

Class D Shares - Retail Net (Unbundled) - 30 June 2022

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

This factsheet is for information only. It is not designed to provide advice on the suitability of an investment for your personal financial situation. Investors should read the Key Investor Information Document or Prospectus which are available on www.homeinvestor.fund or by contacting info@hearthstone.co.uk.

Investment Objective Summary

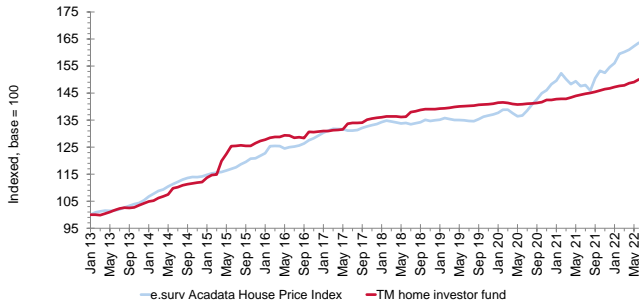
The Fund invests in private rented sector housing across mainland UK regions and aims to capture UK house price growth and provide an element of income return. The property investment manager, Hearthstone Asset Management Limited, uses quantitative asset allocation and qualitative regional stock selection to build a portfolio of assets reflecting the distribution of UK mainland housing stock which are let under assured shorthold tenancies (AST's) and corporate lets. Investment returns comprise capital growth and rental income.

The e.surv Acadata House Price Index is used for performance comparisons only. It is not a target benchmark and the fund is not constrained by it. This index has been chosen as a comparator benchmark as it is based upon actual sales completed and is mix-adjusted.

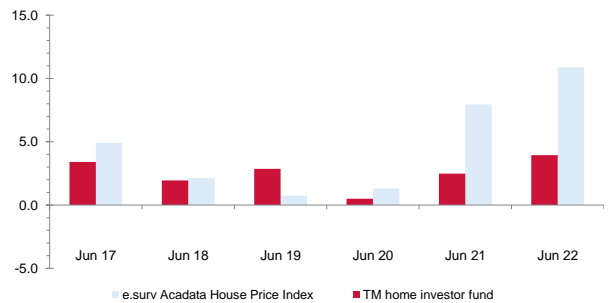
Please see the Key Investor Information Document or Prospectus for the full Investment Objective and Policy wording, and on the choice of performance comparator.

Fund v. Performance Comparator

Cumulative total return since share class inception



Discrete year until end of latest calendar quarter (%)



Cumulative total return (%) over period:

	1m	3m	6m	1y	3y	5y
TM home investor fund	0.67	1.49	2.25	3.94	7.06	12.26
e.surv Acadata House Price Index	0.78	2.12	5.83	10.87	21.25	24.76

Discrete total return (%) 12 months ending:

	Jun 18	Jun 19	Jun 20	Jun 21	Jun 22
TM home investor fund	1.94	2.86	0.50	2.48	3.94
e.surv Acadata House Price Index	2.14	0.74	1.31	7.95	10.87

Performance of Class D Shares - Retail Net (Unbundled) Accumulation Class, launched 07/01/2013. Prevailing single price*, net of charges, in GBP with income reinvested net of basic rate income tax. Performance of other classes may vary. Source of all data: Financial Express 30/06/2022 and e.surv 30/06/2022 unless stated otherwise.

*On 09-04-2015, the fund switched to a swinging single pricing basis with the prevailing single price used for performance calculation. Prior to that date, the fund was dual priced, with performance calculated on a bid-to-bid basis.

Important: You may get back less than the amount invested. Past performance is not necessarily a guide to future performance and future returns are not guaranteed. Tax treatment depends on the individual circumstances of each investor and may be subject to change in future.

Property Investment Manager's commentary

The Fund's property portfolio was again valued upwards in June 2022 - this month by £475,000 (0.80%). The 65 properties valued upward this month were spread across various locations including Birmingham, Colchester, Haywards Heath, and Horsham, with a number of valuations increasing due to sales within the portfolio being above recent valuations. We are currently selling 4 units within the Fund for asset management purposes and currently reviewing a number of potential acquisitions for the Fund also.

It is still evident that house price indices derived from Land Registry data, such as e.surv Acadata, continue to show a high degree of volatility so we are again reading the recent months' index with a high degree of caution. Notably, in their report last month, they published data showing the headline rates of growth in average prices has been skewed by detached properties whilst changes in prices for semi-detached, terraced and flats have all been below the average. Furthermore, we note that their report for this month states that with an estimated 165,000 completed transactions missing from Land Registry and c. 500,000 property sales awaiting completion, their "June 2022 sales data may well be describing the state of the market in January 2022."

10 properties were vacant at the end of June (two of which are being sold) but high demand for quality rental property has meant that units are re-letting quickly with no units void at the start of July. Average rental growth over 12 months stands at 3.4% (versus ONS Rental Index at 2.8% for May 2022 which is the most recent data available), with re-lets increasing by 5.8% and existing tenants' rent reviews by 2.5%. This rise has mainly been over the last 6-months with rents increasing by 5.4% in this period (10.3% on re-lets). Whilst we strive to provide the best returns for investors, we are extremely wary of the increasing cost-of-living crisis and endeavour to work with all tenants to get the fairest Market Rents for the Fund's properties.

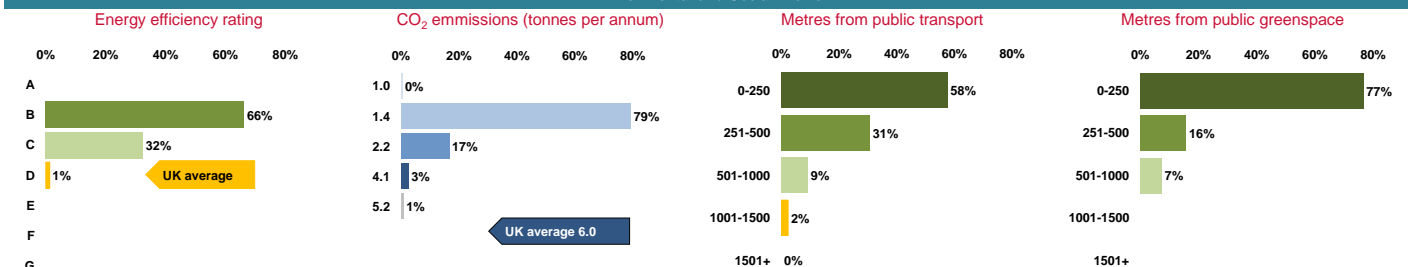
* The Standing Independent Valuer (SIV) attached a material valuation uncertainty clause to the Spectrum flats in Manchester in April 2021 following a failed EWS1 (external wall safety) assessment. These assessments were introduced by the government to improve fire safety of high-rise buildings including external cladding. As the potential cost of any remedial works, its funding and timing remain unclear, the clause remains in place. Government guidance is also under review, and it is not known how remedial works may impact the value of the flats or require funding from leaseholders. Consequently, the SIV has not changed its valuation from March 2021 but states less certainty and a higher degree of caution should be attached to its valuation of these units, and that it may take longer than the usual 3-6 month marketing period should a decision be made to sell them individually. All residents are aware of the situation and additional fire safety measures have been implemented. The 17 flats held by the fund, of which 12 are in a building below 18m, are part of a larger development of 600 apartments. Due to the fact that a Material Valuation Uncertainty clause has been attached to these properties, the 30th June 2021 financial statements will be qualified.

Portfolio Facts

Fund asset allocation		Top 10 property holdings			Property portfolio metrics	
Cash or equivalent	17.38%	Holding	Units	Value	Flats	90
Property - North West	9.02%	Quadrant Court, Wembley, London HA9	22	£7,385,000	Terraced	67
Property - North East	0.00%	Wickhurst Green, Horsham, RH12	14	£4,820,000	Semi	59
Property - Yorks & Humber	3.22%	The Limes, Nottingham, NG8	18	£4,110,000	Detached	12
Property - South East	19.47%	Crocketts Lane, Smethwick, B66	13	£3,220,000	Total number of properties	228
Property - South West	8.61%	Spectrum, Blackfriars Road, Manchester M3	17	* £3,115,000	Average property value	£262,437
Property - Wales	0.00%	Whittingham Place, Preston, PR3	13	£2,998,000	Average tenant stay	29 months
Property - Scotland	2.68%	King Georges Park, Rowhedge, CO5	8	£2,710,000	1 year ave. occupancy (% of income)	96.66%
Property - East of England	10.38%	Rea Road, Northfield, Birmingham. B31	14	£1,905,000		
Property - East Midlands	8.04%	Henmead House, Haywards Heath, RH16	6	£1,815,000		
Property - West Midlands	9.04%	Portland View, Bristol, BS2	6	£1,780,000		
Property - London	12.16%					

* See commentary above.

Environmental and Social Profile



All charts show the property portfolio by percentage of property units. Values may not total 100% due to rounding.

Sources: Hearthstone and Department for Levelling Up, Housing and Communities, 30 June 2022

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Costs and charges

Entry charge:	0.00%
Exit charge:	0.00%
Annual charges ('OCF')*:	1.44%

* Ongoing Charges Figure (OCF) is based on estimated annual expenses, and includes the Annual Management Charge of 0.9%. The OCF may vary from year to year.

Portfolio transaction costs: Generally expected to be zero or negative since the Property Investment Manager aims to transact properties at a price which at least negates the associated transaction costs.

Please note that past performance on the first page is shown *after* charges
CHARGES TO CAPITAL: Charges for the income share class only, insofar as possible, are taken from capital. Whilst this may increase the level of income distributed, capital may be eroded if growth is less than charges taken.

Minimum investment

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

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

Fund Price and Yield at 30 June 2022

	<u>Accumulation Class</u>	<u>Income Class</u>
Fund price:	£ 1.502	£1.481
Yield: *	0.68 %	1.43 %

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

Past five years distributions (pence per share):

Year	Accumulation Class	Income Class
2022	0.57	1.17
2021	0.66	0.65
2020	0.97	0.00
2019	1.66	0.00
2018	1.06	0.00

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

Investment ratios

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

Volatility (Accumulation class):	0.67 %
Maximum drawdown (Accumulation class):	-0.56 %

How to invest

This share/unit class is available on the platforms listed below. Other classes may be available on different platforms.

Adviser/Wealth Manager platforms:

7IM
 AJ Bell
 Alliance Trust
 Ascentric
 Aviva
 Cofunds Institutional
 Hubwise
 Parmenion
 Pershing
 Raymond James
 Transact
 Wealthtime

Direct to consumer (non-advised) platforms:

AJ Bell
 Alliance Trust
 Hargreaves Lansdown
 Interactive Investor
 Willis Owen

Key fund information

Fund name:	TM home investor fund (a subfund of the TM Hearthstone ICVC)
Performance comparator:	e.surv Acadata House Price Index
Fund launch date:	25/07/2012
Share class launch date:	07/01/2013 (Accumulation Class) 20/04/2020 (Income Class)
Fund size:	£73,017,484
Primary asset class:	UK Residential Property
Structure:	OEIC with PAIF Tax Status
Pricing frequency:	Daily
Subscription frequency:	Daily
Redemption frequency:	Daily
Dealing time:	22:30 London, UK
Settlement:	T+4

Fund Codes

Class:	Class D Shares - Retail Net (Unbundled)	
	Accumulation Class	Income Class
Sedol:	B960879	BLHXV61
ISIN:	GB00B9608795	GB00BLHXV618
Citicode:	I3HM	QZF5
MEXID:	8TCLAE	

MIFID category: **Non-complex**

Management & Administration

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

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

Authorised Corporate Director: **Thesis Unit Trust Management Limited**
Exchange Building, St Johns Street,
Chichester, West Sussex,
PO19 1UP
01243 531234
www.tutman.co.uk

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

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

Independent valuer: **CBRE Limited**

Auditor: **Grant Thornton UK LLP**

Environmental, Social, Governance (ESG)



Fund ratings

FE Risk Score
6

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

Important information

This financial promotion has been approved under Section 21 of the Financial Services and Markets Act 2000 by Thesis Asset Management Limited. Residential property values are affected by factors such as interest rates, economic growth, fluctuations in property yields and tenant default. Property investments are relatively illiquid compared to bonds and equities, and can take a significant amount of time to trade. Tax treatment depends on the individual circumstances of each investor and may be subject to change in future.

Hearthstone Investments Ltd is the parent company of the Hearthstone Investments Group. Regulated business is carried out by Hearthstone Asset Management Limited. Hearthstone Asset Management Limited is an appointed representative of Thesis Asset Management Limited which is authorised and regulated by the Financial Conduct Authority (114354). Hearthstone Investments Ltd (06379066) and Hearthstone Asset Management Limited (07458920) are both registered in England and Wales. The registered office for both companies is c/o Waterstone Company Secretaries Ltd Suite LG-03, Bridge House, 181 Queen Victoria Street, London, EC4V 4EG.

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