

Class C Shares - Retail Gross (Unbundled) - 31 December 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.

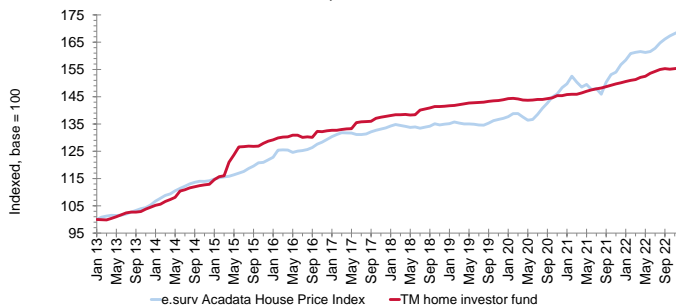
Investment Objective Summary

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.

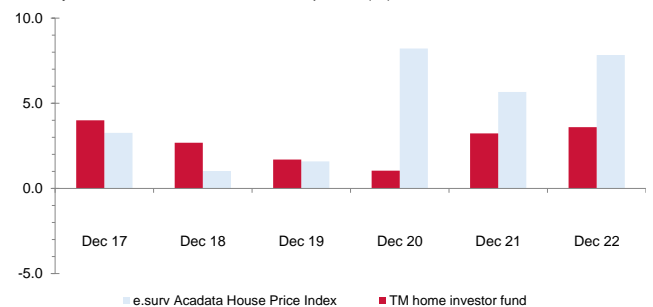
Please see the Key Investor Information Document or Prospectus for the full Investment Objective and Policy wording, and on the choice of performance comparator.

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 | 0.13 | 1.24 | 3.60 | 8.06 | 12.84 |
| e.surv Acadata House Price Index | 0.50 | 1.73 | 4.62 | 7.83 | 23.31 | 26.54 |

Discrete total return (%) 12 months ending:

| | Dec 18 | Dec 19 | Dec 20 | Dec 21 | Dec 22 |
|----------------------------------|--------|--------|--------|--------|--------|
| TM home investor fund | 2.69 | 1.70 | 1.04 | 3.23 | 3.60 |
| e.surv Acadata House Price Index | 1.02 | 1.59 | 8.22 | 5.67 | 7.83 |

Performance of Class C Shares - Retail Gross (Unbundled) Accumulation Class, launched 07/01/2013. Prevailing single price*, net of charges, in GBP with income reinvested gross (no deduction of income tax). Performance of other classes may vary. Source of all data: Financial Express 31/12/2022 and e.surv 31/12/2022 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

Despite significant economic and political turbulence during 2022, the TM home investor posted positive total returns for the year, ranging from 3.3% to 3.7% net of charges depending on share class - its 11th consecutive year of positive total returns since inception. Performance both for December and Q4 2022 was positive, demonstrating again the benefit and resilience of residential property allocations within diversified portfolios.

Despite the increase in Bank of England (BoE) base rate of interest to 3.5% in December, mortgage rates have continued to fall over recent weeks as lenders compete for a slice of a smaller market - BoE reporting in its latest statistics that mortgage approvals for house purchases decreased to 46,100 in November from 57,900 in October. However, reduced buyer demand does not necessarily result in an immediate reduction in property prices or valuations as supply of properties also tends to contract. Recent negative movements in some house price indices are likely a reflection of buyers opting for smaller, cheaper properties because of reduced affordability caused by increased mortgage rates and inflation, both of which are anticipated to ease as the year progresses.

Whilst there is still some uncertainty of how capital values of UK housing will change during 2023, more stringent lending over the past decade means the market is better positioned that it was prior to the Global Financial Crisis. Furthermore, the Fund's portfolio benefits from broad regional and property-type diversification, and the shortage of good quality homes for rent continues to drive rental growth, high occupancy, and high levels of rent collection. Over the past 12 months, just 3.3% of the fund's income was lost to voids, and 5.8% rental growth was achieved across the portfolio.

* 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

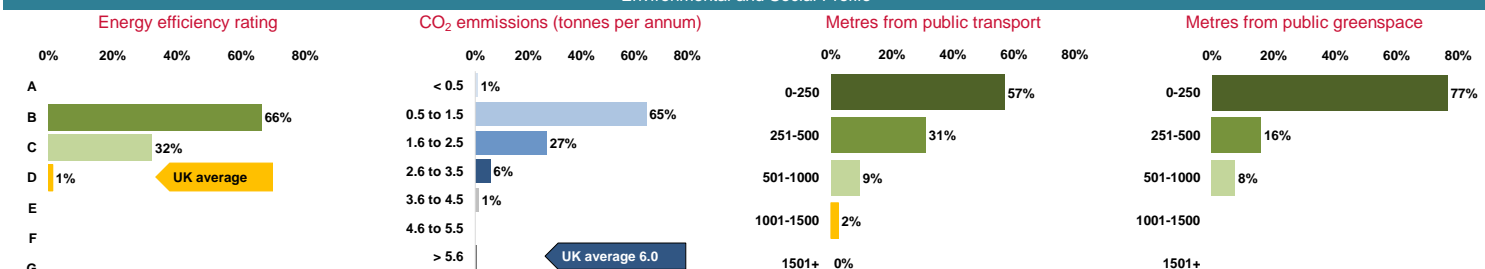
| Fund asset allocation | |
|----------------------------|--------|
| Cash or equivalent | 14.37% |
| Property - North West | 9.16% |
| Property - North East | 0.00% |
| Property - Yorks & Humber | 3.36% |
| Property - South East | 20.18% |
| Property - South West | 8.97% |
| Property - Wales | 0.00% |
| Property - Scotland | 2.74% |
| Property - East of England | 10.59% |
| Property - East Midlands | 8.42% |
| Property - West Midlands | 9.56% |
| Property - London | 12.63% |

| 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 |
| Portland View, Bristol, BS2 | 6 | £1,780,000 |
| Willow Grange, Doncaster, DN4 | 8 | £1,670,000 |

* See commentary above.

| Property portfolio metrics | |
|-------------------------------------|-----------|
| Flats | 88 |
| Terraced | 67 |
| Semi | 59 |
| Detached | 12 |
| Total number of properties | 226 |
| Average property value | £263,912 |
| Average tenant stay | 31 months |
| 1 year ave. occupancy (% of income) | 96.71% |

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 December 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 December 2022

| | <u>Accumulation Class</u> | <u>Income Class</u> |
|---|---------------------------|---------------------|
| Fund price: | £ 1.555 | £1.499 |
| Yield: * | 1.05 % | 2.24 % |
| * gross (no deduction of income tax). Income class yield is estimated, based on historical yield of the Accumulation class. | | |
| Past five years distributions (pence per share): | | |
| 2022 | 1.63 | 3.39 |
| 2021 | 0.80 | 2.08 |
| 2020 | 1.25 | 0.00 |
| 2019 | 2.12 | 0.00 |
| 2018 | 1.43 | 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): | 0.72 % |
| Maximum drawdown (Accumulation class): | -0.48 % |

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
Fidelity FundsNetwork
Hubwise
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: | £69.96 million |
| 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 C Shares - Retail Gross (Unbundled) | |
| | <u>Accumulation Class</u> | <u>Income Class</u> |
| Sedol: | B95VYK8 | BLHXV50 |
| ISIN: | GB00B95VYK84 | GB00BLHXV501 |
| Citicode: | I3HL | QZF4 |
| MEXID: | 8THEAP | |

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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info@hearthstone.co.uk
www.homeinvestor.fund

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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).