualised)	2.55%

*204 properties, plus 1 set of car parking spaces

TM Hearthstone ICVC

Report of the Investment Manager

(unaudited) for the period ended 31st December 2020 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

i. Rental Yield & Income

Rent Collection

Rent collection throughout H2 2020 remained high, averaging 98%. This is in stark contrast to rent collection for some commercial property funds and portfolios, and helped demonstrate the difference between residential property and commercial property in times of significant stress.

Figure 3: Historical Rent Collection as a Percentage of Rent Demanded

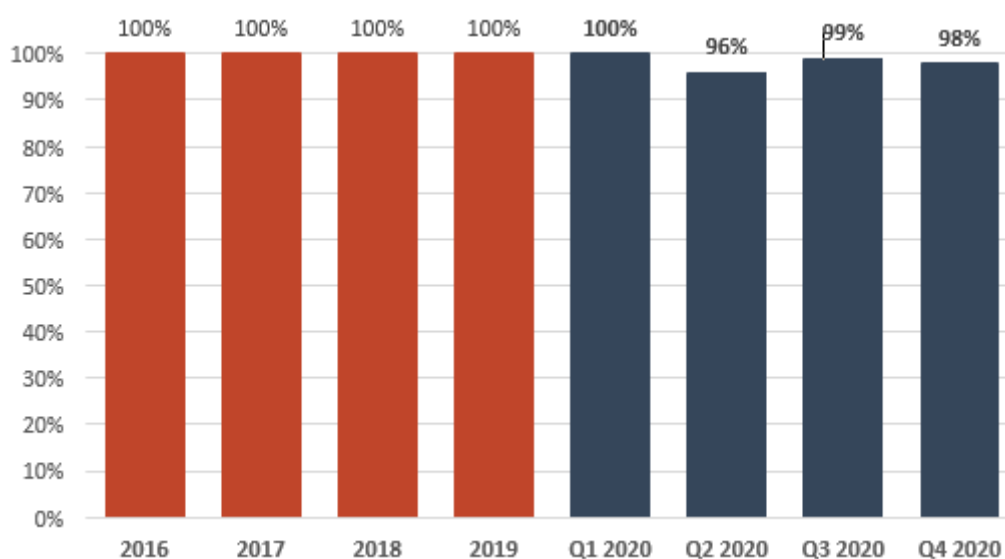


Table 3: Gross Rental Yield December 2020 per region

Region	Portfolio Gross Yield – December 2020
North West	5.42%
North East	N/A
Yorkshire & Humber	5.06%
South East	4.55%
South West	4.92%
Wales	N/A
Scotland	4.29%
East of England	4.65%
East Midlands	5.07%
West Midlands	5.39%
London	4.87%
Overall	4.91%

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Report of the Investment Manager

(unaudited) for the period ended 31st December 2020 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

Table 4 shows the actual gross/net property yield on a monthly basis.

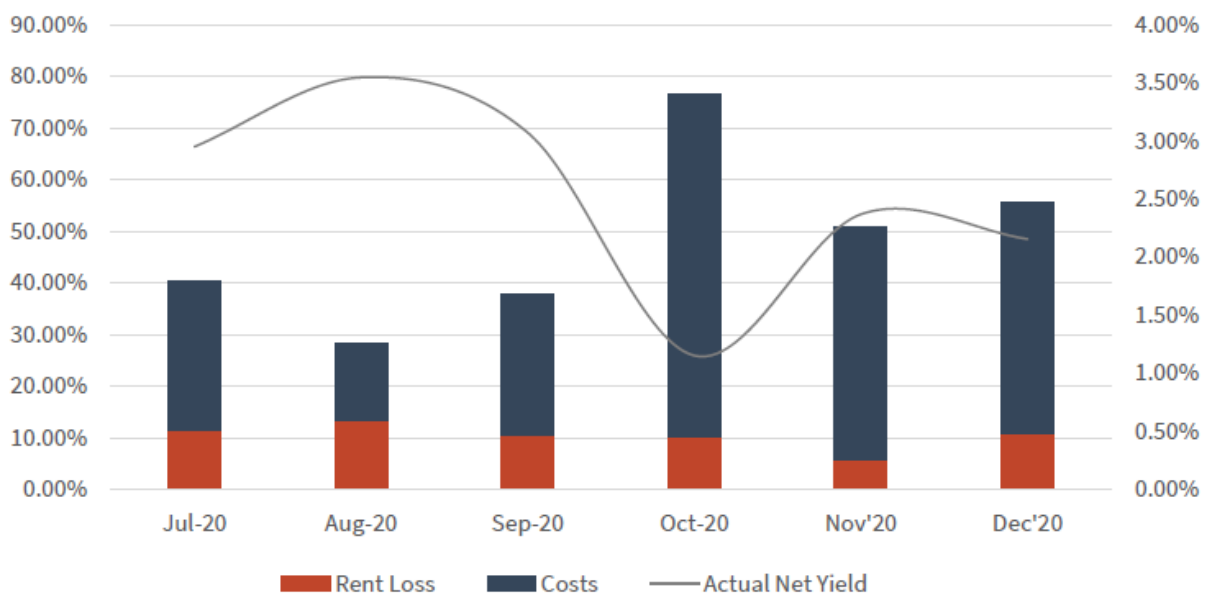
Table 4: Gross - Net Yield monthly

Month	Potential Gross Yield	Current Gross Yield	Net Yield
Jul-20	4.96%	4.40%	2.95%
Aug-20	4.95%	4.28%	3.55%
Sep-20	4.95%	4.43%	3.07%
Oct-20	4.94%	4.43%	1.15%
Nov-20	4.82%	4.54%	2.37%
Dec-20	4.91%	4.33%	2.16%

The Net Yield has been low in the reporting period due to the perfect storm of COVID-19 related vacancies (we started H2 with a void loss c.10% but this has reduced back to normal levels) and arrears and also increased costs due to Energy Performance Certificates, Electrical Installation Condition Reports, and Gas compliance coming due on a number of properties, along with some more expensive maintenance issue that have arisen. This created higher than average costs in conjunction with lower-than-average rent demanded. These are now stabilising, and we look forward to increased net yields in 2021.

Figure 4 below details the impact of rental loss through arrears, voids, and property level costs (as % of potential rent on the

Figure 4: Cost impact on Net Property Yields as a percentage of Potential Rent



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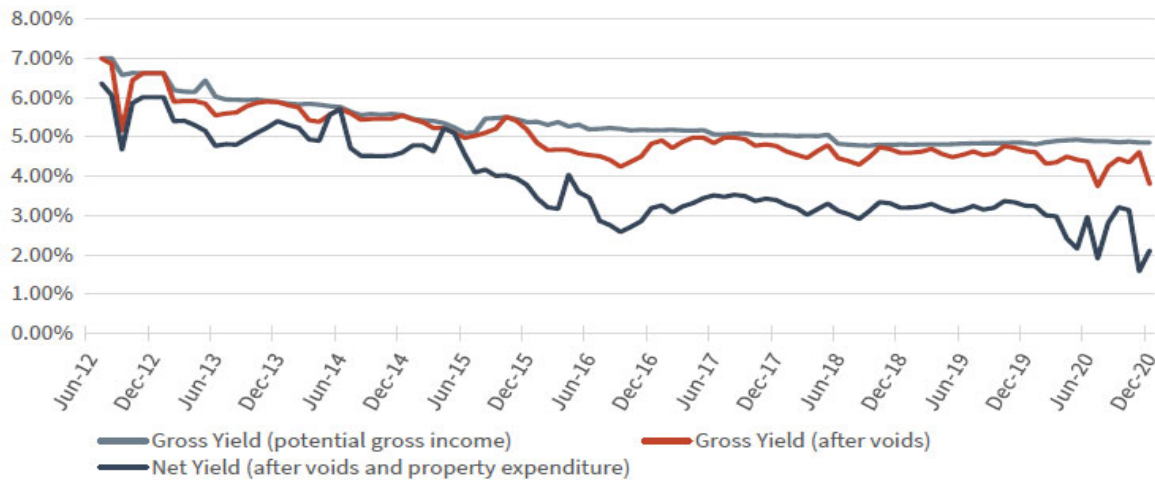
Report of the Investment Manager

(unaudited) for the period ended 31st December 2020 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

Figure 5 shows the movement of the gross/net property yield from inception to 31st December 2020 on an accrual basis.

Figure 5: Annualised Gross to Net Property Yield (Accrual basis)

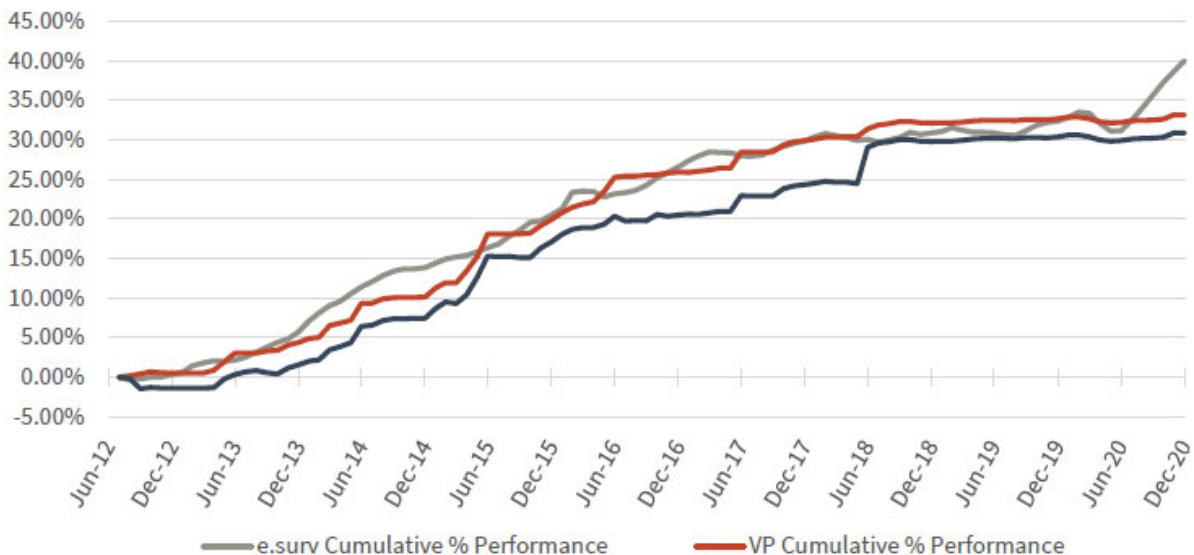


ii. Valuation Movement

The Standing Independent Valuer (SIV), CBRE Limited, values the property portfolio on a desktop basis each month on both an Investment Value (IV) basis and Vacant Possession (VP) basis, and by physical inspection annually. The IV basis takes into account the tenancies in existence and the VP value assumes vacant possession. The e.surv House price Index is a capital index based on vacant possession (VP) values.

Figure 6 shows the valuation movement of the Fund's property portfolio (adjusted for acquisitions and disposals) from the launch of the Fund to 31st December 2020 against the e.surv House Price Index. Figure 7 shows month on month change in the Fund's property portfolio over the year to 31st December 2020, versus the monthly change in the e.surv House Price Index over the same period.

Table 6: Summary of disposals since 30th June 2019



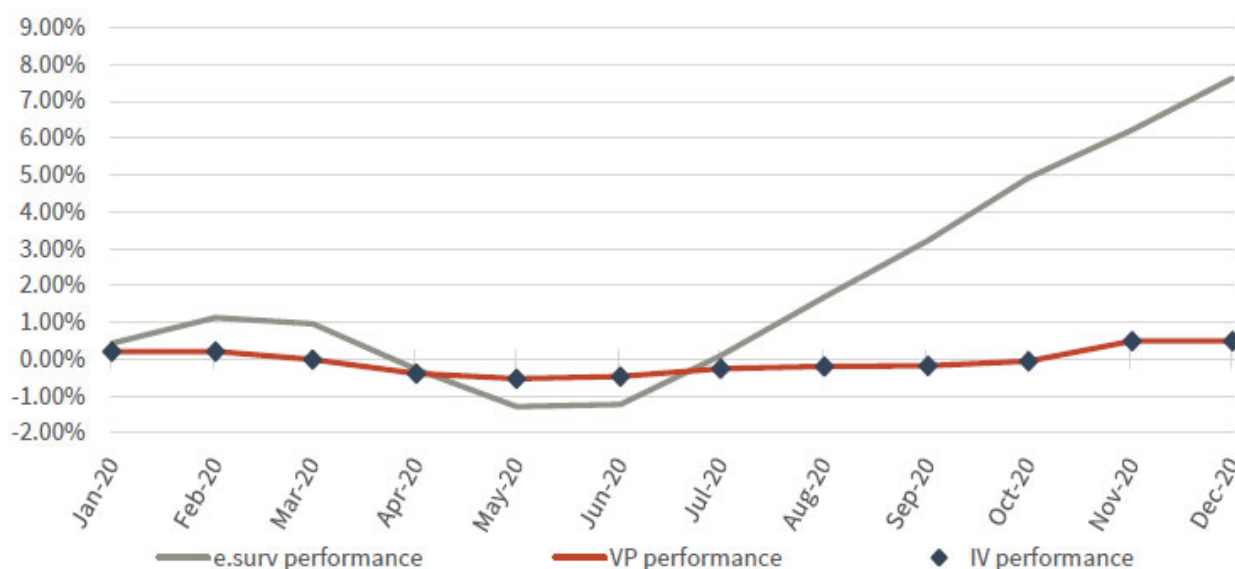
TM Hearthstone ICVC

Report of the Investment Manager

(unaudited) for the period ended 31st December 2020 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

Figure 7: Monthly property portfolio valuation change vs e.surv, year to 31st December 2020



In December 2020, e.surv reported a 7.84% annual increase in average house prices (8.9% increase excluding London & the South East). Over the same twelve-month period, the performance of the Fund's portfolio is 0.6% (VP) and 0.6% (IV).

Since launch of the Fund, this brings the increase in IV to 30.87%, and to 33.16% on a VP basis. By way of comparison, the e.surv House Price Index (which includes the effect of prime central London) reported a change in house prices of 40.00% over the same period.

4. Purchases and Sales in the period

In order to meet its investment objectives, the Fund aims to establish and maintain a let property portfolio which is diversified broadly in line with the geographic distribution of housing stock in England, Scotland, and Wales.

Since launch, the Fund has acquired just over £49 million of property from housebuilders, developers, and property investors.

The initial seed properties added from July 2012 to February 2013 were on an in-specie basis in exchange for units in the Fund. The housebuilders simultaneously entered into agreements to lease back the properties and pay a rent/fee on a full repairing and insuring basis. These seed investors have now fully redeemed their shares/units in the Fund in accordance with the pre-agreed redemption schedule.

Other new build properties and standing stock investments have since been bought for cash from housebuilders and property investment companies. These have been acquired either with vacant possession and let on standard AST agreements, or with existing tenancies in place.

i. Purchases

As previously noted, there was one purchase in 2020:

- In January 2020 it was agreed to buy 13 new build houses in Smethwick, near Birmingham. The first 11 were completed and handed over in February 2020 with the final two completing in July 2020.

TM Hearthstone ICVC

Report of the Investment Manager

(unaudited) for the period ended 31st December 2020 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

A full list of completed property purchases in the reporting period are listed in Table 5 below.

Table 5: Summary of acquisitions from 1st July 2020 – 31st December 2020

Purchase Date	Purchase Price	Address	Red Book Valuation at Purchase	Status
01/07/2020	£219,000	30 John Brookes Avenue	£230,000	Complete
15/07/2020	£219,000	2 John Brookes Avenue	£230,000	Complete
	£438,000	2	£460,000	5% discount

The Fund is currently holding c.15% cash and it has been agreed by the Investment Committee to allocate some of this to further property acquisitions. There are several schemes currently being analysed for the pipeline, and housebuilders remain interested in negotiating terms advantageous to the Fund in return for forward commitments.

ii. Sales

The regular review of assets identified some which were likely to underperform or where regional reallocations should be made, and one property has been sold during this 6-month reporting period, and this is set out in table 6 below. Sales have also been agreed on an additional four units during this reporting period, but they have not yet exchanged. We hope to include these in the June 2021 annual report.

Taking into account the sold properties and new acquisitions, the purchase price of the assets held as at 31st December 2020 was £42,242,703.

Table 6: Summary of disposals since 30th June 2020

Property	Purchase Price	Sold Price	Uplift	% uplift	Sale Date
Flat 5, Mansion House	£132,758	£150,000	£17,242	12.99%	06/07/2020

iii. Holdings

At the end of 2020, 51.76% of the Fund's Net Asset Value (NAV) was held across ten sites, and these are set out in Table 7 below.

Table 7: Top 10 Holdings 31st December 2020

Property Name	Number of Properties	Value	% of NAV
Quadrant Court, Wembley, London HA9	22	£7,442,500	12.45%
Wickhurst Green, Horsham, RH12	14	£4,505,000	7.54%
The Limes, Nottingham, NG8	18	£3,820,000	6.39%
Spectrum, Blackfriars Road, Manchester M3	17	£3,115,000	5.21%
Crocketts Lane, Smethwick, B66	13	£3,015,000	5.05%
King Georges Park, Rowhedge, CO5	8	£2,425,000	4.06%
Rea Road, Northfield, Birmingham. B31	14	£1,835,000	3.07%
Portland View, Bristol, BS2	6	£1,715,000	2.87%
Henmead House, Haywards Heath, RH16	6	£1,695,000	2.84%
Pandora Close, Locks Heath, SO31	4	£1,360,000	2.28%
	122	£30,927,500	51.76%

TM Hearthstone ICVC

Report of the Investment Manager

(unaudited) for the period ended 31st December 2020 (continued)

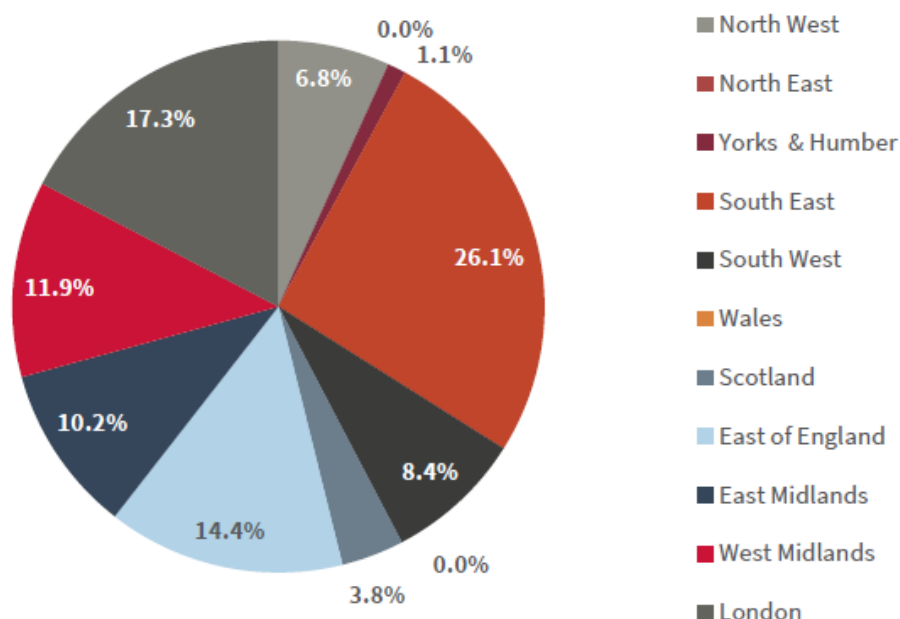
Investment Report - Hearthstone Asset Management Limited (continued)

Table 8 shows the current portfolio against the e.surv regional weightings of property as at 31st December 2020. The portfolio is reasonably balanced at present but slightly currently overweight in the South East, East of England and East & West Midlands regions. Hearthstone aims to address these small imbalances in the coming year by selective new purchases and sales. The portfolio remains intentionally underweight in London.

Table 8: Property Portfolio Breakdown vs Regional e.surv Allocations as at 31st December 2020

Areas	No of Units	% of units	Purchase Price	Current IV	% by Value & Region	% +/-	e.surv Regional Weightings
North West	21	10%	£2,906,000	£3,483,000	6.8%	0.0%	6.8%
North East	0	0%	£0	£0	0.0%	-2.1%	2.1%
Yorks & Humber	3	1%	£493,000	£570,000	1.1%	-4.1%	5.2%
South East	41	20%	£11,810,400	£13,382,500	26.1%	5.8%	20.3%
South West	15	7%	£3,768,000	£4,300,000	8.4%	-1.7%	10.1%
Wales	0	0%	£0	£0	0.0%	-2.7%	2.7%
Scotland	8	4%	£1,185,708	£1,950,000	3.8%	-2.3%	6.1%
East of England	28	14%	£6,212,345	£7,397,500	14.4%	2.8%	11.6%
East Midlands	27	13%	£4,427,750	£5,232,000	10.2%	4.7%	5.5%
West Midlands	35	17%	£5,311,000	£6,119,000	11.9%	5.9%	6.0%
London	27	13%	£6,128,500	£8,907,500	17.3%	-6.2%	23.5%
TOTAL	205	100%	£42,242,703	£51,341,500	100%		100.0%

Figure 8: Geographical Spread of the Portfolio by Region % Value



TM Hearthstone ICVC

Report of the Investment Manager

(unaudited) for the period ended 31st December 2020 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

5. Rental Income

Table 9: Rent Collection & Expenditure to 31st December 2020

Rent Demanded	£1,145,242.35
Rent Collected *	£1,125,009.35
Property Expenditure Paid	£475,715.06
Net Rent Received by Fund *	£649,294.29
% collected– 01/07/2020 – 31/12/2020	98.23%

* Rental income is collected by the Property Manager: Connells since 1st November 2020 and, previously, Touchstone. In addition to rental income, small amounts of non-rent charges such as retained monies from tenancy deposits for dilapidations and other income such as water re-charges are included as income.

i. Arrears

As at 31st December 2020 arrears totalled £53,698.16, of which £4,780.79 are historic tenant rental arrears. This is slightly above the average due to some tenants experiencing financial difficulties during the COVID-19 pandemic but, based on the “peak” arrears of c.£65,000 in October 2020, we are pleased to see that the payment plans put in place through early engagement and ongoing support calls with those tenants is helping to reduce this.

Comparing these figures with the total annual rental potential of the portfolio at £2,494,882 demonstrates the success of the tenant referencing and tenancy management.

ii. Write Offs

During the period 1st July 2020 to 31st December 2020, no amount due to the Fund was written off. We do note that there are some debts which have arisen because of the COVID-19 pandemic that might need to be written off in 2021.

6. Performance Figures

Table 10: Fund Key Financial Figures 31st December 2020

INCOME		
Gross Income Accrued by the Fund from 1st July 2020 – 31st December 2020	£1,081,687.58	
Net Annual Fund Income at 30th June 2020 (added back in distribution income)	£226,624	September 2020 : £140,849 December 2020 : £125,775
Gross Net Adjustment	20.91%	

TM Hearthstone ICVC

Report of the Investment Manager

(unaudited) for the period ended 31st December 2020 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

Fund Performance vs e.surv House Price Index

The Fund invests in private rented sector (PRS) housing across mainland UK and aims to capture UK house price growth plus provide an element of income return. It uses the e.surv England and Wales House Price Index (previously known as LSL Acadata) for performance comparison purposes only – it is not a target benchmark and the Fund is not constrained by it.

Comparing the Fund performance for the individual share classes to 31st December 2020 against the e.surv index it can be seen that, on an annualised basis, the Fund has underperformed the e.surv House Price Index on all share classes in the past six months, with performance varying between share classes from 0.80% to 1.60% against 9.19% for the index. As has been stated earlier in this report, the index has been driven by market activity in higher value properties at price points of £500,000 or more, with buyers and sellers seeking to take advantage of the current Stamp Duty Land Tax holiday and move to accommodation which better meets their requirements for working from home and more outdoor space.

Whilst there has been increased activity in the mid-market which is more typical of the assets held by the Fund (average value c. £250,000), there have been relatively few transactions which have reached exchange of contracts on comparable properties over recent months which the SIV is able to use in its valuations. RICS valuation guidelines stipulate that when valuing a property, transaction prices of comparable properties are only relevant if contracts have exchanged on those sales, and this can sometimes result in the Fund's portfolio lagging movements in the market. The Standing Independent Valuer, CBRE, continues to keep a close watch on activity on comparable properties to those held by the Fund, and the expectation is that more comparable valuation data will become available over the coming months.

Tables 11a and 11b, and figure 8 below show performance of the Fund versus the e.surv England and Wales House Price Index. Fund performance, sourced from Financial Express Analytics, is shown on a price basis of bid to bid, net of charges, with income reinvested. The e.surv index is based on capital values and has no charges or income.

Table 11: Fund Performance vs e.surv House Price Index to 31st December 2020

11a. Accumulation Classes

	Class A	Class B	Class C	Class D	Class E	Class F	Class H	Class X	Feeder	e.surv
1 month	-0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%	0.07%	1.40%
3 months	0.58%	0.66%	0.76%	0.78%	0.75%	0.77%	1.03%	0.73%	0.73%	4.47%
6 months	0.80%	0.88%	1.11%	1.13%	1.10%	1.12%	1.60%	1.02%	1.09%	9.19%
1 year	0.43%	0.44%	1.04%	0.99%	1.10%	1.05%	2.02%	0.87%	0.87%	7.84%

11b. Income Classes

	Class A	Class B	Class C	Class D	Class E	Class F	Class G	Class H	Class X	e.surv
1 month	-0.07%	0.00%	0.07%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%	1.40%
3 months	0.58%	0.66%	0.76%	0.78%	0.75%	0.77%	0.70%	1.03%	0.73%	4.47%
6 months	0.80%	0.88%	1.11%	1.13%	1.16%	1.12%	1.11%	1.60%	1.02%	9.19%
1 year							1.06%			7.84%

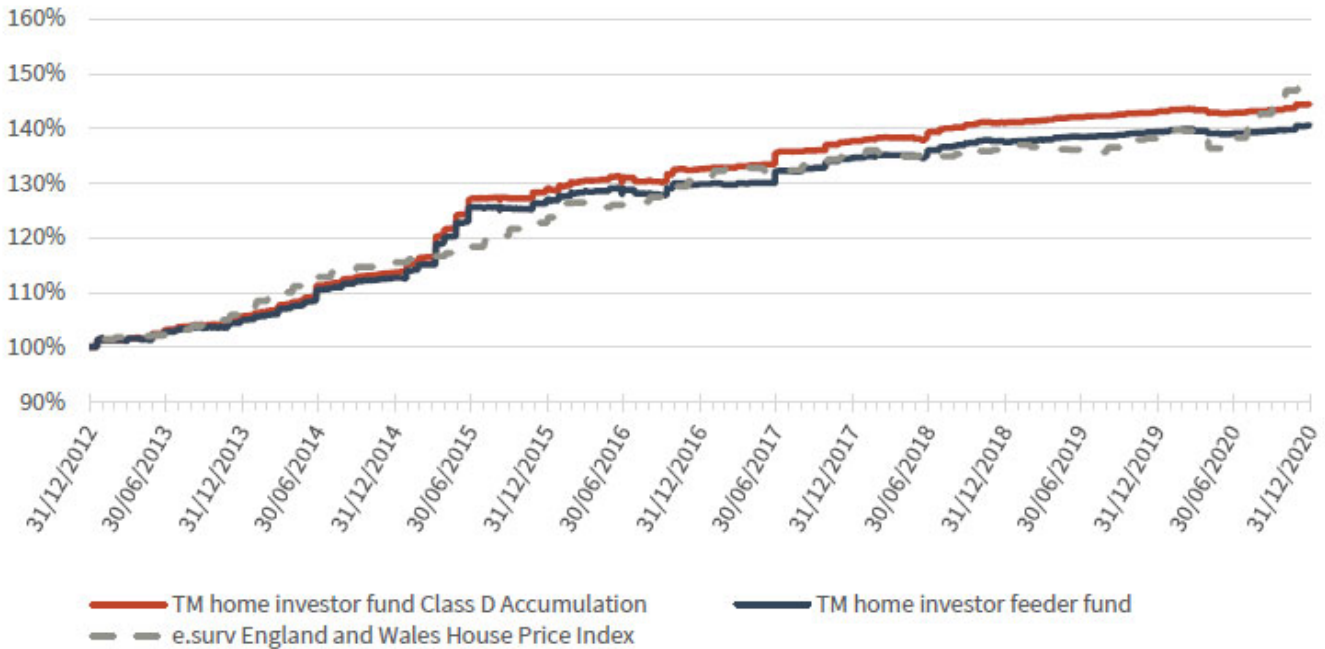
TM Hearthstone ICVC

Report of the Investment Manager

(unaudited) for the period ended 31st December 2020 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

Figure 9: Performance of Class D Accumulation and Feeder Fund v e.surv to 31st December 2020



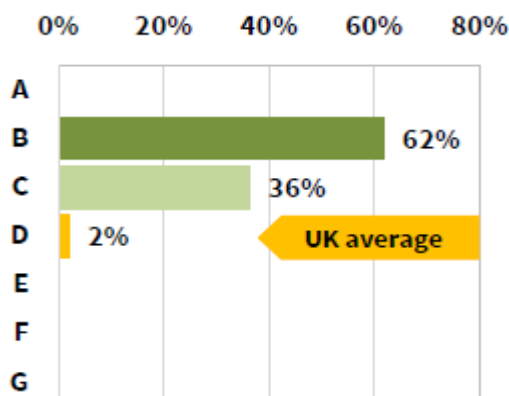
Note 3: Basis = 100% at share class launch date. For simplicity, only Class D Accumulation and Feeder performance are plotted on the chart as these are the most widely available classes across investment platforms and product wrappers.

6. Performance Figures

Hearthstone has continued to proactively manage the positive Environmental and Social Impact of the property portfolio.

Energy Performance Certificate ('EPC') ratings across the portfolio remain significantly above national average D-rating. During Q1 a programme to assess potential environmental improvements across the portfolio was initiated; however, due to the pandemic and inability to visit and inspect properties this was slowed down and will be picked up once lockdown restrictions improve.

Figure 10: Property Portfolio EPC Ratings by percentage of properties v UK Average Property



Sources: Hearthstone, and Ministry of Housing, Communities & Local Government.

TM Hearthstone ICVC

Report of the Investment Manager

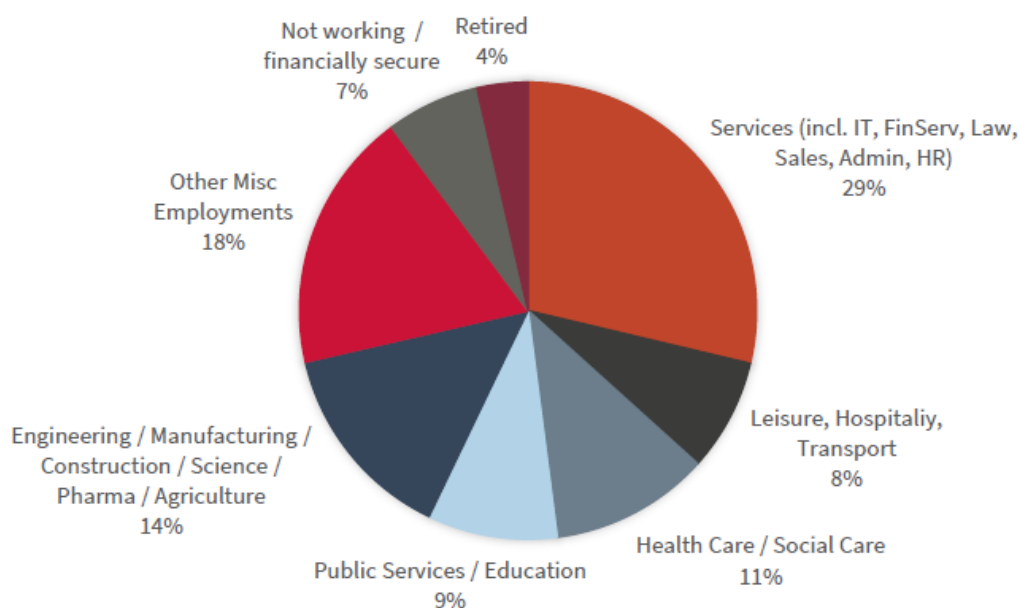
(unaudited) for the period ended 31st December 2020 (continued)

Investment Report - Hearthstone Asset Management Limited (continued)

Much of the focus of our strategy in 2020 was upon social impact, more specifically on tenant wellbeing. Immediately after the announcement of the first lockdown in March, Hearthstone and our outsourced Property Management company established a programme to connect with all tenants affected by financial challenges due to the pandemic. We sought individual solutions for each affected tenant, often putting in place mutually agreed payment plans. This proactive approach was welcomed by tenants and ultimately benefited Fund investors with high rent collection levels throughout 2020, averaging 99% of rent demanded in Q3 and 98% in Q4.

Properties held in the Fund house a diverse set of tenants, some 27% of which are key workers.

Figure 11: Tenant Employment Profile



Source: Hearthstone

Hearthstone appoints external specialists as Property Manager with responsibility for rent collection, property maintenance, rent reviews and re-lets. The external parties are managed via a Service Level Agreement with specific Performance Indicators which are overseen by Hearthstone.

Connells Group was appointed as Property Manager on 2nd November 2020 under an innovative new contract that emphasises positive social impact and puts tenant service at the heart of the model. This contract introduces a new approach to how the Property Manager for the TM home investor fund is incentivised. The traditional industry model is for the Property Manager to earn a percentage fee of gross rent collected. Whilst that creates a clear focus on rent collection which is in the best interest of investors, Hearthstone's aim was to supplement the traditional approach by giving the Property Manager an economic incentive to also ensure the Fund's tenants are well looked after. In an industry first, Hearthstone agreed a new Property Management contract with a lower fixed fee, complemented by a success fee based on Tenant Satisfaction Scores, and a fee penalty should certain minimum standards not be met.

Through this approach we hope to be able to gain a better understanding of our tenants' experience and needs which in turn gives us guidance on how to improve our service.

Hearthstone Asset Management Ltd.
Property Investment Manager
26th January 2021

TM Hearthstone ICVC

Report of the Investment Manager

(unaudited) for the period ended 31st December 2020 (continued)

Investment Report - Thesis Asset Management Limited

Thesis Asset Management manages the cash and stock element of the Hearthstone UK Residential Property Fund to ensure a level of liquidity.

Money is held in the BlackRock Sterling Liquidity Fund and Federated Hermes Short-Term Sterling Prime Fund to meet investor dealing and property transactions.

With Bank of England Base Rate remaining at an all-time low of 0.1% over the period, returns have unsurprisingly been similarly low: the Blackrock fund has risen by 0.01% and the Federated Fund by 0.03%.

Thesis Asset Management Limited
Investment Manager
26th January 2021

TM Hearthstone ICVC

Constitution

TM Hearthstone ICVC (the “Company”) is an investment company with variable capital incorporated in England and Wales under registered number IC946 and authorised by the FCA with effect from 30th April 2012. The Company has an unlimited duration.

The Company is a non-UCITS retail scheme (NURS). It is structured as an umbrella company, though currently has only one sub-fund, the TM home investor fund (the “sub-fund”). Further funds may be established in the future. Shareholders are not liable for the debts of the Company.

It is intended that the sub-fund qualifies as a PAIF (Property Authorised Investment Fund) at all times. HM Revenue & Customs has provided confirmation to the ACD that the sub-fund meets the requirements to qualify as a PAIF under Regulation 69O of the Authorised Investment Funds (Tax) Regulations 2006 (as amended).

The base currency of the Company is Pounds Sterling.

Regulatory Disclosure

This document has been issued by Thesis Unit Trust Management Limited (authorised and regulated by the Financial Conduct Authority).

Past performance is not necessarily a guide to future performance. The value of shares can go down as well as up and is not guaranteed. Changes in rates of exchange may also cause the value of shares to fluctuate. Any references in this report to other investments held within this Company should not be read as a recommendation to the investor to buy and sell the same, but are included as illustration only.

TM Hearthstone ICVC

AIFMD Disclosures (unaudited)

The provisions of the Alternative Investment Fund Managers Directive (“AIFMD”) took effect in full on 22 July 2014. That legislation requires the fund manager, Thesis Unit Trust Management Limited (the “AIFM”), to establish and maintain remuneration policies for its staff which are consistent with and promote sound and effective risk management and do not encourage risk taking that is inconsistent with the risk profile and the instrument of incorporation of the Company nor impair compliance with the AIFM’s duty to act in the best interests of the Company.

The AIFM is part of a larger group within which remuneration policies are the responsibility of a Remuneration Committee comprised entirely of non-executive directors. That committee has established a remuneration policy which sets out a framework for determining the level of fixed and variable remuneration of staff, including maintaining an appropriate balance between the two.

Arrangements for variable remuneration within the group are calculated primarily by reference to the performance of each individual and the profitability of the relevant business unit. The performance of individuals working on the business of the AIFM is assessed primarily by reference to non-financial criteria, especially the effectiveness of their oversight monitoring of delegates appointed to perform investment advisory or fund administration services for the Company.

Within the group, all staff are employed by the parent company with none employed directly by the Alternative Investment Fund Manager. A number of staff are considered, however, to devote the whole of their time to the business of the AIFM and its subsidiary, TUTMAN LLP, which also acts as an AIFM. The costs of a number of other individuals are allocated between the entities within the group based on the expected amount of time devoted to each.

The total remuneration of those individuals considered to comprise the entire staff of the AIFM and its subsidiary, including those whose time is allocated between group entities, for the financial year ended 30th April 2020, is analysed below:

Fixed Remuneration	£ 859,573
Variable Remuneration	86,788
Total	943,451
Headcount (FTE)	16

The staff members included in the above analysis support the entirety of the funds managed by the AIFM. A breakdown of these figures in relation to each fund managed by the AIFM does not exist.

Management have carried out a review of the general principles within the remuneration policy and the implementation of the remuneration policy during the period and following this review, no changes have been considered necessary.

Certification of Interim Report by Directors

In accordance with the requirements of the Open-Ended Investment Companies Regulations 2001 (the “OEIC Regulations”) and the Collective Investment Schemes sourcebook (“COLL Rules”), we hereby certify this Annual Report & Accounts on behalf of the ACD, Thesis Unit Trust Management Limited.

D.W. TYERMAN Director

S. E. NOONE Director

28th February 2020

TM Hearthstone ICVC

TM home investor fund

Portfolio Statement

(unaudited) as at 31st December 2020

Holding	Market value £	Percentage of total net assets %
INVESTMENTS IN IMMOVABLE PROPERTY 79.90% (82.58%)		
Market value greater than £400,001 5.32% (4.43%)		
1 Southfields Green, Gravesend, Kent	550,000	0.92
1 Chilton Field Way, Chilton, Didcot, Oxfordshire	485,000	0.81
1 Oak Leaze, Patchway, Bristol, South Gloucestershire	460,000	0.78
1 Brunel Court, Barnet, Middlesex, London	425,000	0.71
1 Silk Close, Buckingham, Buckinghamshire	425,000	0.71
1 Station Road, Hertford, Hertfordshire	420,000	0.70
1 Broom Field Way, Felpham, West Sussex	410,000	0.69
	3,175,000	5.32
Market value between £300,001 and £400,000 31.10% (28.82%)		
15 Quadrant Court, Empire Way, Wembley, Greater London (15 plots)	5,780,000	9.68
7 Copse Drive, Rowhedge, Colchester, Essex (7 plots)	2,170,000	3.63
4 Pandora Close, Locks Heath, Fareham, Hampshire (4 plots)	1,360,000	2.28
4 Kimmerghame Terrace, Edinburgh, Lothian, Scotland (4 plots)	1,230,000	2.06
2 Sargent Way, Broadbridge Heath, Horsham, West Sussex (2 plots)	785,000	1.31
2 Lake View, Houghton Regis, Bedfordshire (2 plots)	730,000	1.22
9 Carter Drive, Broadbridge Heath, Horsham, West Sussex (9 plots)	720,000	1.20
2 Sword Grove, Wainscott, Rochester, Kent (2 plots)	630,000	1.05
2 Cavalry Road, Colchester, Essex (2 plots)	620,000	1.04
2 Bishop Street, Bristol, South Gloucestershire (2 plots)	615,000	1.03
3 Gold Furlong, Milton Keynes, Bedfordshire (3 plots)	370,000	0.62
1 Olympic Boulevard, Colchester, Essex	360,000	0.60
1 Beale Close, Broadbridge Heath, Horsham, West Sussex	360,000	0.60
1 Samas Way, Dartford, Kent	350,000	0.59
1 Virginia Road, Dartford, Kent	320,000	0.54
1 Apollo Avenue, Peterborough, Cambridgeshire	320,000	0.54
1 Roman Way, Cranbrook, Devon	315,000	0.53
1 Brunel Court, Barnet, Middlesex, London	310,000	0.52
1 Blacksmith Lane, Colchester, Essex	310,000	0.52
1 Dragoon Road, Colchester, Essex	310,000	0.52
3 Gold Furlong, Milton Keynes, Bedfordshire (3 plots)	305,000	0.51
3 Weavers Close, Eastbourne, East Sussex (3 plots)	302,500	0.51
	18,572,500	31.10
Market value between £200,001 and £300,000 36.30% (31.34%)		
13 John Brooks Avenue, Smethwick, Birmingham, West Midlands (13 plots)	3,015,000	5.05
9 Carter Drive, Broadbridge Heath, Horsham, West Sussex (9 plots)	2,640,000	4.42
9 Blackfriars Road (Block 1), Salford, Greater Manchester (9 plots)	1,915,000	3.21
6 Henmead House, Haywards Heath, West Sussex (6 plots)	1,695,000	2.84
7 Quadrant Court, Empire Way, Wembley, Greater London (7 plots)	1,662,500	2.78
4 Bishop Street, Bristol, South Gloucestershire (4 plots)	1,100,000	1.85
3 Weavers Close, Eastbourne, East Sussex (3 plots)	600,000	1.00
4 Meridian Close, Nottingham, Nottinghamshire (4 plots)	808,000	1.35
4 Laxton Close, Nottingham, Nottinghamshire (4 plots)	808,000	1.35

TM Hearthstone ICVC

TM home investor fund

Portfolio Statement

(unaudited) as at 31st December 2020 (continued)

Holding	Market value £	Percentage of total net assets %
Market value between £200,001 and £300,000 36.30% (31.34%) (continued)		
2 Wood Street, Patchway, Bristol, South Gloucestershire (2 plots)	580,000	0.98
2 Elizabethan Way, Teignmouth, Devon (2 plots)	510,000	0.85
2 Spa House, Hayes, Hillingdon, London (2 plots)	510,000	0.85
2 Merchant Avenue, Nottingham, Nottinghamshire (2 plots)	506,000	0.85
2 Arneil Drive, Edinburgh, Lothian, Scotland (2 plots)	410,000	0.69
2 Lapins Close, Nottingham, Nottinghamshire (2 plots)	404,000	0.68
3 Gold Furlong, Milton Keynes, Bedfordshire (3 plots)	300,000	0.50
1 Mosquito Road, Cambourne, Cambridgeshire	300,000	0.50
1 Oakfield Road, Shifnal, Shropshire	300,000	0.50
1 Eveas Drive, Sittingbourne, Kent	275,000	0.47
1 Dunnock Road, Corby, Northamptonshire	270,000	0.45
1 Weavers Close, Eastbourne, East Sussex	265,000	0.44
1 Copse Drive, Rowhedge, Colchester, Essex	255,000	0.43
1 Chalfont Drive, Nottingham, Nottinghamshire	253,000	0.42
1 Penny Close, Nottingham, Nottinghamshire	253,000	0.42
1 Cygnet Road, Stowmarket, Suffolk	245,000	0.41
1 Cardinal Drive, Tuffley, Gloucester, Gloucestershire	240,000	0.40
1 Hayburn Road, Swindon, Wiltshire	240,000	0.40
1 Paper Lane, Paulton, Bristol, Somerset	240,000	0.40
1 Mallow Road, Minster, Kent	235,000	0.39
1 Featherstone Court, Featherstone Road, Southall, Ealing, London	220,000	0.38
1 Beech Drive, Thornton-Cleveleys, Lancashire	215,000	0.36
1 Doveholes Drive, Handsworth, Sheffield, South Yorkshire	205,000	0.34
1 Rowley Mews, Pocklington, Yorks, East Riding	205,000	0.34
	21,679,500	36.30
Market value between £100,001 and £200,000 12.60% (17.36%)		
14 Rea Road, Northfield, Birmingham, West Midlands (14 plots)	1,835,000	3.07
9 Mansion House, Salamanca Way, Colchester, Essex (9 plots)	1,357,500	2.27
8 Blackfriars Road (Block 6), Salford, Greater Manchester (8 plots)	1,140,000	1.91
4 Bennet Drive, Kirkby-in-Ashfield, Nottinghamshire (4 plots)	540,000	0.91
2 Meridian Close, Nottingham, Nottinghamshire (2 plots)	394,000	0.66
2 Laxton Close, Nottingham, Nottinghamshire (2 plots)	394,000	0.66
2 Betjeman Way, Cleobury Mortimer, Shropshire (2 plots)	375,000	0.63
2 Arneil Drive, Edinburgh, Lothian, Scotland (2 plots)	310,000	0.52
2 Lythalls Lane, Coventry, West Midlands (2 plots)	277,000	0.46
2 Lindleys Lane, Kirkby-in-Ashfield, Nottinghamshire (2 plots)	262,000	0.44
1 Lacey Grove, Annesley, Nottinghamshire	170,000	0.28
1 Owston Road, Annesley, Nottinghamshire	170,000	0.28
1 Doveholes Drive, Handsworth, Sheffield, South Yorkshire	160,000	0.27
1 Lambert Close, Erdington, Birmingham, West Midlands	137,000	0.24
	7,521,500	12.60

TM Hearthstone ICVC

TM home investor fund

Portfolio Statement

(unaudited) as at 31st December 2020 (continued)

Holding	Market value £	Percentage of total net assets %
Market value lower than £100,000 0.66% (0.63%)		
1 Leopard Lane , West Bromwich, West Midlands	90,000	0.15
1 Hobart Point, Churchfields Way, West Bromwich, West Midlands	90,000	0.15
1 Clarendon Gardens, Bolton, Lancashire	88,000	0.15
1 Fernbeck Close, Farnworth, Bolton, Greater Manchester	65,000	0.11
1 Car parking spaces, Blackfriars Road, Salford, Greater Manchester	60,000	0.10
	393,000	0.66
TOTAL IMMOVABLE PROPERTY	51,341,500	85.98
COLLECTIVE INVESTMENT SCHEMES 9.08% (9.86%)		
15,957 BlackRock Institutional Sterling Liquidity Fund Accumulation	2,705,973	4.53
2,524,440 Federated Prime Sterling Liquidity Fund Class 08 Accumulation	2,718,569	4.55
	5,424,542	9.08
TOTAL COLLECTIVE INVESTMENT SCHEMES	5,424,542	9.08
Net investments 95.06% (92.44%)	56,766,042	95.06
Net other assets	2,952,489	4.94
Total net assets	59,718,531	100.00

Note: Comparative figures shown in brackets relate to 30th June 2020.

TM Hearthstone ICVC

TM home investor fund

Sub-fund Information

The Comparative Tables on pages 25 to 35 give the performance of each active share class in the sub-fund.

The 'Return after charges' disclosed in the Comparative Tables is calculated as the return after operating charges per share divided by the opening net asset value per share. It differs from the sub-fund's performance disclosed in the ACD's report, which is calculated based on the year-end published price.

Portfolio transaction costs are incurred when buying and selling underlying investments. These vary depending on the class of investments, country of exchange and method of execution.

These costs can be classified as either direct or indirect transaction costs:

Direct transaction costs include property fee, broker commission and taxes. Broker commission includes the fee paid to a broker to execute the trades.

Indirect transaction costs are costs arising from the 'dealing spread' – the difference between the buying and selling prices of underlying investments.

In order to protect existing investors from the effects of dilution, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment or levy' to the price they pay or receive.

TM Hearthstone ICVC

TM home investor fund

Sub-fund Information

Comparative Tables

A Acc (Ret. Gross)

Accounting Period to -	01/07/2020 - 31/12/2020 <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>	01/07/2018 - 30/06/2019 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	137.52	137.42	135.20
Return before operating charges*	3.06	3.06	6.74
Operating charges and Property expenses ¹	(2.00)	(2.96)	(4.52)
Return after operating charges and Property expenses*	1.06	0.10	2.22
Distribution	(0.08)	(0.54)	(1.16)
Retained distributions on accumulation shares	0.08	0.54	1.16
Closing net asset value per share	138.58	137.52	137.42
*after direct transaction costs of ² :	0.11	0.46	0.33
Performance			
Return after charges	0.77%	0.07%	1.64%
Other Information			
Closing net asset value (£'000)	115	146	359
Closing number of shares	82,726	106,067	261,430
Operating charges ³	2.13%	2.14%	2.06%
Property expenses ⁴	0.75%	1.25%	1.25%
Direct transaction costs	0.08%	0.33%	0.24%
Prices			
Highest share price	138.70	138.40	137.50
Lowest share price	137.40	137.40	135.10

¹ Operating cost for the six-month period ended 31st December 2020.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The figure shown for the current period is based on the average NAV over the preceding 6 months. Investors should also refer to the KIID (Key Investor Information Document) which is prepared on a forward-looking basis.

⁴ The Property Expense Ratio (PER) shows the ratio of operating costs that relate to the management of the property assets to the average net assets of the sub-fund.

TM Hearthstone ICVC

TM home investor fund

Sub-fund Information (continued)

Comparative Tables (continued)

B Acc (Ret. Net)

Accounting Period to -	01/07/2020 - 31/12/2020 <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>	01/07/2018 - 30/06/2019 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	136.04	136.04	134.06
Return before operating charges*	3.09	2.92	6.46
Operating charges and Property expenses ¹	(1.98)	(2.92)	(4.48)
Return after operating charges and Property expenses*	1.11	-	1.98
Distribution	(0.15)	(0.43)	(0.93)
Retained distributions on accumulation shares	0.15	0.43	0.93
Closing net asset value per share	137.15	136.04	136.04
*after direct transaction costs of ² :	0.11	0.46	0.32
Performance			
Return after charges	0.82%	0.00%	1.48%
Other Information			
Closing net asset value (£'000)	75	89	273
Closing number of shares	54,862	65,411	200,655
Operating charges ³	2.13%	2.14%	2.06%
Property expenses ⁴	0.75%	1.25%	1.25%
Direct transaction costs	0.08%	0.33%	0.24%
Prices			
Highest share price	137.20	136.90	136.10
Lowest share price	136.00	136.00	133.90

¹ Operating cost for the six-month period ended 31st December 2020.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The figure shown for the current period is based on the average NAV over the preceding 6 months. Investors should also refer to the KIID (Key Investor Information Document) which is prepared on a forward-looking basis.

⁴ The Property Expense Ratio (PER) shows the ratio of operating costs that relate to the management of the property assets to the average net assets of the sub-fund.

TM Hearthstone ICVC

TM home investor fund

Sub-fund Information *(continued)*

Comparative Tables *(continued)*

C Inc (Unb. Gross)

Accounting Period to -	06/10/2020 - 31/12/2020 ¹ <i>(pence per share)</i>
Change in Net Asset Value per Share	
Opening net asset value per share	144.40
Return before operating charges*	1.68
Operating charges and Property expenses	(0.79)
Return after operating charges and Property expenses*	0.89
Distribution	(0.16)
Closing net asset value per share	145.13
 *after direct transaction costs of ² :	 0.11
Performance	
Return after charges	0.62%
Other Information	
Closing net asset value (£'000)	1
Closing number of shares	797
Operating charges ³	1.53%
Property expenses ⁴	0.75%
Direct transaction costs	0.08%
Prices	
Highest share price	145.40
Lowest share price	143.80

¹ There are no comparative figures shown as the C Inc share class became active on 6th October 2020.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The figure shown for the current period is based on the average NAV over the preceding 6 months. Investors should also refer to the KIID (Key Investor Information Document) which is prepared on a forward-looking basis.

⁴ The Property Expense Ratio (PER) shows the ratio of operating costs that relate to the management of the property assets to the average net assets of the sub-fund.

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Sub-fund Information (continued)

Comparative Tables (continued)

C Acc (Ret. Unb. Gross)

Accounting Period to -	01/07/2020 - 31/12/2020 <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>	01/07/2018 - 30/06/2019 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	143.79	142.72	139.54
Return before operating charges*	3.26	3.29	7.02
Operating charges and Property expenses ¹	(1.66)	(2.22)	(3.84)
Return after operating charges and Property expenses*	1.60	1.07	3.18
Distribution	(0.46)	(1.44)	(2.06)
Retained distributions on accumulation shares	0.46	1.44	2.06
Closing net asset value per share	145.39	143.79	142.72
*after direct transaction costs of ² :	0.11	0.48	0.34
Performance			
Return after charges	1.11%	0.75%	2.28%
Other Information			
Closing net asset value (£'000)	10,242	10,107	9,504
Closing number of shares	7,044,811	7,029,123	6,659,195
Operating charges ³	1.53%	1.54%	1.46%
Property expenses ⁴	0.72%	1.25%	1.25%
Direct transaction costs	0.08%	0.33%	0.24%
Prices			
Highest share price	145.40	144.50	142.80
Lowest share price	143.80	142.80	139.50

¹ Operating cost for the six-month period ended 31st December 2020.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The figure shown for the current period is based on the average NAV over the preceding 6 months. Investors should also refer to the KIID (Key Investor Information Document) which is prepared on a forward-looking basis.

⁴ The Property Expense Ratio (PER) shows the ratio of operating costs that relate to the management of the property assets to the average net assets of the sub-fund.

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Sub-fund Information (continued)

Comparative Tables (continued)

D Acc (Ret. Unb. Net)

Accounting Period to -	01/07/2020 - 31/12/2020 <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>	01/07/2018 - 30/06/2019 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	141.03	140.25	137.52
Return before operating charges*	3.12	2.96	6.50
Operating charges and Property expenses ¹	(1.63)	(2.18)	(3.77)
Return after operating charges and Property expenses*	1.49	0.78	2.73
Distribution	(0.38)	(1.13)	(1.59)
Retained distributions on accumulation shares	0.38	1.13	1.59
Closing net asset value per share	142.52	141.03	140.25
*after direct transaction costs of ² :	0.11	0.47	0.33
Performance			
Return after charges	1.06%	0.56%	1.99%
Other Information			
Closing net asset value (£'000)	2,189	2,528	2,501
Closing number of shares	1,535,706	1,792,730	1,783,197
Operating charges ³	1.53%	1.54%	1.46%
Property expenses ⁴	0.75%	1.25%	1.25%
Direct transaction costs	0.08%	0.33%	0.24%
Prices			
Highest share price	142.60	141.80	140.30
Lowest share price	141.00	140.30	137.50

¹ Operating cost for the six-month period ended 31st December 2020.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The figure shown for the current period is based on the average NAV over the preceding 6 months. Investors should also refer to the KIID (Key Investor Information Document) which is prepared on a forward-looking basis.

⁴ The Property Expense Ratio (PER) shows the ratio of operating costs that relate to the management of the property assets to the average net assets of the sub-fund.

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Sub-fund Information *(continued)*

Comparative Tables *(continued)*

E Inc (Inst. Gross)

Accounting Period to -	01/07/2020 - 31/12/2020 ¹ <i>(pence per share)</i>
Change in Net Asset Value per Share	
Opening net asset value per share	146.20
Return before operating charges*	3.14
Operating charges and Property expenses	(1.57)
Return after operating charges and Property expenses*	1.57
Distribution	(0.52)
Closing net asset value per share	147.25
 *after direct transaction costs of ² :	 0.12
Performance	
Return after charges	1.07%
Other Information	
Closing net asset value (£'000)	28,709
Closing number of shares	19,497,029
Operating charges ³	1.38%
Property expenses ⁴	0.75%
Direct transaction costs	0.08%
Prices	
Highest share price	147.50
Lowest share price	146.20

¹ There are no comparative figures shown as the E Inc share class became active on 1st July 2020.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The figure shown for the current period is based on the average NAV over the preceding 6 months. Investors should also refer to the KIID (Key Investor Information Document) which is prepared on a forward-looking basis.

⁴ The Property Expense Ratio (PER) shows the ratio of operating costs that relate to the management of the property assets to the average net assets of the sub-fund.

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Sub-fund Information (continued)

Comparative Tables (continued)

E Acc (Inst. Gross)

Accounting Period to -	01/07/2020 - 31/12/2020 <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>	01/07/2018 - 30/06/2019 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	146.17	144.86	141.44
Return before operating charges*	3.09	3.34	7.09
Operating charges and Property expenses ¹	(1.57)	(2.03)	(3.67)
Return after operating charges and Property expenses*	1.52	1.31	3.42
Distribution	(0.11)	(1.68)	(2.30)
Retained distributions on accumulation shares	0.11	1.68	2.30
Closing net asset value per share	147.69	146.17	144.86
*after direct transaction costs of ² :	0.12	0.49	0.34
Performance			
Return after charges	1.04%	0.90%	2.42%
Other Information			
Closing net asset value (£'000)	540	29,682	30,290
Closing number of shares	365,938	20,307,203	20,909,516
Operating charges ³	1.38%	1.39%	1.31%
Property expenses ⁴	0.75%	1.25%	1.25%
Direct transaction costs	0.08%	0.33%	0.24%
Prices			
Highest share price	147.70	146.80	144.90
Lowest share price	146.10	144.90	141.40

¹ Operating cost for the six-month period ended 31st December 2020.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The figure shown for the current period is based on the average NAV over the preceding 6 months. Investors should also refer to the KIID (Key Investor Information Document) which is prepared on a forward-looking basis.

⁴ The Property Expense Ratio (PER) shows the ratio of operating costs that relate to the management of the property assets to the average net assets of the sub-fund.

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Sub-fund Information *(continued)*

Comparative Tables *(continued)*

F Acc (Inst. Net)

Accounting Period to -	01/07/2020 - 31/12/2020 <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>	01/07/2018 - 30/06/2019 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	143.04	142.04	139.10
Return before operating charges*	3.17	2.99	6.55
Operating charges and Property expenses ¹	(1.54)	(1.99)	(3.61)
Return after operating charges and Property expenses*	1.63	1.00	2.94
Distribution	(0.50)	(1.31)	(1.81)
Retained distributions on accumulation shares	0.50	1.31	1.81
Closing net asset value per share	144.67	143.04	142.04
*after direct transaction costs of ² :	0.11	0.48	0.34
Performance			
Return after charges	1.14%	0.70%	2.11%
Other Information			
Closing net asset value (£'000)	2,128	2,216	839
Closing number of shares	1,470,625	1,549,221	590,711
Operating charges ³	1.38%	1.39%	1.31%
Property expenses ⁴	0.75%	1.25%	1.25%
Direct transaction costs	0.08%	0.33%	0.24%
Prices			
Highest share price	144.70	143.70	142.10
Lowest share price	143.10	142.10	139.00

¹ Operating cost for the six-month period ended 31st December 2020.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The figure shown for the current period is based on the average NAV over the preceding 6 months. Investors should also refer to the KIID (Key Investor Information Document) which is prepared on a forward-looking basis.

⁴ The Property Expense Ratio (PER) shows the ratio of operating costs that relate to the management of the property assets to the average net assets of the sub-fund.

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Sub-fund Information (continued)

Comparative Tables (continued)

G Inc (Seed Net)

Accounting Period to -	01/07/2020 - 31/12/2020 <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>	01/07/2018 - 30/06/2019 <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	129.23	129.58	128.55
Return before operating charges*	2.86	2.66	6.01
Operating charges and Property expenses ¹	(1.39)	(1.81)	(3.32)
Return after operating charges and Property expenses*	1.47	0.85	2.69
Distributions on income shares	(0.45)	(1.20)	(1.66)
Closing net asset value per share	130.25	129.23	129.58
*after direct transaction costs of ² :	0.10	0.43	0.31
Performance			
Return after charges	1.14%	0.66%	2.09%
Other Information			
Closing net asset value (£'000)	339	274	372
Closing number of shares	260,616	211,758	286,736
Operating charges ³	1.38%	1.39%	1.31%
Property expenses ⁴	0.75%	1.25%	1.25%
Direct transaction costs	0.08%	0.33%	0.24%
Prices			
Highest share price	130.50	130.30	130.10
Lowest share price	129.30	129.30	128.50

¹ Operating cost for the six-month period ended 31st December 2020.

² Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

³ The OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The figure shown for the current period is based on the average NAV over the preceding 6 months. Investors should also refer to the KIID (Key Investor Information Document) which is prepared on a forward-looking basis.

⁴ The Property Expense Ratio (PER) shows the ratio of operating costs that relate to the management of the property assets to the average net assets of the sub-fund.

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Sub-fund Information *(continued)*

Comparative Tables *(continued)*

H Gross Acc

Accounting Period to -	01/07/2020 - 31/12/2020 <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>	01/07/2018 - 30/06/2019 ¹ <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	144.21	141.84	137.60
Return before operating charges*	3.27	3.29	6.69
Operating charges and Property expenses ²	(1.01)	(0.92)	(2.45)
Return after operating charges and Property expenses*	2.26	2.37	4.24
Distribution	(1.12)	(2.73)	(3.24)
Retained distributions on accumulation shares	1.12	2.73	3.24
Closing net asset value per share	146.47	144.21	141.84
*after direct transaction costs of ³ :	0.11	0.48	0.33
Performance			
Return after charges	1.57%	1.67%	3.08%
Other Information			
Closing net asset value (£'000)	15,329	16,140	13,330
Closing number of shares	10,465,377	11,192,305	9,397,840
Operating charges ⁴	0.63%	0.64%	0.56%
Property expenses ⁵	0.75%	1.25%	1.25%
Direct transaction costs	0.08%	0.33%	0.24%
Prices			
Highest share price	146.50	144.60	141.90
Lowest share price	144.90	141.90	137.50

¹ H Gross Acc share class launched on 13th July 2018.

² Operating cost for the six-month period ended 31st December 2020.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ The OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The figure shown for the current period is based on the average NAV over the preceding 6 months. Investors should also refer to the KIID (Key Investor Information Document) which is prepared on a forward-looking basis.

⁵ The Property Expense Ratio (PER) shows the ratio of operating costs that relate to the management of the property assets to the average net assets of the sub-fund.

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Sub-fund Information *(continued)*

Comparative Tables *(continued)*

X Net Acc

Accounting Period to -	01/07/2020 - 31/12/2020 <i>(pence per share)</i>	01/07/2019 - 30/06/2020 <i>(pence per share)</i>	01/07/2018 - 30/06/2019 ¹ <i>(pence per share)</i>
Change in Net Asset Value per Share			
Opening net asset value per share	137.36	136.78	134.10
Return before operating charges*	3.08	2.98	6.52
Operating charges and Property expenses ²	(1.72)	(2.40)	(3.84)
Return after operating charges and Property expenses*	1.36	0.58	2.68
Distributions	(0.29)	(0.94)	(1.48)
Retained distributions on accumulation shares	0.29	0.94	1.48
Closing net asset value per share	138.72	137.36	136.78
*after direct transaction costs of ³ :	0.11	0.46	0.32
Performance			
Return after charges	0.99%	0.42%	2.00%
Other Information			
Closing net asset value (£'000)	52	46	41
Closing number of shares	37,162	33,159	29,747
Operating charges ⁴	1.73%	1.74%	1.66%
Property expenses ⁵	0.75%	1.25%	1.25%
Direct transaction costs	0.08%	0.33%	0.24%
Prices			
Highest share price	138.80	138.10	136.90
Lowest share price	137.40	136.90	134.10

¹ X Net Acc share class launched on 13th July 2018.

² Operating cost for the six-month period ended 31st December 2020.

³ Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments or dilution levies that relate to direct transaction costs. A negative transactions costs figure might arise where there is a timing difference between inflows and the settlement of the resultant purchases.

⁴ The OCF is the ratio of the sub-fund's total disclosable costs (excluding overdraft interest) to the average net assets of the sub-fund. The figure shown for the current period is based on the average NAV over the preceding 6 months. Investors should also refer to the KIID (Key Investor Information Document) which is prepared on a forward-looking basis.

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Statement of Total Return

(unaudited) for the period ended 31st December 2020

	£'000	2020 £'000	£'000	2019 £'000
Income				
Net capital gains		471		98
Revenue	1,088		1,169	
Expenses	(834)		(716)	
Interest payable and similar charges	—		—	
Net revenue before taxation	254		453	
Taxation	—		—	
Net revenue after taxation for the period		<u>254</u>		<u>453</u>
Total return before distributions		725		551
Distributions		(271)		(453)
Change in net assets attributable to shareholders from investment activities		<u>454</u>		<u>98</u>

Statement of Change in Net Assets Attributable to Shareholders

(unaudited) for the period ended 31st December 2020

	£'000	2020 £'000	£'000	2019 £'000
Opening net assets attributable to shareholders*		61,228		57,509
Amounts receivable on issue of shares	2,935		9,293	
Amounts payable on cancellation of shares	(5,047)		(5,902)	
		(2,112)		3,391
Dilution adjustment		(15)		(15)
Change in net assets attributable to shareholders from investment activities		454		98
Retained distribution on accumulation shares		164		454
Closing net assets attributable to shareholders		<u>59,719</u>		<u>61,437</u>

* The opening net assets attributable to shareholders for 2020 differs to the closing position in 2019 by the change in shareholders' net assets for the second half of the comparative financial year.

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Balance Sheet

(unaudited) as at 31st December 2020

	31/12/2020 £'000	30/06/2020 £'000
Assets		
Fixed assets:		
Investment Property	51,341	50,565
Investment in Collective Investment Schemes	5,425	6,033
Current assets:		
Debtors	216	113
Cash and bank balances	2,988	4,715
Total assets	59,970	61,426
Liabilities		
Creditors:		
Distributions payable	(49)	(5)
Other creditors	(202)	(193)
Total liabilities	(251)	(198)
Net assets attributable to shareholders	59,719	61,228

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Cash Flow Statement

(unaudited) for the period ended 31st December 2020

	31/12/2020	30/06/2020
	£'000	£'000
Cash flows from operating activities:		
Change in net assets attributable to shareholders from investment activities	454	(156)
Distributions	271	793
Net capital gains:		
Non-derivative gains/(losses)	8	(5)
Immovable properties	(479)	161
Decrease in creditors	(24)	(6)
Decrease/(increase) in debtors	5	(112)
Net cash inflow from operating activities	235	675
Cash flows from investing activities:		
Payments to acquire investments	(480)	(8,155)
Receipts from sales of investments	744	3,220
Net cash inflow/(outflow) from investing activities	264	(4,935)
Cash flows from financing activities:		
Amounts received on creations of shares	2,816	11,239
Amounts paid on cancellation of shares	(4,981)	(8,162)
Distributions paid	(61)	(14)
Net cash (outflow)/inflow from financing activities	(2,226)	3,063
Net increase in cash and cash equivalents in period	(4,715)	(1,197)
Cash and cash equivalents at the end of the period	2,988	5,912
Net (decrease)/increase in cash and cash equivalents in period	(1,727)	4,715

Note to the Financial Statements

Accounting Policies

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 30th June 2020. They are in accordance with the United Kingdom Generally Accepted Accounting Practice (UK GAAP), as defined within the UK Financial Reporting Standard (FRS 102) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' (the "SORP"), issued by The Investment Management Association (now known as the Investment Association) in May 2014 and amended in June 2017.

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Distribution Tables

(unaudited) for the period ended 31st December 2020

First Interim 'A' Accumulation (Retail Gross) Shares (in pence per share)*

Group 1: Shares purchased prior to 1st July 2020

Group 2: Shares purchased on or after 1st July 2020 to 30th September 2020

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
Property Revenue Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.1919
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.1919
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

First Interim 'B' Accumulation (Retail Net) Shares (in pence per share)*

Group 1: Shares purchased prior to 1st July 2020

Group 2: Shares purchased on or after 1st July 2020 to 30th September 2020

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
Property Revenue Stream						
1	0.0048	0.0010	0.0038	–	0.0038	0.1480
2	0.0048	0.0010	0.0038	0.0000	0.0038	0.1480
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

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Distribution Tables

(unaudited) for the period ended 31st December 2020 (continued)

First Interim 'C' Accumulation (Retail Unbundled Gross) Shares (in pence per share)

Group 1: Shares purchased prior to 1st July 2020

Group 2: Shares purchased on or after 1st July 2020 to 30th September 2020

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
Property Revenue Stream						
1	0.2330	0.0000	0.2330	–	0.2330	0.4214
2	0.1728	0.0000	0.1728	0.0602	0.2330	0.4214
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

First Interim 'D' Accumulation (Retail Unbundled Net) Shares (in pence per share)

Group 1: Shares purchased prior to 1st July 2020

Group 2: Shares purchased on or after 1st July 2020 to 30th September 2020

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
Property Revenue Stream						
1	0.2109	0.0422	0.1687	–	0.1687	0.3314
2	0.1686	0.0337	0.1349	0.0338	0.1687	0.3314
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

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Distribution Tables

(unaudited) for the period ended 31st December 2020 (continued)

First Interim 'E' Income (Institutional Gross) Shares (in pence per share)*,**

Group 1: Shares purchased prior to 1st July 2020

Group 2: Shares purchased on or after 1st July 2020 to 30th September 2020

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
Property Revenue Stream						
1	0.2920	0.0000	0.2920	–	0.2920	0.0000
2	0.2920	0.0000	0.2920	0.0000	0.2920	0.0000
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

First Interim 'E' Accumulation (Institutional Gross) Shares (in pence per share)*

Group 1: Shares purchased prior to 1st July 2020

Group 2: Shares purchased on or after 1st July 2020 to 30th September 2020

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
Property Revenue Stream						
1	0.1090	0.0000	0.1090	–	0.1090	0.4819
2	0.1090	0.0000	0.1090	0.0000	0.1090	0.4819
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

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Distribution Tables

(unaudited) for the period ended 31st December 2020 (continued)

First Interim 'F' Accumulation (Institutional Net) Shares (in pence per share)*

Group 1: Shares purchased prior to 1st July 2020

Group 2: Shares purchased on or after 1st July 2020 to 30th September 2020

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
Property Revenue Stream						
1	0.2959	0.0592	0.2367	–	0.2367	0.3781
2	0.2959	0.0592	0.2367	0.0000	0.2367	0.3781
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

First Interim 'G' Income (Seed Net) Shares (in pence per share)*

Group 1: Shares purchased prior to 1st July 2020

Group 2: Shares purchased on or after 1st July 2020 to 30th September 2020

Group	Gross Income	Income Tax at 20%	Net Income	Equalisation	2020 Net Distribution Paid	2019 Net Distribution Paid
Property Revenue Stream						
1	0.2660	0.0532	0.2128	–	0.2128	0.3448
2	0.2660	0.0532	0.2128	0.0000	0.2128	0.3448
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

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Distribution Tables

(unaudited) for the period ended 31st December 2020 (continued)

First Interim 'H' Gross Accumulation Shares (in pence per share)

Group 1: Shares purchased prior to 1st July 2020

Group 2: Shares purchased on or after 1st July 2020 to 30th September 2020

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
Property Revenue Stream						
1	0.5655	0.0000	0.5655	–	0.5655	0.7405
2	0.2811	0.0000	0.2811	0.2844	0.5655	0.7405
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

First Interim 'X' Net Accumulation Shares (in pence per share)

Group 1: Shares purchased prior to 1st July 2020

Group 2: Shares purchased on or after 1st July 2020 to 30th September 2020

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2020 Net Accumulation	2019 Net Accumulation
Property Revenue Stream						
1	0.1588	0.0318	0.1270	–	0.1270	0.2588
2	0.1531	0.0306	0.1225	0.0045	0.1270	0.2588
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

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Distribution Tables

(unaudited) for the period ended 31st December 2020 (continued)

Second Interim 'A' Accumulation (Retail Gross) Shares (in pence per share)

Group 1: Shares purchased prior to 1st October 2020

Group 2: Shares purchased on or after 1st October 2020 to 31st December 2020

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2021 Net Accumulation	2020 Net Accumulation
Property Revenue Stream						
1	0.0845	0.0000	0.0845	–	0.0845	0.2199
2	0.0431	0.0000	0.0431	0.0414	0.0845	0.2199
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Second Interim 'B' Accumulation (Retail Net) Shares (in pence per share)*

Group 1: Shares purchased prior to 1st October 2020

Group 2: Shares purchased on or after 1st October 2020 to 31st December 2020

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2021 Net Accumulation	2020 Net Accumulation
Property Revenue Stream						
1	0.1793	0.0359	0.1434	–	0.1434	0.1877
2	0.1793	0.0359	0.1434	0.0000	0.1434	0.1877
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

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Distribution Tables

(unaudited) for the period ended 31st December 2020 (continued)

Second Interim 'C' Income (Retail Unbundled Gross) Shares (in pence per share)**

Group 1: Shares purchased prior to 1st October 2020

Group 2: Shares purchased on or after 1st October 2020 to 31st December 2020

Group	Gross Income	Income Tax at 20%	Net Income	Equalisation	2021 Net Distribution Paid	2020 Net Distribution Paid
Property Revenue Stream						
1	0.1643	0.0000	0.1643	–	0.1643	0.0000
2	0.0715	0.0000	0.0715	0.0928	0.1643	0.0000
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Second Interim 'C' Accumulation (Retail Unbundled Gross) Shares (in pence per share)

Group 1: Shares purchased prior to 1st October 2020

Group 2: Shares purchased on or after 1st October 2020 to 31st December 2020

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2021 Net Accumulation	2020 Net Accumulation
Property Revenue Stream						
1	0.2259	0.0000	0.2259	–	0.2259	0.4479
2	0.0908	0.0000	0.0908	0.1351	0.2259	0.4479
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

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Distribution Tables

(unaudited) for the period ended 31st December 2020 (continued)

Second Interim 'D' Accumulation (Retail Unbundled Net) Shares (in pence per share)

Group 1: Shares purchased prior to 1st October 2020

Group 2: Shares purchased on or after 1st October 2020 to 31st December 2020

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2021 Net Accumulation	2020 Net Accumulation
Property Revenue Stream						
1	0.2605	0.0521	0.2084	–	0.2084	0.3581
2	0.0876	0.0175	0.0701	0.1383	0.2084	0.3581
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Second Interim 'E' Income (Institutional Gross) Shares (in pence per share)*,**

Group 1: Shares purchased prior to 1st October 2020

Group 2: Shares purchased on or after 1st October 2020 to 31st December 2020

Group	Gross Income	Income Tax at 20%	Net Income	Equalisation	2021 Net Distribution Paid	2020 Net Distribution Paid
Property Revenue Stream						
1	0.2242	0.0000	0.2242	–	0.2242	0.0000
2	0.2242	0.0000	0.2242	0.0000	0.2242	0.0000
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

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Distribution Tables

(unaudited) for the period ended 31st December 2020 (continued)

Second Interim 'E' Accumulation (Institutional Gross) Shares (in pence per share)*

Group 1: Shares purchased prior to 1st October 2020

Group 2: Shares purchased on or after 1st October 2020 to 31st December 2020

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2021 Net Accumulation	2020 Net Accumulation
Property Revenue Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.5098
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.5098
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Second Interim 'F' Accumulation (Institutional Net) Shares (in pence per share)*

Group 1: Shares purchased prior to 1st October 2020

Group 2: Shares purchased on or after 1st October 2020 to 31st December 2021

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2021 Net Accumulation	2020 Net Accumulation
Property Revenue Stream						
1	0.3325	0.0665	0.2660	–	0.2660	0.4056
2	0.3325	0.0665	0.2660	0.0000	0.2660	0.4056
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

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Distribution Tables

(unaudited) for the period ended 31st December 2020 (continued)

Second Interim 'G' Income (Seed Net) Shares (in pence per share)

Group 1: Shares purchased prior to 1st October 2020

Group 2: Shares purchased on or after 1st October 2020 to 31st December 2021

Group	Gross Income	Income Tax at 20%	Net Income	Equalisation	2021 Net Distribution Paid	2020 Net Distribution Paid
Property Revenue Stream						
1	0.3008	0.0602	0.2406	–	0.2406	0.3692
2	0.0808	0.0162	0.0646	0.1760	0.2406	0.3692
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Second Interim 'H' Gross Accumulation Shares (in pence per share)

Group 1: Shares purchased prior to 1st October 2020

Group 2: Shares purchased on or after 1st October 2020 to 31st December 2020

Group	Gross Accumulation	Income Tax at 0%	Net Accumulation	Equalisation	2021 Net Accumulation	2020 Net Accumulation
Property Revenue Stream						
1	0.5561	0.0000	0.5561	–	0.5561	0.7707
2	0.2306	0.0000	0.2306	0.3255	0.5561	0.7707
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

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Distribution Tables

(unaudited) for the period ended 31st December 2020 (continued)

Second Interim 'X' Net Accumulation Shares (in pence per share)

Group 1: Shares purchased prior to 1st October 2020

Group 2: Shares purchased on or after 1st October 2020 to 31st December 2020

Group	Gross Accumulation	Income Tax at 20%	Net Accumulation	Equalisation	2021 Net Accumulation	2020 Net Accumulation
Property Revenue Stream						
1	0.2078	0.0416	0.1662	–	0.1662	0.3573
2	0.0825	0.0165	0.0660	0.1002	0.1662	0.3573
Interest Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Dividend Stream						
1	0.0000	0.0000	0.0000	–	0.0000	0.0000
2	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

* There were no group 2 units for this period.

** There are no comparative figures as the share class became active during the period.

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Taxation Information

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs practice, both of which are subject to change. It summarises the tax position of investors who are United Kingdom resident and hold Shares as investments. Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice.

Individual Shareholders: Property income distributions will be made to Shareholders subject to deduction of tax at 20%. Individuals will be subject to income tax on income from property and interest distributions at their marginal rate and may set off the tax suffered against their tax liability. PAIF dividend distributions will be paid gross. It will be taxable at the appropriate dividend tax rate after the dividend allowance of £5,000.

Corporate Shareholders: Property income distributions are generally paid to corporation tax payers without the deduction of tax at source and taxed as profits of a property business. PAIF interest distributions are also generally paid gross to corporation tax payers, and are taxed as yearly interest in their hands. PAIF dividend distributions are treated in the same way as dividends paid by United Kingdom companies, and are therefore exempt from corporation tax.

Tax-exempt Shareholders: Shareholders who are exempt from tax on income will be able to reclaim from HM Revenue & Customs the basic rate income tax withheld on the payment of property income distributions.

For all income allocations: A tax voucher showing the amount of the income distributed or deemed to be distributed to the Shareholder and tax deducted will be sent to Shareholders at the time of a distribution.



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