

Class D Shares - Retail Net (Unbundled) - 31 October 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.

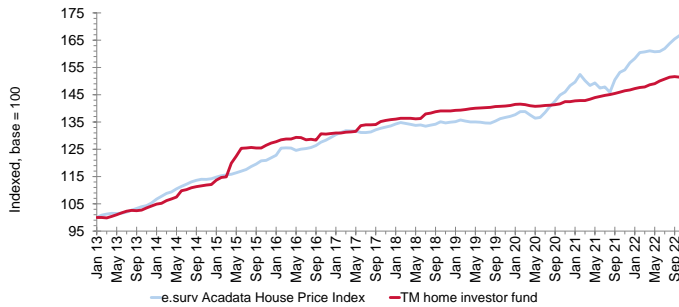
Investment Objective Summary

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.

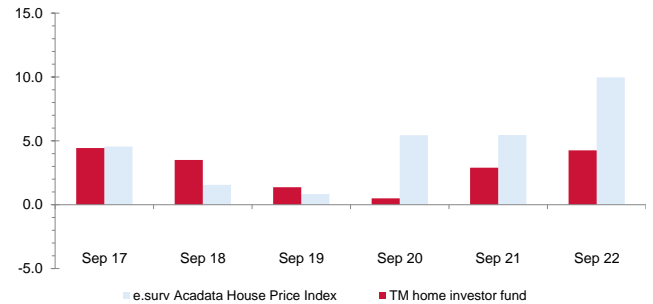
Please see the Key Investor Information Document or Prospectus for the full Investment Objective and Policy wording, and on the choice of performance comparator.

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	-0.13	0.46	1.88	3.76	7.59	12.05
e.surv Acadata House Price Index	0.76	2.97	3.49	8.82	22.38	25.64

Discrete total return (%) 12 months ending:

	Sep 18	Sep 19	Sep 20	Sep 21	Sep 22
TM home investor fund	3.50	1.37	0.50	2.90	4.26
e.surv Acadata House Price Index	1.55	0.84	5.44	5.45	9.97

Performance of Class D Shares - Retail Net (Unbundled) Accumulation Class, launched 07/01/2013. Prevailing single price*, net of charges, in GBP with income reinvested net of basic rate income tax. Performance of other classes may vary. Source of all data: Financial Express 31/10/2022 and e.surv 31/10/2022 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

There was a small downward valuation on the portfolio this month which was due in the main to a reduction in values on the Spectrum apartments (Manchester) following a cash-sale of a comparable property on the site. Until now, there had been no transaction data on which to base valuations for apartments in this location, but this transaction caused the Standing Independent Valuer to reduce the 17 Spectrum apartments by a total of £160,000. The Spectrum flats continue to let very well at a gross yield of 5.9%. There was no net change in valuation on the rest of the Fund's property portfolio in October. The downward valuation was partially offset by continued strong income. There are no signs of slowing demand in the rental sector, and the continued shortage of good quality properties to rent means the Fund's properties are letting very quickly and rents continue to rise. We maintain our prudent approach to rent reviews for existing tenants in light of cost-of-living pressures. Re-lets of vacant properties are priced at prevailing market rates. Average annual rental growth was 4.9% at the end of October, this being 3.4% on reviews of existing tenancies and 8.6% on relets of vacated properties. By way of comparison, the latest ONS Rental Index denotes 3.6% annual increase in UK rents to September. Rent collection remains high at 98% whilst arrears and voids remain low across the portfolio.

Despite the slowdown in demand caused by recent increases in mortgage rates, supply of available properties for sale has also reduced significantly and this has the effect of supporting prices. Whilst the Bank of England increased the base interest rate to 3% on 3rd November, financial markets are now predicting rates will peak at a lower level than was expected immediately after the 23rd September 'mini-budget' and those expectations are already feeding through to lower rates on popular 2- and 5-year fixed rate mortgages. Whilst the outlook for house prices remains uncertain for 2023 the portfolio benefits from broad regional diversification as well as a mix of houses and flats and, as previously indicated, the private rented sector did not see the same levels of capital appreciation over the past 18 months as larger, owner-occupied properties during the post pandemic boom.

* 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 there is currently no clarity as to potential cost and timing of any remedial works, or whether this may require funding from leaseholders, the clause remains in place. Consequently, the SIV states less certainty and a higher degree of caution should be attached to its valuation of these units, and that it may take longer than the usual 3-6 month marketing period should a decision be made to sell them individually. All residents are aware of the situation and additional fire safety measures have been implemented. The 17 flats held by the fund, of which 12 are in a building below 18 metres, are part of a larger development of c. 600 apartments. Since a Material Valuation Uncertainty clause has been attached to these properties, the 30th June 2022 financial statements were qualified.

Portfolio Facts

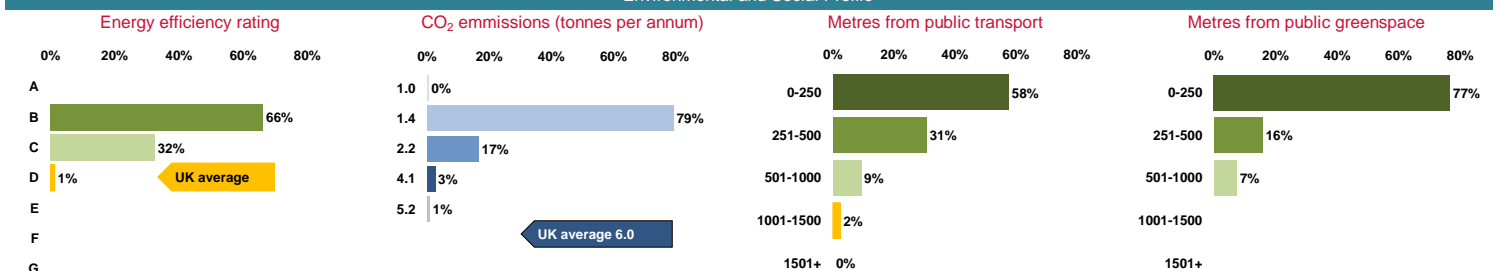
Fund asset allocation	
Cash or equivalent	16.62%
Property - North West	8.87%
Property - North East	0.00%
Property - Yorks & Humber	3.25%
Property - South East	19.96%
Property - South West	8.69%
Property - Wales	0.00%
Property - Scotland	2.71%
Property - East of England	10.26%
Property - East Midlands	8.15%
Property - West Midlands	9.26%
Property - London	12.24%

Top 10 property holdings		
Holding	Units	Value
Quadrant Court, Wembley, London HA9	22	£7,385,000
Wickhurst Green, Horsham, RH12	14	£4,840,000
The Limes, Nottingham, NG8	18	£4,110,000
Crocketts Lane, Smethwick, B66	13	£3,285,000
Whittingham Place, Preston, PR3	13	£2,998,000
*Spectrum, Blackfriars Road, Manchester M3	17	£2,955,000
King Georges Park, Rowhedge, CO5	8	£2,710,000
Rea Road, Northfield, Birmingham. B31	14	£1,940,000
Henmead House, Haywards Heath, RH16	6	£1,815,000
Portland View, Bristol, BS2	6	£1,780,000

* See commentary above.

Property portfolio metrics	
Flats	89
Terraced	67
Semi	59
Detached	12
Total number of properties	227
Average property value	£264,311
Average tenant stay	29 months
1 year ave. occupancy (% of income)	96.31%

Environmental and Social Profile



All charts show the property portfolio by percentage of property units. Values may not total 100% due to rounding. Sources: Hearthstone and Department for Levelling Up, Housing and Communities, 31 October 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 31 October 2022

	<u>Accumulation Class</u>	<u>Income Class</u>
Fund price:	£ 1.516	£1.480
Yield: *	0.66 %	1.63 %

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

Past five years distributions (pence per share):

	0.82	1.61
2022		
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):	0.73 %
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:	£72,273,118
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:	8TCLEA	

MiFID category: **Non-complex**

Management & Administration

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

Property Investment Manager and Distributor: **Hearthstone Asset Management Limited**
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PO19 1UP
01243 531234
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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).