

## Class D Shares - Retail Net (Unbundled) - 30 November 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](http://www.homeinvestor.fund) or by contacting [info@hearthstone.co.uk](mailto:info@hearthstone.co.uk).

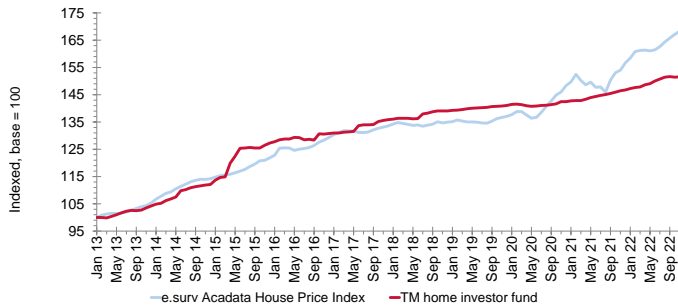
### Investment Objective Summary

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.

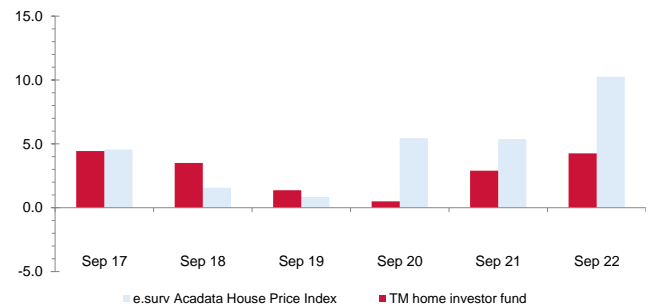
Please see the Key Investor Information Document or Prospectus for the full Investment Objective and Policy wording, and on the choice of performance comparator.

### 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	0.07	0.07	1.68	3.48	7.59	11.79
e.surv Acadata House Price Index	0.69	2.41	4.47	9.26	23.12	26.38

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	5.38	10.26

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 30/11/2022 and e.surv 30/11/2022 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 posted a positive return in November. A small downward valuation on its flats in Edinburgh being more than offset by net rental income, driven by continued strong demand which currently shows no signs of slowing. The continued shortage of good quality properties to rent across all regions means the Fund's properties are still letting very quickly and rents are continuing to rise. We maintain our responsible approach to rent reviews for existing tenants in light of cost-of-living pressures, whilst re-lets of vacant properties are priced at prevailing market rates. Average annual rental growth was 5.8% at the end of November, this being 4.0% on reviews of existing tenancies and 9.5% on relets of vacated properties. By way of comparison, the latest ONS Rental Index denotes 4.0% annual increase in UK rents to November. Rent collection remains high at 102% for November and 100% for the quarter whilst arrears and voids remain low across the portfolio with no voids at the time of writing.

The Bank of England raised its base rate to 3.5% on 15th December. This was widely expected following publication of the latest annual inflation data at 10.7%, falling from what is anticipated to be its 11.1% peak the previous month. Markets are now pricing in expectations of the base rate peaking between 4% and 4.5% next year – significantly below levels immediately after September's 'Mini-Budget'. These expectations are slowly filtering through to the mortgage market with an increasing number of 2- and 5-year fixed rate deals now available below 5% which should improve housing market sentiment. Whilst the outlook for house prices still remains uncertain for 2023, it is worth re-iterating that the housing market, thanks to more stringent lending over the past decade, is much better positioned than it was prior to the Global Financial Crisis. Furthermore, the Fund's 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	Top 10 property holdings	Property portfolio metrics
Cash or equivalent 15.79%	Holding	Units
Property - North West 8.96%	Quadrant Court, Wembley, London HA9	22
Property - North East 0.00%	Wickhurst Green, Horsham, RH12	14
Property - Yorks & Humber 3.29%	The Limes, Nottingham, NG8	18
Property - South East 20.17%	Crocketts Lane, Smethwick, B66	13
Property - South West 8.78%	Whittingham Place, Preston, PR3	13
Property - Wales 0.00%	* Spectrum, Blackfriars Road, Manchester M3	17
Property - Scotland 2.69%	King Georges Park, Rowledge, CO5	8
Property - East of England 10.37%	Rea Road, Northfield, Birmingham. B31	14
Property - East Midlands 8.24%	Henmead House, Haywards Heath, RH16	6
Property - West Midlands 9.36%	Portland View, Bristol, BS2	6
Property - London 12.36%		

Environmental and Social Profile
Energy efficiency rating
CO <sub>2</sub> emissions (tonnes per annum)
Metres from public transport
Metres from public greenspace

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 November 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 November 2022

	Accumulation Class	Income Class
Fund price:	£ 1.517	£1.480
Yield: *	0.84 %	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):

	2022	2021	2020	2019	2018
Accumulation Class	1.28	0.66	0.97	1.66	1.06
Income Class	2.44	0.65	0.00	0.00	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:	£71,502,437
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)
	<b>Accumulation Class</b> <b>Income Class</b>
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**  
29 Throgmorton Street  
London  
EC2N 2AT  
020 3301 1330  
info@hearthstone.co.uk  
www.homeinvestor.fund

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

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

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

Independent valuer: **CBRE Limited**

Auditor: **Grant Thornton UK LLP**

### Environmental, Social, Governance (ESG)

Signatory of:



### Fund ratings

#### FE Risk Score

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).